



# **Southwest Wisconsin Technical College**

## **District Board Meeting**

### **Regular Meeting**

**January 23, 2014**

Held at

Southwest Tech  
1800 Bronson Boulevard  
Fennimore, WI 53809

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## **Annotated Agenda**



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

Thursday, January 23, 2014

6:15 p.m. – Dinner

7:00 p.m. – Regular Board Meeting

Room 492-493 – College Connection

### **ANNOTATED AGENDA**

#### **OPEN MEETING**

The following statement will be read: "The January 23, 2014, regular Board 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 December 19, 2013**

Minutes of the December 19, 2013, Board meeting are included with the electronic Board material.

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

###### **1. Purchase Orders Greater than \$2,500**

###### **2. Treasurer's Cash Balance**

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

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

**D. Contract Revenue**

Eleven contracts totaling \$18,543.65 in December 2013 will be presented for Board approval. The Contract Revenue Report is included with the electronic Board material.

**E. Personnel Items**

**1. Employment**

There are three new hires and one transfer being presented for approval in the Personnel Report. The report is available with the electronic Board material.

**2. Resignations**

There are two resignations being presented for approval in the Personnel Report, which is available with the electronic Board material.

**Recommendation:** Approve the consent agenda

**OTHER ITEMS REQUIRING BOARD ACTION**

**A. FY 2013 Financial Audit**

Natalie Rew and Scott Haumersen of Wegner CPAs, Madison, WI, will present the audit report. A final audit report is available electronically with all other Board material.

**Recommendation:** Approve the 2012-13 Financial Audit as presented.

**B. Request for Approval of Library Area of Building 300 Renovation**

The Library Area renovation will improve student access to educational resources. We seek the Boards approval to move forward with the renovation of the Library Area. Doug Pearson, Director of Facilities, will provide a review of the plans and present the Request for Approval.

**1. Resolution Approving Library Area of Building 300 Renovation Project**

The resolution approving the renovation of the Library Area is available with the Board material.

**Recommendation:** Approve the renovation of the Library Area of Building 300.

**2. Resolution Requesting State Board Approval of Library Area of Building 300 Renovation Project**

The resolution approving the submission of the renovation of the Library area of Building 300 to the WTCS Board is available electronically with all other Board material.

**Recommendation:** Approve the submission to the State Board for their approval of renovation of the Library Area.

**C. Request for Approval of Cosmetology Renovation**

The Cosmetology renovation will provide more classroom space and updated lab workstations. We seek the Boards approval to move forward with the renovation of Cosmetology. Doug Pearson, Director of Facilities, will provide a review of the plans and present the Request for Approval.



**1. Resolution Approving Cosmetology Renovation Project**

The resolution approving the renovation of Cosmetology is available with the Board material.

**Recommendation:** Approve the renovation of Cosmetology.

**2. Resolution Requesting State Board Approval of Cosmetology Renovation Project**

The resolution approving the submission of the renovation of Cosmetology to the WTCS Board is available electronically with all other Board material.

**Recommendation:** Approve the submission to the State Board for their approval of renovation of Cosmetology.

**D. Request for Approval of Rental of Facilities in Richland Center, WI**

Caleb White will present the Request for Approval for a Rental Space for the Richland Center Outreach Site.

**1. Resolution Approving Lease**

The resolution approving the lease of 3,600 square feet of space in Richland Center, WI, is included with the electronic Board material.

**Recommendation:** Approve the lease of approximately 3,600 square feet located at 26220 Executive Lane, Richland Center, WI, to provide an off-site classroom/office space.

**2. Resolution Requesting State Board Approval of Lease – The resolution approving the submission of the lease of an off-site classroom/office facility to the State Board is included with the electronic Board material.**

**Recommendation:** Approve the submission to the State Board for their approval of the lease of an off-site classroom/office facility in Richland Center, WI.

**BOARD MONITORING OF COLLEGE EFFECTIVENESS**

**A. Transition Plan for Facilities Projects**

Doug Pearson and Caleb White will provide an overview of the facilities projects and the plan for moving the projects forward. The report will be available at the Board meeting.

**B. Industry, Trades & Agriculture Report**

Derek Dachelet, Dean of Industry, Trades & Agriculture, will present recent division activities. The report will be available at the Board meeting.

**C. Staffing Update**

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

**INFORMATION AND CORRESPONDENCE**

**A. Enrollment Report**

The 2013-14 Comparison FTE and 2014-15 Application Reports are available electronically with all other Board material.

**B. Chairperson's Report**

**C. College President's Report**

1. Thank You's
2. Business Leaders
3. Spring Events – Taking it Local and Agriculture Day

**D. Other Information Items**

**ESTABLISH BOARD AGENDA ITEMS FOR NEXT MEETING**

**A. Agenda**

1. Board Retreat
2. Community Panel
3. Budget Assumptions & Parameters
4. Administrative Services Report
5. Student & Academic Affairs Report

**B. Time and Place**

Friday, February 21, 2014, at 12:30 at the Richland Center Community Center, Richland Center, WI and Saturday, February 22, 2014, at 8:30 a.m. in the Popen Conference Room 3 at The Richland Hospital, Richland Center, WI

**ADJOURNMENT**

## **Open Meeting**

The following statement will be read: "The January 23, 2014, regular Board 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***

## **BOARD MEETING NOTICE/AGENDA**

Thursday, January 23, 2014

6:15 p.m. - Dinner

7:00 p.m. – Board Meeting

Room 492-493 – College Connection

## **OPEN MEETING**

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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 December 19, 2013**

### **C. Financial Reports**

#### **1. Purchase Orders Greater than \$2,500**

- 2. Treasurer's Cash Balance
- 3. Budget Control
- D. Contract Revenue
- E. Personnel Items
  - 1. Employment
  - 2. Resignations

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

- A. FY 2013 Financial Audit
- B. Request for Approval of Library Area of Building 300 Renovation
  - 1. Resolution Approving Library Area of Building 300 Renovation Project
  - 2. Resolution Requesting State Board Approval of Library Area of Building 300 Renovation Project
- C. Request for Approval of Cosmetology Renovation
  - 1. Resolution Approving Cosmetology Renovation Project
  - 2. Resolution Requesting State Board Approval of Cosmetology Renovation Project
- D. Request for Approval of Rental of Facilities in Richland Center, WI
  - 1. Resolution Approving Lease
  - 2. Resolution Requesting State Board Approval of Lease

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

- A. Transition Plan for Facilities Projects
- B. Industry, Trades & Agriculture Report
- C. Staffing Update

### **INFORMATION AND CORRESPONDENCE**

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

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

- A. Agenda
- B. Time and Place

### **ADJOURNMENT**

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

## ***B. Minutes of the Regular Board Meeting of December 19, 2013***

### **MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF SOUTHWEST WISCONSIN TECHNICAL COLLEGE DECEMBER 19, 2013**

The Board of Southwest Wisconsin Technical College met in public session of a regular meeting commencing at 5:01 p.m. on December 19, 2013, in the Meeting Room at Southwest Tech's Outreach Site located in the Platteville Schools Professional Learning Center, 110 W. Adams Street in the City of Platteville, Grant County, Wisconsin. The following members were present:

Melissa Fitzsimons, James Kohlenberg, Darlene Mickelson, Russell Moyer, Eileen Nickels, Chris Prange, Rhonda Sutton, and Donald Tuescher (arrived at 5:27 p.m.)

Absent: Diane Messer

Others present for all or a portion of the meeting included Dr. Duane M. Ford, College President; College Staff: Karen Campbell, Joyce Czajkowski, Sue Reukauf, Phil Thomas, Barb Tucker, and Caleb White. Public present included Larry Bierke, Dan Rohrbach, Tim Boldt, Dennis Shields, John Digman, and Jeff Jacobson.

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

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

Thursday, December 19, 2013

5:00 p.m. – Board Meeting - Platteville Community Panel

6:00 p.m. – Dinner

6:30 p.m. – Regular Board Meeting

Platteville Outreach Site Meeting Room

110 W. Adams Street, Platteville, WI

### **AMENDED AGENDA**

#### **OPEN MEETING**

The following statement will be read: "The December 19, 2013, Board 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

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

#### A. Platteville Community Panel

The Board will adjourn until 6:30 p.m. The Board will have dinner for social purposes only and no College business will be conducted.

### **CONSENT AGENDA**

- A. Approval of Agenda
- B. Minutes of the Regular Meeting of November 21, 2013
- C. Financial Reports
  - 1. Purchase Orders Greater than \$2,500
  - 2. Treasurer's Cash Balance
  - 3. Budget Control
- D. Contract Revenue
- E. Personnel Items
  - 1. Employment
  - 2. Resignation

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

- A. Grant County Economic Development Corporation Lease

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

- A. Business & General Studies Report
- B. Staffing Update

### **INFORMATION AND CORRESPONDENCE**

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

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

- A. Agenda
- B. Time and Place

### **ADJOURNMENT**

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Community members from the Platteville area engaged with the Board for discussion of programming and services. Community members included:

- Larry Bierke, Platteville City Manager;
- Dan Rohrbach, Southwest Health Center CEO;
- Tim Boldt, Pioneer Ford Manager and Platteville Chamber of Commerce President;
- Dennis Shields, UW-Platteville Chancellor;

- John Digman, Mound City Bank Vice President; and
- Jeff Jacobson, Platteville High School Principal.

Panel members provided feedback on strengths with regard to Southwest Tech services to their individual organizations and community. It was noted that the College has a great automotive program and works with the Wisconsin Automobile & Truck Dealers Association. UW-Platteville Chancellor Shields shared that Southwest Tech collaborates on a wide range of activities with the university including economic development, utilizing staff to teach coursework, providing food service to Southwest Tech, and articulation by providing students the opportunity to start their education at Southwest Tech and then transfer to the university. Southwest Health Center collaborates as a health care clinical site for students and Southwest Tech provides great resources for the hospital to use. Mr. Rohrbach also noted that Dr. Ford serves on the Southwest Health Center Board of Directors. Southwest Tech is open to articulating high school courses and providing courses for educational consortiums, which has allowed Platteville Schools to access grant funds. Other strengths noted were that Southwest Tech leadership and staff members make themselves available and participate in the Platteville community, the College provides opportunities to train staff at businesses, and the College offers students in Southwest Wisconsin a great opportunity.

When asked about weaknesses with regard to Southwest Tech services to their individual organizations and community, discussion followed on:

- how to keep the economy growing in the region and creating more jobs;
- poverty being a big issue in this part of the state with underemployed persons in the community and how adult education needs to be a collaborative effort between the community and Southwest Tech;
- the perception of high school students and parents that you go to Southwest Tech when you don't know what to do;
- accessibility for high school students to take advantage of all articulation agreements because Southwest Tech is 25 miles to the north;
- ADN graduates well prepared, but for work in higher acuity areas like surgery and OB/GYN they need more experience. Perhaps some way could be worked out to give ADN graduates some sort of practicum or residency. This is also an issue with four-year graduates; and
- the need for more collaboration between the automotive instructors and franchised dealerships. Southwest Tech graduates are ASE certified in certain areas, which is fine for a service center, but when a graduate goes to a franchised dealership their education starts over. Each franchise has their own certifications and technicians are needed in those areas to do warranty work. Mr. Boldt suggested the Wisconsin Auto & Truck Dealers Association as a place to start and he offered to work on it also. Mr. Boldt would like to get to know the students while they are here as they have opportunities to hire students while they are going to school.

In further discussion on perception of Southwest Tech, the panel members felt this emanates from the parents to the high school students. It was suggested to start with the parents and public school teachers, as part of the schools' in-services, to change the perception to a more positive reality. A suggestion was also made to invite elementary students out to businesses to view different occupations and engage the

students early on in what Southwest Tech offers. Discussion on referring to Southwest Tech as a college and communities and colleges touting the positive things that we are doing would also improve the perception.

When asked about opportunities for Southwest Tech to improve its services, the panel members made the following suggestions on specific programming;

- Offer a Medical Administrative Professional program to give students a breadth of knowledge in healthcare support services;
- Offer courses in TNCC (Trauma Nursing Core Course), CCCC (Core Curriculum for Critical Care), and CALS (Comprehensive Advanced Life Support);
- Provide continuing adult education, helping people improve themselves; and
- Provide education in personal economics and purchasing/lease vehicles;

Other opportunities that would be in collaboration with the K-12 schools, other post-secondary institutions, and economic development included:

- Changing how we communicate (especially for the younger generation) and focusing on one-on-one communication;
- Exploring internship opportunities that are available in city government and business;
- Becoming more of a public voice by working harder to get our message out and being more proactive;
- Leading conversations on the types of math courses focused on career and technical education to offer in high schools to address the additional one credit math requirement for high school students;
- Assisting with staff development for K-12 teachers to promote career and technical education;
- Assisting with getting high school students visiting/touring different places of business and industry for career exploration;
- Accessing Southwest Tech courses for high school students in other locations than Fennimore;
- Engaging students in remediation; and
- Developing economic development efforts to promote the region and increase wages for workers.

The panel members were thanked for the valuable feedback. The Board then adjourned at 6:09 p.m. for dinner for social purposes only and no College business was conducted. At 6:40 p.m. the Board reconvened

After reviewing the Consent Agenda, Ms. Fitzsimons moved to approve the Consent Agenda including the December 19, 2013, agenda; November 21, 2013, Board minutes; financial reports; 14 contracts totaling \$313,335.08; hiring of Brian Reuter, Evening Custodian and Darnell Hendriks, Southwest Health Network Director; transfer of Holly Crubel, Accounts Payable; and the resignation of Pam Myhre, Nursing Instructor. Mr. Kohlenberg seconded the motion; motion carried.

The 2014 office space lease with Grant County Economic Development Corporation was presented for approval. The terms of the lease remain the same as the 2013 lease. Mr. Tuescher moved to approve the 2014 lease for Grant County Economic Development



Corporation, with Mr. Prange seconded the motion. The motion unanimously carried with Ms. Mickelson abstaining.

Joyce Czajkowski, Dean of Business & General Studies, presented recent division activities. New programming highlighted included developing a logistics certificate and Associate of Applied Science in Supply Chain Management; modification of the Supervisory Management program to online, competency-based, one-credit courses with embedded certificates; and developing evening/weekend programs and certificates for delivery at outreach locations including a sales certificate, small business management certificate, and a career pathway for bookkeeping to accounting with industry-recognized certificates embedded in the pathway. Dr. Czajkowski also noted the Esthetician program is in the process of designing a unique delivery that will combine hands-on learning in an alternative format with online/blended theory classes, Friday/Saturday delivery options, and offering esthetician training for cosmetologists during the summer. The nail technician certificate is being considered as a summer offering. Eight Culinary luncheons will be held this spring with more formal luncheons being offered in FY2015. Activities for General Education included collaboration with Nicolet College in the delivery of classes for the Nicolet 1+1 University Transfer Agreement and the development of three new General Education courses – English Composition 1, Introduction to Mass Communications, and Applied Communication Skills.

Dr. Ford provided the Board with an update on staffing. He noted Darnell Hendricks and Brian Reuter were hired and approved under the Consent Agenda. Holly Crubel is transferring to the Accounts Payable position. Interviewing is taking place for a Logistics Instructor/Program Coordinator position and position openings are being prepared for a Financial Aid Specialist/Accounting Bursar and an Early Childhood Education Instructor.

Caleb White, Vice President for Administrative Services, presented the 2013-14 Comparison FTE and 2014-15 Application Reports. Enrollment numbers remain flat as compared to FY2013 enrollment. The application report reflected 1,072 potential students have applied for FY2015.

Under the President's Report, Dr. Ford informed the Board:

- The ribbon cutting for the newly located Dodgeville Outreach Site was held on December 10 with 70 people in attendance.
- The Richland Development Alliance will be co-locating at the Richland Center Outreach Site.
- He met with the Iowa County Justice Committee on concerns expressed by Iowa County firefighters. No issues with the quantity, quality and timing of the educational training opportunities the College provides were expressed at the meeting.
- The new College website will be launched the first week in January.
- Work is progressing on the 30 credits of General Education transfer with the University of Wisconsin System.

Discussion followed on programming at the outreach sites. Advisory committees have been developed for the Dodgeville and Platteville outreach sites to assist with

programming. In the future, advisory committees will be developed for other outreach locations.

With no further business to come before the Board, Ms. Fitzsimons moved to adjourn the meeting; Ms. Mickelson seconded the motion. The motion carried and the meeting adjourned at 7:24 p.m.

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Darlene Mickelson, Secretary

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

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

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
OUTSTANDING PURCHASE ORDERS GREATER THAN \$2,500  
FOR THE PERIOD 12/01/2013 TO 12/31/2013**

<u>PO DATE</u>	<u>PO #</u>	<u>VENDOR NAME</u>	<u>PO AMOUNT</u>	<u>DESCRIPTION</u>
<b><u>GENERAL FUND</u></b>				
12/9/2013	6102	Trane	7,900.00	Bldg 300: Re-balance Heating/Hot Water System
SUBTOTAL			\$ 7,900.00	
<b><u>CAPITAL FUND</u></b>				
12/4/2013	6099	Cleary Bulding Corporation	22,081.00	PSC/Firing Range Storage Building
12/5/2013	6101	Badger Welding Supplies	33,586.00	Welding: Plasma Cutters, TIG Welder and Bandsaw
SUBTOTAL			\$ 55,667.00	
<b><u>ENTERPRISE FUND</u></b>				
12/9/2013	6103	GlobalCom Technologies	8,875.00	Foundation: Housing Cameras
SUBTOTAL			\$ 8,875.00	
TOTAL			\$ 72,442.00	

## 2. Treasurer's Cash Balance

### Southwest Wisconsin Technical College Report of Treasurers Cash Balance 12/31/2013

#### Liability End of Month Balances

FICA	-
Federal Withholding	-
State Withholding	25,690.86
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	380,037.94
Sick Leave Payable	640,035.96
Other (Due To)	<u>7,141,073.29</u>
Total Liability Adjustment	8,186,838.05

Beginning Treasurers Balance 2,606,302.33

#### Receipt

Fund		
1 General	288,294.18	
2 Special Revenue	-	
3 Capital Projects	1,251.55	
4 Debt Service	182,664.68	
5 Enterprise	63,874.17	
6 Internal Service	319,531.62	
7 Financial Aid/Activities	<u>17,876.96</u>	
Total Receipts		<u>873,493.16</u>
Cash Available		3,479,795.49

#### Expenses

Fund		
1 General	1,527,881.67	
2 Special Revenue	-	
3 Capital Projects	69,408.26	
4 Debt Service	182,590.64	
5 Enterprise	194,942.15	
6 Internal Service	348,979.74	
7 Financial Aid/Activities	<u>62,038.53</u>	
Total Expenses		<u>2,385,840.99</u>

Treasurers Cash Balance 1,093,954.50  
 Liability Adjustment 8,186,838.05  
 Cash in Bank 9,280,792.55

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

**Southwest Wisconsin Technical College  
YTD Summary for Funds 1-7  
For 6 Months ended December 2013**

	<b><u>2013-14 Budget</u></b>	<b><u>2013-14 YTD Actual</u></b>	<b><u>2013-14 Percent</u></b>	<b><u>2012-13 Percent</u></b>	<b><u>2011-12 Percent</u></b>	<b><u>2010-11 Percent</u></b>	<b><u>2009-10 Percent</u></b>
General Fund Revenue	22,548,000.00	5,629,392.90	24.97	27.70	36.86	28.38	34.20
General Fund Expenditures	22,848,000.00	10,216,842.02	44.72	45.04	44.58	44.98	44.58
Capital Projects Fund Revenue	2,550,000.00	2,576,374.95	101.03	101.01	101.95	94.08	99.61
Capital Projects Fund Expenditures	2,171,000.00	822,946.84	37.91	15.79	96.60	94.04	180.40
Debt Service Fund Revenue	5,046,000.00	182,664.68	3.62	-	-	-	-
Debt Service Fund Expenditures	5,060,000.00	695,491.90	13.74	11.40	12.99	18.17	5.20
Enterprise Fund Revenue	1,850,000.00	890,262.80	48.12	49.04	48.14	58.59	45.44
Enterprise Fund Expenditure	1,650,000.00	684,310.75	41.47	45.14	35.32	50.94	62.86
Internal Service Fund Revenue	4,100,000.00	1,897,551.48	46.28	47.38	38.53	45.55	43.98
Internal Service Fund Expenditures	4,050,000.00	1,959,772.62	48.39	51.76	57.86	49.58	47.53
Trust & Agency Fund Revenue	8,350,000.00	4,035,906.55	48.33	50.92	47.45	52.91	63.61
Trust & Agency Fund Expenditures	8,350,000.00	4,100,780.63	49.11	50.38	47.66	57.83	61.34
Grand Total Revenue	44,444,000.00	15,212,153.36	34.23	35.81	39.38	35.39	62.03
Grand Total Expenditures	44,129,000.00	18,480,144.76	41.88	40.62	46.08	47.25	67.22

## D. Contract Revenue

Eleven contracts totaling \$18,543.65 in December 2013 will be presented for Board approval.

### 2013-2014 CONTRACTS

12/01/13 through 12/31/13

<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>
03-2014-0130-I-21 City of Fennimore	Trends & Issues in Workplace - Leadership	Derek Dachelet	18	\$ 1,000.00	No		x	
03-2014-0142-I-11 Prairie du Chien School District	Cardiac Pulmonary Resuscitation	Rita Luna	15	\$ 525.00	Yes		x	
03-2014-0148-I-42 Cuba City Boy Scouts	Heartsaver First Aid/CPR & AED	Rita Luna	12	\$ 420.00	Yes		x	
03-2014-0154-I-11 Riverdale School District	Heartsaver First Aid/CPR & AED	Rita Luna	12	\$ 420.00	Yes		x	
03-2014-0157-I-41 ContinuUs	Adobe Creative Cloud Version 9	Derek Dachelet	9	\$ 2,940.00	No		x	
03-2014-0406-I-13 Dodgeville School District	WI Statute 118.15	Julie Pluemer	1	\$ 1,832.20	No	x		
03-2014-0408-I-13 Fennimore School District	WI Statute 118.15	Julie Pluemer	2	\$ 3,755.10	No	x		
03-2014-0410-I-13 Iowa Grant School District	WI Statute 118.15	Julie Pluemer	1	\$ 1,972.90	No	x		
03-2014-0416-I-13 Platteville School District	WI Statute 118.15	Julie Pluemer	1	\$ 1,269.40	No	x		

03-2014-0426-I-13 Southwestern Community Schools	WI Statute 118.15	Julie Pluemer	1	\$	2,576.85	No	x
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03-2014-0430-I-13 Shullsburg School District	WI Statute 118.15	Julie Pluemer	1	\$	1,832.20	No	x
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<b>TOTAL of all Contracts</b>	<b>73</b>	<b>\$</b>	<b>18,543.65</b>
Exchange of Services	39	\$	1,365.00
For Pay Service	34	\$	17,178.65

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

There are three new hires, one transfer, and two resignations being presented for approval in the Personnel Report. The report is available below.

### **PERSONNEL REPORT January 23, 2014**

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

Name	Stephanie Brown
Title	Advisor
How many applicants & interviewed	28 Applicants & 4 Interviewed
Start Date	1/6/2014
Salary/Wages	\$20.74/hour
Classification	Support Staff / Full Time Annual/District Funded
Education and/or Experience	SWTC Associate Degree in Human Services Bachelor's Degree from Upper Iowa University in Human Services

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

Name	Tonya Archie
Title	Logistics Instructor/Program Coordinator (Limited Term Position)
How many applicants & interviewed	4 Applicants & 2 Interviewed
Start Date	1/13/2014
Salary/Wages	\$58,300 Annual
Classification	Instructor/Full Time/Grant Funded
Education and/or Experience	Bachelor's Degree from the UW-EauClaire in Business Admin/Finance. Five plus years teaching experience and 17 years of purchasing and inventory management.

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

Name	Christal Foreyt
Title	Nursing Instructor (Replace. Pam Myhre)
How many applicants & interviewed	Assigned
Start Date	1/13/2014
Salary/Wages	\$58,000 Annual
Classification	Limited Term Employment through May, 2014
Education and/or Experience	SWTC Adjunct Masters in Nursing/Education through the University of Phoenix

## **PROMOTIONS/TRANSFERS**



Emily McBee / Transfer	Day Care Manager to Day Care Manager / Early Childhood Instructor
------------------------	--

#### **RETIREMENTS / RESIGNATIONS**

Jessica Esser (Resignation)	Bursar
Doug Pearson (Resignation)	Director of Facilities

**Recommendation:** Approve the consent agenda.

#### **Other Items Requiring Board Action**

##### ***A. FY 2013 Financial Audit***

Natalie Rew and Scott Haumersen of Wegner CPAs, Madison, WI, will present the audit report. A final audit report is available on the following pages.

**Recommendation:** Approve the 2012-13 Financial Audit as presented.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
Fennimore, Wisconsin

**AUDITED FINANCIAL STATEMENTS**

June 30, 2013

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our 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 from material misstatement.

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

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

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### **Opinions**

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

### **Prior Period Financial Statements**

The financial statements of Southwest Wisconsin Technical College as of June 30, 2012, were audited by other auditors whose report dated, December 12, 2012, expressed an unmodified opinion on those statements

### **Emphasis of Matters**

As discussed in Note 1, the Southwest Wisconsin Technical College adopted the provisions of GASB statement No. 63, *Financial Reporting for Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Our Opinion is not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

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

#### *Other Information*

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4 2013 on our consideration of the Southwest Wisconsin Technical College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Southwest Wisconsin Technical College's internal control over financial reporting and compliance.

*Wegner CPAs, LLP*

Wegner CPAs, LLP  
Madison, Wisconsin  
December 4, 2013

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2013

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The discussion and analysis of the financial performance of the Southwest Wisconsin Technical College (Southwest Tech) provides an overview of its financial activities, identifies changes in its financial position, and assists the reader of these financial statements in focusing on noteworthy financial issues for the fiscal year ended June 30, 2013 and 2012.

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

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

**FINANCIAL HIGHLIGHTS**

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

- Received 57 federal, state, or local grants totaling \$2.39 million.
- Updated official statement for borrowing and maintained Southwest Tech's rating of Aa2 through Moody's.
- Borrowed \$2,500,000 at .86 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 5,900 annual transactions. As a result, the number of accounts payable checks being issued continues to decrease, saving time and money for Southwest Tech and increasing vendor satisfaction with payment timing.
- Disbursed student financial aid totaling over \$3,443,000 in grants, \$3,649,000 in loans, and \$63,000 in college work study earnings.

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

The Statement of Revenues, Expenses, and Changes in Net Position presents the revenues earned and expenses incurred during the year. Activities performed by Southwest Tech are classified as either operating or non-operating activities. Because, Southwest Tech receives the majority of its revenue from the taxpayers and other state and local governments, Southwest Tech will always report an operating deficit or loss.

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



**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2013

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

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

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

	2013	2012	Increase (Decrease)	
			\$	%
Operating revenue				
Student fees	\$ 5,042,748	\$ 5,147,101	\$ (104,353)	(2.03)
Federal grants	4,312,145	3,593,295	718,850	20.01
State grants	1,418,635	1,143,165	275,470	24.10
Contract revenues	2,506,064	1,543,666	962,398	62.34
Auxiliary revenues	1,996,511	1,527,919	468,592	30.67
Total operating revenues	15,276,103	12,955,146	2,320,957	17.92
Operating expenses				
Instruction	\$ 14,156,895	\$ 12,414,385	\$ 1,742,510	14.04
Instructional resources	336,861	473,142	(136,281)	(28.80)
Student services	2,397,460	2,252,980	144,480	6.41
General institutional	3,102,121	3,347,753	(245,632)	(7.34)
Physical plant	1,865,267	2,076,785	(211,518)	(10.18)
Auxiliary enterprise services	1,254,790	1,474,886	(220,096)	(14.92)
Depreciation	2,417,109	2,184,210	232,899	10.66
Student aid	3,040,225	2,993,818	46,407	1.55
Total operating expenses	\$ 28,570,728	\$ 27,217,959	\$ 1,352,769	4.97
Non-operating revenues (expenses)				
Property taxes	\$ 15,600,920	\$ 15,585,372	\$ 15,548	0.10
State appropriations	2,520,089	2,292,721	227,368	9.92
Investment income	17,975	26,696	(8,721)	(32.67)
Loss on disposal of capital assets	(28,907)	-	(28,907)	-
Interest expense	(1,586,787)	(1,232,475)	(354,312)	28.75
Total non-operating revenues	16,523,290	16,672,314	(149,024)	(0.89)
Increase in net assets	\$ 3,228,665	\$ 2,409,501	\$ 819,164	
Net assets - beginning of year	\$ 18,127,977	15,718,476		
Net assets - end of year	\$ 21,356,642	\$ 18,127,977		
	\$ -			

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2013

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

Operating revenues are the charges for services offered by Southwest Tech. Total operating revenues increased \$2,320,957 or 17.92% for fiscal year 2013. These increases are primarily due to the following:

- During 2013 Southwest Tech generated \$5,042,748 for tuition and fees charged to students compared to \$5,147,101 in 2012. This was a decrease of \$104,353 or 2.03%.
- The state increased tuition rates 4.5% in 2013 and 2012.
- Southwest Tech receives funding from the federal and state governments for specific purposes, including financial aid payments to students. Southwest Tech received \$5,650,850 for the federal and state governments for 2013 compared to \$4,736,460 for 2012. This figure is indicative of the continued efforts of Southwest Tech to seek out new sources of revenue.
  - ✓ State revenue increased \$275,470 or 24.10% in 2013 compared to 2012. State funding levels fluctuate between years based on the specific grants available each year as well as the amount of funding the state provides for financial aid.
  - ✓ Federal funding increased \$638,920 or 17.78% in 2013 compared to 2012. The level of enrollment impacts the amount of federal financial aid that is awarded each year. Federal funding levels fluctuate between years based on the specific grants available each year as well as the amount of funding the state provides for financial aid.
- Revenue from industrial and technical assistance contracts with business and industry, local school districts, UW Platteville and the Department of Corrections was \$2,585,994 in 2013 and \$1,543,666 in 2012.
- Southwest Tech operates auxiliary enterprise operation such as the book store, parts store, and childcare center. Southwest Tech had sales of \$1,996,511 for 2013 compared to \$1,527,919 for these activities.

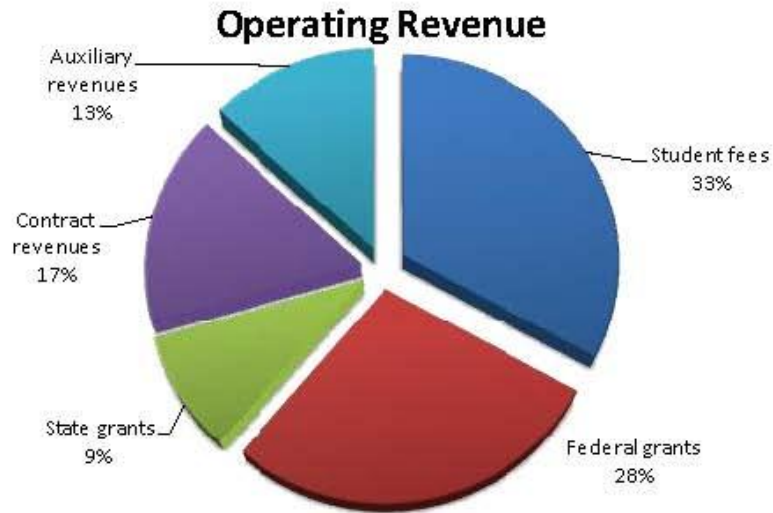
Operating expenses are costs incurred for providing education, training and services. Total expenses increased \$1,352,769 or 4.97% compared to 2012. The majority of the Southwest Tech's expenses, 50%, are for instructional related costs. Student financial aid and general institutional accounts for an additional 22%, while auxiliary services and other expenses account for the remaining 28% of total operating expenses.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2013

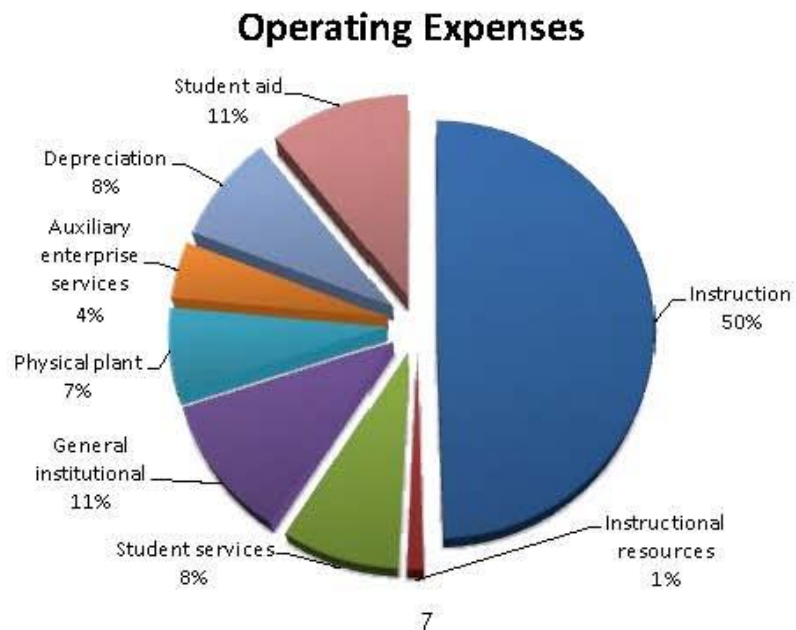
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**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (continued)**

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



The graph below categorizes operating expenses by function.



**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2013

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

Non-operating revenues (expenses) are revenue and expense items not related directly to providing instruction. Net non-operating revenues decreased \$149,024 or 0.89% compared to 2012.

- State operating appropriations increased \$227,368 or 9.92% in 2013. Final state aid payments are not received until November following the fiscal year end. State aid is determined by a formula that takes into consideration actual expenditures, student FTE's, and equalized property valuations of each of the sixteen technical colleges in Wisconsin. As part of the 2012-2013 State Biennium Budget, the Wisconsin Technical College System received a 30% reduction in state aids with the full reduction occurring in the first year of the biennium. Southwest Tech's portion of this reduction \$1.019 million in 2012.
- Property tax revenue increased \$15,548 or 0.010% in 2013 compared to 2012. Property taxes are the biggest source of funding for Southwest Tech. As part of the 2012-2013 State Biennium Budget, the legislature imposed a property tax levy freeze on the technical college system for 2012 and 2013 for operations. Southwest Tech could not increase its operational levy amount above \$11,088,800 and \$10,961,700 in 2012 and 2013.

**STATEMENT OF NET POSITION**

The statement of Net Position includes all assets, (items that Southwest Tech owns and amounts that are owed to Southwest Tech by others) and liabilities (amounts Southwest Tech owes to others and what has been collected from others prior to providing the services. This statement is prepared using the accrual basis of accounting whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service to Southwest Tech, regardless of when cash is exchanged.

Net position increased \$3,228,665 or 17.81% in 2013 compared to 2,409,501 or 15.3% in 2012. Southwest Tech ended its fiscal year with net position of \$21,356,642 in 2013 of which \$13,000,829 was net investment in capital assets, \$229,976 was restricted for student financial aid, \$553,929 was restricted for capital projects, \$1,207,893 was restricted for debt service assistance, and \$6,367,015 was unrestricted net position. Unrestricted net position represents the amount of discretionary resources that can be used to fund general Southwest Tech operations.

Total assets increased \$1,203,501 or 2.03 % in 2013 and \$164,375 or 0.3% in 2012. Other assets decreased \$353,947 or 4.42%. Net capital assets increased \$1,064,793 or 2.42% in 2013 compared to \$2,654,447 or 6.4% in 2012.

Southwest Tech's current liabilities increased \$18,830 or 0.27% in 2013 compared to a decrease of \$334,108 or 4.5% in 2012.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2013

**STATEMENT OF NET POSITION (continued)**

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

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

	2013	2012	Increase (Decrease)	
			\$	%
<b>ASSETS</b>				
Cash and cash equivalents	\$ 7,782,012	\$ 7,289,357	\$ 492,655	6.76
Net capital assets	\$ 45,060,828	43,996,035	1,064,793	2.42
Other assets	7,650,471	8,004,418	(353,947)	(4.42)
<b>Total assets</b>	<b>\$ 60,493,311</b>	<b>\$ 59,289,810</b>	<b>\$ 1,203,501</b>	<b>2.03</b>
<b>LIABILITIES</b>				
Current liabilities	\$ 7,092,212	\$ 7,073,382	\$ 18,830	0.27
Long-term liabilities	32,044,457	34,088,451	(2,043,994)	(6.00)
<b>Total liabilities</b>	<b>\$ 39,136,669</b>	<b>\$ 41,161,833</b>	<b>\$ (2,025,164)</b>	<b>(4.92)</b>
<b>Net Position</b>				
Invested in capital assets, net of related debt	\$ 13,000,829	\$ 11,935,753	\$ 1,065,076	8.92
Restricted for student financial aid	229,976	400,131	(170,155)	(42.52)
Restricted for capital projects	553,929	297,154	256,775	86.41
Restricted for debt service	1,204,893	1,201,521	3,372	0.28
Unrestricted	6,367,015	4,293,418	2,073,597	48.30
<b>Total Net Position</b>	<b>\$ 21,356,642</b>	<b>\$ 18,127,977</b>	<b>\$ 3,228,665</b>	<b>17.81</b>

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At June 30, 2013, Southwest Tech had \$67,757,042 in capital assets, including land, land improvements, buildings and improvements, and moveable equipment. Total accumulated depreciation on these assets was \$22,696,213. Asset acquisitions totaled \$3,510,805. Southwest Tech recognized depreciation expense of \$2,417,109. Detailed information about capital assets can be found in Note 3 to the financial statements.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2013

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

**Long-term Debt**

As of June 30, 2013, Southwest Tech had \$32,060,000 in general obligation debt outstanding compared to \$33,005,000 in 2012. Southwest Tech maintained its Aa2 rating from Moody's Investor service on its current and outstanding long-term debt. Debt service requirements of Southwest Tech are current and are secured by a tax levy adopted by the District Board. Wisconsin statutes require that the first property tax receipts be segregated for annual debt service payments. All general obligation debt for equipment is repaid in five years, while debt related to building and major remodeling is repaid in 10-20 years. The current debt adequately replaces and expands the equipment and facility needs of the College. Detailed information about Southwest Tech's long-term debt is presented in Note 4 to the financial statements.

**FINANCIAL POSITION**

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

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

- 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:

- Southwest Tech has had moderate growth in FTE's of approximately 2.6% percent since 2007-08 (5 years ago).
- Southwest Tech has articulation agreements with other institutions of higher learning that provide options for students to fulfill program requirements locally and finish with minimal time elsewhere.
- Unique programs such as bricklaying/Masonry, Esthetician, Golf Course Management, Midwifery and online programs/courses draw students from outside of the district and state.



**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2013

---

**ECONOMIC FACTORS (continued)**

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

Southwest Wisconsin Technical College faces challenges among which are:

- Historically below the state average in equalized valuation growth.
- Declining K-12 population equating to a smaller future customer base from high school graduates.
- Cost of operations continues to increase (wages, benefits, insurance, utilities, etc.)
- 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. Southwest Tech has effectively survived previous difficult times and is a stronger institution as a result of it. The current financial position of the Southwest Tech allows us the flexibility to adjust to change and maintain this positive status in the future.

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

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

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

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**STATEMENT OF NET POSITION**  
June 30, 2013 and 2012

	2013	2012
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and investments	\$ 7,782,012	\$ 7,289,357
Taxes receivable	5,476,465	5,706,696
Accounts receivable, net	966,833	779,855
Student accounts receivable	437,585	428,539
Due from other governments	116,777	110,858
Inventories	571,817	887,657
Prepaid expenses	80,994	90,813
Total current assets	15,432,483	15,293,775
<b>NONCURRENT ASSETS</b>		
Capital assets not being depreciated	813,445	813,445
Capital assets being depreciated, net	44,247,383	43,182,590
Total noncurrent assets	45,060,828	43,996,035
<b>Total assets</b>	60,493,311	59,289,810
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and other current liabilities	928,951	1,273,521
Accrued salaries and benefits	1,393,668	768,259
Accrued interest	91,357	76,797
Accrued self-insurance	375,000	600,000
Compensated absences	984,178	960,021
Unearned revenue	319,058	449,784
Current portion of long-term debt	3,000,000	2,945,000
Total current liabilities	7,092,212	7,073,382
<b>NONCURRENT LIABILITIES</b>		
Long-term debt, net of current portion	29,060,000	30,060,000
Post-employment benefits	2,984,457	4,028,451
Total noncurrent liabilities	32,044,457	34,088,451
Total liabilities	39,136,669	41,161,833
<b>NET POSITION</b>		
Net investment in capital assets	13,000,829	11,935,753
Restricted		
Student financial assistance	229,976	400,131
Capital projects	553,929	297,154
Debt service	1,204,893	1,201,521
Unrestricted	6,367,015	4,293,418
Total net position	\$ 21,356,642	\$ 18,127,977



**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**Years Ended June 30, 2013 and 2012**

	2013	2012
<b>OPERATING REVENUES</b>		
Tuition and fees		
Program fees (net of \$144,132 and \$64,384 scholarship allowances, respectively)	\$ 4,138,452	\$ 4,242,127
Material fees (net of 12,304 and \$5,496 scholarship allowances, respectively)	325,104	355,921
Other student fees (net of \$19,335 and \$8,637 scholarship allowances, respectively)	579,192	549,053
Federal grants and contracts	4,312,145	3,593,295
State grants and contracts	1,418,635	1,143,165
Non-governmental grants and contracts	2,506,064	1,543,666
Auxiliary enterprise services	1,996,511	1,527,919
Total operating revenues	15,276,103	12,955,146
<b>OPERATING EXPENSES</b>		
Instruction	14,156,895	12,414,385
Instructional resources	336,861	473,142
Student services	2,397,460	2,252,980
General institution	3,102,121	3,347,753
Physical plant	1,865,267	2,076,785
Auxiliary enterprise services	1,254,790	1,474,886
Depreciation	2,417,109	2,184,210
Student aid	3,040,225	2,993,818
Total operating expenses	28,570,728	27,217,959
Operating loss	(13,294,625)	(14,262,813)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State appropriations	2,520,089	2,292,721
Local property taxes	15,600,920	15,585,372
Loss on disposal of capital assets	(28,907)	-
Investment income	17,975	26,696
Interest on capital asset-related debt	(1,586,787)	(1,232,475)
Total nonoperating revenues (expenses)	16,523,290	16,672,314
<b>Change in net position</b>	3,228,665	2,409,501
Net position - beginning of year	18,127,977	15,718,476
<b>Net position - end of year</b>	<u>\$ 21,356,642</u>	<u>\$ 18,127,977</u>

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**

STATEMENT OF CASH FLOWS  
Years Ended June 30, 2013 and 2012

	2013	2012
Cash flows from operating activities		
Tuition and fees received	\$ 4,902,976	\$ 5,482,610
Federal and state grants received	5,724,861	4,653,307
Business, industry and school district contract revenues received	2,319,086	1,173,089
Payments to employees, including related benefits	(21,735,358)	(17,930,690)
Payments to suppliers	(5,056,605)	(8,520,767)
Auxiliary enterprise revenues received	1,996,511	1,890,190
Net Cash Flows from Operating Activities	<u>(11,848,529)</u>	<u>(13,252,261)</u>
Cash flows from non-capital financing activities		
Local property taxes received	15,831,151	15,722,762
State appropriations received	2,520,089	2,292,721
Net Cash Flows from Non-Capital Financing Activities	<u>18,351,240</u>	<u>18,015,483</u>
Cash flows from capital and related financing activities		
Purchases of capital assets	(3,510,805)	(4,835,657)
Proceeds from issuance of capital debt	2,500,000	2,500,000
Principal paid on capital debt	(3,445,000)	(3,470,000)
Interest paid on capital debt	(1,572,227)	(1,232,475)
Net Cash Flows from Capital and Related Financing Activities	<u>(6,028,032)</u>	<u>(7,038,132)</u>
Cash flows from capital and related financing activities		
Investment income received	17,975	26,696
Net Decrease in Cash and Cash Equivalents	492,654	(2,248,214)
Cash and Cash Equivalents - Beginning of Year	7,289,357	9,537,571
<b>Cash and Cash Equivalents - End of Year</b>	<b><u>\$ 7,782,011</u></b>	<b><u>\$ 7,289,357</u></b>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$(13,294,625)	\$(14,262,813)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	2,417,109	2,184,210
Changes in assets and liabilities		
Accounts receivable, net	(186,978)	(165,059)
Student accounts receivable	(9,046)	335,509
Due from other governments	(5,919)	(83,153)
Inventories	315,840	104,985
Prepaid expenses	9,819	(90,813)
Accounts payable and other current liabilities	(344,575)	(275,628)
Accrued salaries and benefits	625,409	212,532
Accrued self-insurance	(225,000)	200,000
Compensated absences	24,157	114,614
Unearned revenue	(130,726)	(560,627)
Post-employment benefits	(1,043,994)	(966,018)
Net cash used in operating activities	<u>(11,848,529)</u>	<u>(13,252,261)</u>

## **SOUTHWEST WISCONSIN TECHNICAL COLLEGE**

### **NOTES TO FINANCIAL STATEMENTS**

June 30, 2013

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

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

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

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

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

#### **Reporting Entity**

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

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

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

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

**Basis of Accounting and Financial Statement Presentation**

For financial reporting purposes, Southwest Tech is considered a special-purpose government engaged only in business-type activities. Accordingly, the financial statements of Southwest Tech have been prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the years for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All significant inter-governmental transactions have been eliminated.

**Use of Estimates**

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires Southwest Tech to make estimates and assumptions that affect the reported amounts of assets, deferred inflows and outflows of revenues and liabilities, and disclosures of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

**Cash and Cash Equivalents**

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

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. The SIF is not rated. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At June 30, 2013 and 2012, the fair value of Southwest Tech's share of the LGIP's assets was substantially equal to the amount reported in these statements.

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

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Inventories**

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

**Capital Assets**

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

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

**Property Tax and Taxes Receivable**

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

Southwest Tech's operational mill rate was 1.5000 mills for fiscal years ending 2013 and 2012. The debt service mill rate for the fiscal years ending 2013 and 2012 was .63494 and .62766 respectively.

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

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

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

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

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

**Compensated Absences**

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

**Retirement Plan**

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

**Post-Employment Benefits**

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

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

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

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

These benefits are financed on a pay-as-you-go basis. In the current year, Southwest Tech paid \$360,913 of health insurance for 77 former employees.

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

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Deferred Outflows/Inflows of Resources**

In addition to assets, the balance sheet will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. Southwest Tech has no qualifying deferred outflows as of June 30, 2013.

In addition to liabilities, the balance sheet will report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Southwest Tech has no qualifying deferred inflows as of June 30, 2013.

**Fees and Tuition**

Fees and tuition are recorded as revenue in the period in which the related activity or instruction takes place. Revenues for the summer semester are prorated on the basis of student class days occurring before and after June 30. Southwest Tech's student fee receivable is stated at amounts due from students, net of an allowance for doubtful accounts. Amounts outstanding longer than the agreed upon payment terms are considered past due. Southwest Tech determines its allowance for doubtful accounts by considering a number of factors including length of time amounts are past due, Southwest Tech's previous loss history and the student's ability to pay his or her obligation. Southwest Tech writes off receivables when they become uncollectible, and payments subsequently collected on such receivables are credited to the allowance for doubtful accounts.

**State and Federal Revenues**

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

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

**Scholarship Allowances and Student Aid**

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



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

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Classification of Revenue and Expense**

Southwest Tech has classified its revenue and expenses as either operating or 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 Southwest Tech's principal ongoing operations. Operating revenues include (1) student tuition and fees, net of scholarship allowances, (2) sales and services of auxiliary enterprises, and (3) most federal, state and local grants and contracts that are essentially the same as contracts for services that finance programs of Southwest Tech. Operating expenses include the cost of providing educational services, student aid, administrative expenses and depreciation on capital assets.

*Nonoperating revenues/expenses* - Nonoperating revenues and expenses include activities that have the characteristics of nonexchange transactions. Nonoperating revenues as defined by GASB Statement No.9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. These revenues include gifts and contributions, and other revenue sources such

**Self Insurance**

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

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

		Estimated claims outstanding			
		Beginning Balance	Claims IBNR	Claim Payments	Ending Balance
2013	\$	600,000	\$ 2,926,538	\$ 2,701,538	375,000
2012		400,000	2,854,883	3,054,883	600,000



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

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Net Position**

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

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

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

- Restricted net position for debt service can only be used to repay debt service costs (principal and interest) as they are levied for that specific purpose.
- Restricted net position for student financial assistance can only be used for student financial assistance activities.
- Restricted net position for capital projects results from unspent from general obligation debt issued specifically for capital projects.
- *Unrestricted net position:* Unrestricted net position represents resources derived from student tuition and fees, state appropriations, and sales and services provided by educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of Southwest Tech and may be used at the discretion of the governing board to meet current expenses. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.
- When an expense is incurred that can be paid using either restricted or unrestricted resources, Southwest Tech's policy is to first apply the expense towards restricted resources and then towards unrestricted resources.

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

**NOTE 2—CASH AND CASH EQUIVALENTS**

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

	2013	2012	Risk
Cash and cash equivalents:			
Cash on hand	4,908	\$ 1,601	
Deposit accounts	6,617,901	6,130,248	Custodial
Wisconsin Local Government Investment Pool	1,159,203	1,157,508	Credit and interest rate
<b>Total cash and cash equivalents</b>	<b><u>7,782,012</u></b>	<b><u>\$ 1,159,109</u></b>	

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

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

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

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

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NOTE 2—CASH AND INVESTMENTS (continued)

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

*Custodial Credit Risk*

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Southwest Tech would not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Southwest Tech's carrying values for bank deposits were \$6,617,901 and \$6,130,248 at June 30, 2013 and 2012.

The bank balances were \$6,772,880 and \$6,251,506. Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for interest bearing accounts and unlimited for non-interest bearing accounts. Bank accounts and the local government investment pool are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may be significant to individual organizations. As of June 30, 2013, \$250,000 of Southwest Tech's deposits was covered by the FDIC, and \$6,522,880 was secured by pledged securities.

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

*Interest Rate Risk*

As a means of limiting its exposure to fair value losses arising from rising interest rates, Southwest Tech's investment policy limits the maturity of any security to no more than five years from the date of purchase or in accordance with state and local statutes and ordinances, whichever is less. The policy indicates that the investment portfolio should be structured so that securities mature to meet the cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The policy sets a maximum duration range of two years with a target duration of one year. As of June 30, 2013, Wisconsin Local Government Investment Pool (LGIP) investments have a maturity of 12 months or less.

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

**NOTE 3—CAPITAL ASSETS**

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

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

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

NOTE 3—CAPITAL ASSETS (continued)

The following is a summary of changes in capital assets for the year ended June 30, 2012:

	Balance 7/1/2011	Additions	(Deletions)	Balance 6/30/2012
Capital assets not being depreciated				
Land	\$ 813,445	\$ -	\$ -	\$ 813,445
Capital assets being depreciated				
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 capital assets being depreciated	58,943,942	4,987,173	(263,618)	63,667,497
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
Total capital assets being depreciated-net	40,531,143	2,802,963	(151,516)	\$ 43,182,590
Net capital assets	41,344,588	<u>2,802,963</u>	<u>(151,516)</u>	43,996,035
Less general obligation debt	(33,975,000)			(33,005,000)
Plus unexpended debt proceeds included in general obligation debt	3,275,096			944,718
Total net investment in capital assets	<u>\$ 10,644,684</u>			<u>\$ 11,935,753</u>

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

**NOTE 4—LONG-TERM OBLIGATIONS**

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

Changes in long-term obligations for the years ended June 30, 2013 and 2012 was as follows:

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

	Balance 7/1/2011	Additions	Reductions	Balance 6/30/2012	Due Within One Year
Notes and bonds payable	\$ 33,975,000	\$ 2,500,000	\$ 3,470,000	\$33,005,000	\$ 2,945,000
Accrued compensated absences	987,599	-	27,577	960,022	960,022
Total long-term liabilities	<u>\$ 34,962,599</u>	<u>\$ 2,500,000</u>	<u>\$ 3,497,577</u>	<u>\$33,965,022</u>	<u>\$ 3,905,022</u>

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

Wisconsin State Statute 67.03 (1) limits total general obligation debt of Southwest Tech to 5% of the equalized value of taxable property located within the district. Wisconsin State Statute 67.03 (9) limits bonded indebtedness of Southwest Tech to 2% of the equalized value of taxable property, including tax incremental districts. The legal debt limit and the margin of indebtedness, as of June 30, 2013 is as follows:

	Bonds	Aggregate
Debt limit (2% for bonds, 5% for aggregate)	\$ 146,156,577	\$ 365,391,443
Debt outstanding at June 30, 2013 net of resources available to pay principle	<u>26,155,107</u>	<u>31,800,107</u>
Margin of indebtedness:	<u>\$ 120,001,470</u>	<u>\$ 333,591,336</u>

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

NOTE 4—LONG-TERM OBLIGATIONS (continued)

General obligation debt at June 30, 2013 and 2012 are as follows:

	<u>Buyer</u>	<u>2013</u>	<u>2012</u>
2003 \$2,750,000 general obligation promissory notes payable with annual principle payments of \$100,000 through June 1, 2013, interest at 2.00%-3.00%, payable semi-annually in June 1 and December 1. Proceeds used to finance remodeling, facility improvements, and equipment purchases.	Harris Trust and Savings Bank	\$ -	\$ 100,000
2008 \$2,000,000 general obligation promissory note payable with annual principle payments through June 1, 2013, interest at 3.25%-3.75%, payable semi-annually in June 1 and December 1. Proceeds used to finance remodeling, facility improvements, and equipment purchases.	Robert W. Baird	-	400,000
2008 \$8,000,000 general obligation school improvement bonds payable with annual principle payments of \$150,000 - \$585,000 through June 1, 2028, interest at 4.00%-4.75%, payable semi-annually in June 1 and December 1. Proceeds used to finance construction and remodeling.	Sterne, Agee & Leach, Inc.	6,500,000	6,795,000
2009 \$2,000,000 general obligation promissory note payable with annual principle payments of \$400,000 through June 1, 2014, interest at 2.00%-2.50%, payable semi-annually in June 1 and December 1. Proceeds used to finance facility improvements.	First Trust Portfolios L.P.	400,000	800,000
2009 \$23,900,000 taxable general obligation Build America Bonds payable, authorized by the American Recovery and Reinvestment Act, with annual principle payments of \$600,000 - \$1,745,000 through June 1, 2029, interest at 1.65%-6.125%, payable semi-annually in June 1 and December 1. Interest payments are reduced by a 35% federal subsidy. Proceeds used to finance new construction and remodeling.	Robert W. Baird	20,860,000	21,710,000

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

NOTE 4—LONG-TERM OBLIGATIONS (continued)

	<u>Buyer</u>	<u>2013</u>	<u>2012</u>
2010 \$2,000,000 promissory notes payable with annual principle payments of \$400,000 through June 1, 2015, interest at 1.50%-2.00%, payable semi-annually in June 1 and December 1. Proceeds used to finance remodeling, facility improvements, and equipment purchases.	M&I Marshall & Iisley Bank	800,000	1,200,000
2011 \$2,500,000 promissory notes payable with annual principle payments of \$500,000 through June 1, 2016, interest at 1.0%-2.0%, payable semi-annually in June 1 and December 1. Proceeds used to finance remodeling, facility improvements, and equipment purchases.	Robert W. Baird	1,500,000	2,000,000
2012 \$2,500,000 promissory notes payable with annual principle payments of \$500,000 through June 1, 2017, interest at 0.40%-1.0%, payable semi-annually in June 1 and December 1. Proceeds used to finance remodeling, facility improvements, and equipment purchases.	UMB Bank, N.A	2,000,000	-
<b>Total General Obligation Debt</b>		<u>32,060,000</u>	<u>33,005,000</u>

Future debt service requirements as of June 30, 2013 are as follows:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Federal Subsidy</u>	<u>Total</u>
2014	\$ 3,000,000	\$ 1,096,290	\$ (393,674)	\$ 3,702,616
2015	2,660,000	1,030,567	(382,771)	3,307,796
2016	2,325,000	969,678	(370,009)	2,924,669
2017	1,895,000	909,716	(354,495)	2,450,221
2018	1,470,000	855,744	(1,481,682)	844,062
2019-2023	8,510,000	3,438,860	(847,899)	11,100,961
2024-2028	10,455,000	1,671,289	(110,832)	12,015,457
2029	1,745,000	69,473	-	1,814,473
	<u>\$ 32,060,000</u>	<u>\$ 10,041,617</u>	<u>\$ (3,941,362)</u>	<u>\$ 38,160,255</u>



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

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

All eligible Southwest Tech employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work at least 600 hours a year (400 hours for teachers and school educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (800 hours for teachers and school educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. Employees hired to work nine or ten months per year (e.g. teachers contracts), but expect to return year after year are considered to have met the one-year requirement.

Effective the first day of the first pay period on or after June 29, 2011 the employee required contribution was changed to one-half of the actuarially determined contribution rate for general category employees including teachers, and executives and elected officials. Required contributions for protective occupations are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. Contribution rates for 2012 are:

	<u>Employee</u>	<u>Employer</u>
General (including teachers)	5.90%	5.90%
Executives and elected officials	7.05%	7.05%
Protective with Social Security	5.90%	9.00%
Protective without Social Security	5.90%	11.30%

The payroll for Southwest Tech employees covered by the WRS for the year ended June 30, 2013 was \$11,430,340; the employer's total payroll was \$13,181,964. The total required contribution for the year ended June 30, 2013 was \$1,432,734, which consisted of \$716,367, or 5.9% of payroll from Southwest Tech and \$716,367 or 5.9% of payroll from employees. The amount contributed equaled the required contribution. Total contributions for the years ended June 30, 2012 and 2011 were \$1,328,367 and \$1,397,187, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefits are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the employee's three highest years' earnings. Employees terminating covered employment and submitting application before becoming eligible for retirement benefits may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on

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

NOTE 5—EMPLOYEE'S RETIREMENT SYSTEM (continue)

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

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

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

NOTE 6—OTHER POST-EMPLOYMENT BENEFITS

Southwest Tech provides other post-employment benefits (OPEB) for its employees through a single-employer retiree benefit plan that provides postemployment health and dental insurance benefits to eligible employees and their spouses in accordance with employee contracts. There are approximately 183 active and 77 retired members in the plan as of June 30, 2013. Benefits and eligibility are established and amended by the governing body.

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

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

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

	2013	2012
Annual required contribution	\$ 474,925	\$ 945,212
Interest on net OPEB obligation	63,208	40,183
Adjustment to annual required contribution	(66,902)	(66,343)
Annual OPEB cost (expense)	471,231	919,052
OPEB payments made	(360,913)	(664,184)
Increase in net OPEB obligation	110,318	254,868
Net OPEB obligation - beginning of year	1,592,133	1,337,265
Net OPEB obligation - end of year	\$ 1,702,451	\$ 1,592,133

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

NOTE 6—OTHER POSTEMPLOYMENT BENEFITS (continued)

Southwest Tech's annual OPEB costs, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for June 30, 2013 and the preceding two years was as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2013	\$ 471,230	76.59%	\$ 1,702,450
6/30/2012	919,052	72.20%	1,592,133
6/30/2011	913,501	72.40%	1,339,445

*Funded Status and Funding Progress.* As of July 1, 2012, the most recent actuarial valuation date, Southwest Tech's actuarial accrued liability (AAL) for benefits was \$6,699,033 and the actuarial value of assets was \$0 resulting in an unfunded actuarial accrued liability (UAAL) of \$6,699,033. The annual payroll for active employees covered by the plan in the actuarial valuation for the 2012-13 fiscal year was \$6,456,777 for a ratio of the UAAL to covered payroll of 103.75%.

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

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2012, actuarial valuation, the unit credit actuarial cost method was used. The actuarial assumptions included a 3.97% investment rate of return and an initial annual healthcare cost trend rate of 10%, reduced by decrements to an ultimate rate of 5%. Both rates include a 4% inflation assumption. The UAAL is being amortized on a level dollar basis. The remaining amortization period at June 30, 2012 was 28 years.

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

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**NOTE 7—COMMITMENTS AND CONTINGENCIES**

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

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

**Operating Leases**

Southwest Tech 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 2014, the final year of the lease, are \$38,490. Rent expenses under all operating leases for the years ended June 30, 2013 and 2012 were \$ 27,540 and \$26,680.

**NOTE 8—RELATED PARTY TRANSACTIONS**

Southwest Tech purchases building supplies from a company owned by a member of the Board of Directors for the Southwest Wisconsin Technical College. The total amount paid to this company for the years ended June 30, 2013 and 2012 was \$33,322 and \$37,001, respectively.

**NOTE 9—RISK MANAGEMENT**

**Districts Mutual Insurance Company (DMI)**

In July 2004 all sixteen WTCS technical colleges created Districts Mutual Insurance Company (DMI). Districts Mutual Insurance Company is a fully-assessable mutual company authorized under Wisconsin Statute 611 to provide property, casualty, and liability insurance and risk management services to its members. The scope of insurance protection provided by DMI is broad, covering property at \$350,000,000 per occurrence; general liability, auto, and educators' legal liability at \$5,000,000 per occurrence; and workers' compensation at the statutorily required limits.

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

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

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

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**NOTE 9—RISK MANAGEMENT (continued)**

Each member college is assessed an annual premium. Future premiums will be based on relevant rating exposure bases as well as the historical loss experience by members. DMI's ongoing operational expenses, other than loss adjustment expenses, are apportioned pro rata to each participant based on equity interest in the company. Since DMI is fully capitalized, member districts have not been assessed a capitalization amount for fiscal years 2013 and 2012.

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

**Supplemental Insurance**

In July 1997, WTCS technical colleges formed the WTCS Insurance Trust to jointly purchase commercial insurance to provide coverage for losses from theft of, damages to, or destruction of assets. The trust is organized under Wisconsin Statutes 66.0301 and is governed by a board of trustees consisting of one trustee from each member college. Member entities include all sixteen Wisconsin Technical College System districts.

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

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

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

**NOTE 10—EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS**

The Governmental Accounting Standards Board (GASB) has approved GASB Statements No. 65, *Items Previously Reported as Assets and Liabilities*. Application of this standard in the subsequent financial statements may result in restatement of net position.

**NOTE 11—SUBSEQUENT EVENT**

On August 1, 2013, Southwest Tech sold \$2,500,000 of General Obligation Promissory Notes to pay for fiscal year 2014 building improvement projects and purchase capital equipment.

## REQUIRED SUPPLEMENTARY INFORMATION

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

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2012	\$ -	\$ 6,699,033	\$ 6,699,033	0.00%	\$ 6,456,777	103.75%
7/1/2010	-	11,936,782	11,936,782	0.00%	12,396,947	96.29%
7/1/2008	-	7,875,549	7,875,549	0.00%	11,655,461	67.57%

**Schedule of Employer Contributions**

Fiscal Year Ended	Employer Contributions	Annual Required Contribution	Net Percentage Contributed
6/30/2013	\$ 360,913	\$ 474,925	75.99%
6/30/2012	664,184	919,052	72.27%
6/30/2011	661,407	913,501	72.40%

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

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

### **OTHER SUPPLEMENTARY INFORMATION**

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



**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**Year Ended June 30, 2013 with Comparative Totals for Year Ended June 30, 2012**

	2013				2012
	Original Budget	Final Budget	Actual on a Budgetary Basis	Variance with Final Budget	Actual (Budgetary Basis)
<b>REVENUES</b>					
Local government - tax levy	\$ 11,089,000	\$ 11,089,000	\$ 10,960,920	\$ (128,080)	\$ 10,945,372
Intergovernmental revenue					
State	3,031,000	3,431,000	3,487,472	56,472	3,046,624
Federal	757,000	757,000	901,963	144,963	631,472
Tuition and fees					
Statutory program fees	4,200,000	4,200,000	4,138,452	(61,548)	4,242,127
Materials fees	334,000	334,000	325,104	(8,896)	355,921
Other student fees	407,000	407,000	351,829	(55,171)	345,777
Institutional	1,500,000	2,400,000	2,250,443	(149,557)	1,296,355
Total revenues	<u>21,318,000</u>	<u>22,618,000</u>	<u>22,416,183</u>	<u>(201,817)</u>	<u>20,863,648</u>
<b>EXPENDITURES</b>					
Current:					
Instruction	14,128,000	15,828,000	15,810,131	17,869	14,393,404
Instructional resources	362,000	362,000	340,491	21,509	326,949
Student services	1,447,000	1,697,000	1,673,756	23,244	1,589,061
General institutional	3,407,000	3,157,000	3,109,513	47,487	2,859,616
Physical plant	2,274,000	1,874,000	1,866,721	7,279	1,768,076
Total expenditures	<u>21,618,000</u>	<u>22,918,000</u>	<u>22,800,612</u>	<u>117,388</u>	<u>20,937,106</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(300,000)</u>	<u>(300,000)</u>	<u>(384,429)</u>	<u>(84,429)</u>	<u>(73,458)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	300,000	300,000	300,000	-	198,486
<b>Net change in fund balance</b>	-	-	(84,429)	(84,429)	125,028
Fund balance—beginning of year	<u>5,750,233</u>	<u>5,750,233</u>	<u>5,649,262</u>	<u>(100,971)</u>	<u>5,524,234</u>
<b>Fund balance—end of year</b>	<u>\$ 5,750,233</u>	<u>\$ 5,750,233</u>	<u>\$ 5,564,833</u>	<u>\$ (185,400)</u>	<u>\$ 5,649,262</u>

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**SPECIAL REVENUE NON-AIDABLE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
Year Ended June 30, 2013 with Comparative Totals for Year Ended June 30, 2012

	2013				2012
	Original Budget	Final Budget	Actual on a Budgetary Basis	Variance with Final Budget	Actual (Budgetary Basis)
<b>REVENUES</b>					
Intergovernmental revenue					
State	\$ 400,000	\$ 400,000	\$ 442,404	\$ 42,404	\$ 376,477
Federal	7,000,000	7,000,000	6,674,358	(325,642)	6,340,133
Student fees	250,000	250,000	227,363	(22,637)	203,276
Institutional	130,000	130,000	230,096	100,096	157,946
Total revenues	<u>7,780,000</u>	<u>7,780,000</u>	<u>7,574,221</u>	<u>(205,779)</u>	<u>7,077,832</u>
<b>EXPENDITURES</b>					
Student services	<u>7,780,000</u>	<u>7,780,000</u>	<u>7,494,376</u>	<u>285,624</u>	<u>7,036,047</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>79,845</u>	<u>(491,403)</u>	<u>41,785</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	<u>-</u>	<u>-</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>-</u>	<u>-</u>	<u>(170,155)</u>	<u>(741,403)</u>	<u>41,785</u>
Fund balance—beginning of year	<u>379,346</u>	<u>379,346</u>	<u>400,131</u>	<u>20,785</u>	<u>358,346</u>
<b>Fund balance—end of year</b>	<u>\$ 379,346</u>	<u>\$ 379,346</u>	<u>\$ 229,976</u>	<u>\$ (720,618)</u>	<u>\$ 400,131</u>

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**Year Ended June 30, 2013 with Comparative Totals for Year Ended June 30, 2012**

	2013			2012	
	Original Budget	Final Budget	Actual on a Budgetary Basis	Variance with Final Budget	Actual (Budgetary Basis)
<b>REVENUES</b>					
Institutional	\$ 50,000	\$ 50,000	\$ 122,206	\$ 72,206	\$ 107,492
<b>EXPENDITURES</b>					
Current:					
Instruction	244,000	344,000	312,115	31,885	463,197
Instructional resources	151,000	151,000	62,616	88,384	146,193
Student services	-	50,000	4,335	45,665	-
General institutional	820,000	670,000	600,430	69,570	488,137
Physical plant	1,776,000	1,776,000	1,635,935	140,065	2,355,653
Total expenditures	2,991,000	2,991,000	2,615,431	375,569	3,453,180
Excess (deficiency) of revenues over (under) expenditures	(2,941,000)	(2,941,000)	(2,493,225)	447,775	(3,345,688)
<b>OTHER FINANCING SOURCES</b>					
Promissory notes issued	2,500,000	2,500,000	2,500,000	-	2,500,000
Transfers in	-	-	250,000	250,000	-
Transfers out	-	-	-	-	(198,486)
Total other financing sources	2,500,000	2,500,000	2,750,000	250,000	2,301,514
<b>Net change in fund balance</b>	(441,000)	(441,000)	256,775	697,775	(1,044,174)
Fund balance—beginning of year	824,329	824,329	297,154	(527,175)	1,341,328
<b>Fund balance—end of year</b>	<u>\$ 383,329</u>	<u>\$ 383,329</u>	<u>\$ 553,929</u>	<u>\$ 170,600</u>	<u>\$ 297,154</u>

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**Year Ended June 30, 2013 with Comparative Totals for Year Ended June 30, 2012**

	2013				2012
	Original Budget	Final Budget	Actual on a Budgetary Basis	Variance with Final Budget	Actual (Budgetary Basis)
<b>REVENUES</b>					
Local government - tax levy	\$ 4,640,000	\$ 4,640,000	\$ 4,640,000	\$ -	\$ 4,640,000
Intergovernmental revenue					
State	415,000	415,000	8,848	(406,152)	12,785
Federal	-	-	385,086	385,086	-
Institutional	5,000	5,000	1,224	(3,776)	1,818
Total revenues	5,060,000	5,060,000	5,035,158	(24,842)	4,654,603
<b>EXPENDITURES</b>					
Physical plant	5,060,000	5,060,000	5,017,226	42,774	4,702,475
<b>Net change in fund balance</b>	-	-	17,932	17,932	(47,872)
Fund balance—beginning of year	1,280,711	1,280,711	1,278,318	(2,393)	1,326,190
<b>Fund balance—end of year</b>	<b>\$ 1,280,711</b>	<b>\$ 1,280,711</b>	<b>\$ 1,296,250</b>	<b>\$ 15,539</b>	<b>\$ 1,278,318</b>

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**PROPRIETARY FUNDS - ENTERPRISE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**Year Ended June 30, 2013 with Comparative Totals for Year Ended June 30, 2012**

	2013				2012
	Original Budget	Final Budget	Actual on a Budgetary Basis	Variance with Final Budget	Actual (Budgetary Basis)
<b>OPERATING REVENUES</b>					
Institutional	\$ 1,850,000	\$ 2,000,000	\$ 1,996,511	\$ (3,489)	\$ 1,534,670
<b>OPERATING EXPENSES</b>					
Auxiliary services	1,650,000	2,000,000	1,961,324	38,676	1,256,806
Excess (deficiency) of revenues over (under) expenses	200,000	-	35,187	35,187	277,864
<b>NON-OPERATING REVENUES(EXPENSES)</b>					
Transfers out	(300,000)	(300,000)	(300,000)	-	-
<b>Net change in net position</b>	(100,000)	(300,000)	(264,813)	35,187	277,864
Net Position—beginning of year	2,729,202	2,729,202	3,080,066	350,864	2,802,202
<b>Net Position—end of year</b>	<b>\$ 2,629,202</b>	<b>\$ 2,429,202</b>	<b>\$ 2,815,253</b>	<b>\$ 386,051</b>	<b>\$ 3,080,066</b>

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
 PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 Year Ended June 30, 2013 with Comparative Totals for Year Ended June 30, 2012

	2013				2012
	Original Budget	Final Budget	Actual on a Budgetary Basis	Variance with Final Budget	Actual (Budgetary Basis)
<b>OPERATING REVENUES</b>					
Institutional	<u>\$ 3,950,000</u>	<u>\$ 3,950,000</u>	<u>\$ 3,992,674</u>	<u>\$ 42,674</u>	<u>\$ 3,571,966</u>
<b>OPERATING EXPENDITURES</b>					
Auxiliary services	<u>3,900,000</u>	<u>3,900,000</u>	<u>3,343,808</u>	<u>556,192</u>	<u>3,792,366</u>
<b>Net change in net position</b>	<u>50,000</u>	<u>50,000</u>	<u>648,866</u>	<u>598,866</u>	<u>(220,400)</u>
Net Position—beginning of year	<u>(192,699)</u>	<u>(192,699)</u>	<u>(63,099)</u>	<u>129,600</u>	<u>157,301</u>
<b>Net Position—end of year</b>	<u><u>\$ (142,699)</u></u>	<u><u>\$ (142,699)</u></u>	<u><u>\$ 585,767</u></u>	<u><u>\$ 728,466</u></u>	<u><u>\$ (63,099)</u></u>

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**SCHEDULE TO RECONCILE BUDGET (NON-GAAP BUDGETARY) BASIS FINANCIAL STATEMENTS**  
**TO STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**For the Year Ended June 30, 2013**

	Governmental Funds				Proprietary Funds				Statement of
	General	Special Revenue	Capital Projects	Debt Service	Enterprise Funds	Internal Service	Total	Reconciling Items	Revenues, Expenses and Changes in Net Position
<b>REVENUES</b>									
Local government - tax levy	\$ 10,960,920	\$ -	\$ -	\$ 4,640,000	\$ -	\$ -	\$ 15,600,920	\$ -	\$ 15,600,920
Intergovernmental revenue									
State	3,487,472	442,404	-	8,848	-	-	3,938,724	-	3,938,724
Federal	901,963	6,674,358	-	385,086	-	-	7,961,407	(3,649,262)	4,312,145
Tuition and fees									
Statutory program fees	4,138,452	-	-	-	-	-	4,138,452	-	4,138,452
Materials fees	325,104	-	-	-	-	-	325,104	-	325,104
Other student fees	351,829	227,363	-	-	-	-	579,192	-	579,192
Institutional	2,250,443	230,096	122,206	1,224	1,996,511	3,992,674	8,593,154	(4,072,604)	4,520,550
Total revenues	22,416,183	7,574,221	122,206	5,035,158	1,996,511	3,992,674	41,136,953	(7,721,866)	33,415,087
<b>EXPENDITURES</b>									
Current:									
Instruction	14,944,241	-	-	-	-	-	14,944,241	(787,346)	14,156,895
Instructional resources	340,491	-	-	-	-	-	340,491	(3,630)	336,861
Student services	1,673,756	7,494,376	-	-	-	-	9,168,132	(6,770,672)	2,397,460
General institutional	3,109,513	-	-	-	-	-	3,109,513	(7,392)	3,102,121
Physical plant	1,866,721	-	-	-	-	-	1,866,721	(1,454)	1,865,267
Auxiliary services	-	-	-	-	1,961,324	3,343,808	5,305,132	(4,050,342)	1,254,790
Capital outlay	865,890	-	2,615,431	-	-	-	3,481,321	(3,481,321)	-
Depreciation	-	-	-	-	-	-	-	2,417,109	2,417,109
Student aid	-	-	-	-	-	-	-	3,040,225	3,040,225
Debt service:									
Principal	-	-	-	3,445,000	-	-	3,445,000	(3,445,000)	-
Interest	-	-	-	1,572,226	-	-	1,572,226	14,560	1,586,787
Total expenditures	22,800,612	7,494,376	2,615,431	5,017,226	1,961,324	3,343,808	43,232,777	(13,075,263)	30,157,515
Excess (deficiency) of revenues over (under) expenditures	(384,429)	79,845	(2,493,225)	17,932	35,187	648,866	(2,095,824)	5,353,397	3,257,572
<b>OTHER FINANCING SOURCES (USES)</b>									
Long-term debt issued	-	-	2,500,000	-	-	-	2,500,000	(2,500,000)	-
Transfers in	300,000	-	250,000	-	-	-	550,000	(550,000)	-
Transfer out	-	(250,000)	-	-	(300,000)	-	(550,000)	550,000	-
Loss on disposal of capital assets	-	-	-	-	-	-	-	(28,907)	(28,907)
Total other financing sources (uses)	300,000	(250,000)	2,750,000	-	(300,000)	-	2,500,000	(2,528,907)	(28,907)
Net change in fund balance/net position	(84,429)	(170,155)	256,775	17,932	(264,813)	648,866	404,176	2,824,490	3,228,665
Fund balance/Net Position - beginning of year	5,649,262	400,131	297,154	1,278,318	3,080,066	(63,099)	10,641,832	7,486,145	18,127,977
Fund balance/Net Position - end of year	\$ 5,564,833	\$ 229,976	\$ 553,929	\$ 1,296,250	\$ 2,815,253	\$ 585,767	\$ 11,046,008	\$ 10,310,635	\$ 21,356,642

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**SCHEDULE TO RECONCILE BUDGET (NON-GAAP BUDGETARY) BASIS FINANCIAL STATEMENTS**  
**TO STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
For the Year Ended June 30, 2013

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

Operating	\$ 1,418,635
Non-operating	2,520,089
	<u>\$ 3,938,724</u>

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

Non-governmental grants and contracts	\$ 2,506,064
Auxiliary enterprises	1,996,511
Investment income	17,975

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

Budgetary basis fund balance	\$ 11,046,008
Capital assets capitalized - at cost	67,505,294
Accumulated depreciation on capital assets	(22,476,378)
General obligation notes payable	(32,060,000)
Other post employment benefits	107,309
Long-term portion of retiree health insurance	(2,984,457)
Accrued interest on notes payable	(91,357)
Encumbrances outstanding at year end	<u>310,223</u>
Net position per basic financial statements	<u>\$ 21,356,642</u>



**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
June 30, 2013

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**NOTE 1—BUDGETS AND BUDGETARY ACCOUNTING**

Southwest Tech's reporting structure used in the preparation of the basic financial statements is different than the fund structure used for budgetary accounting. Annual budgets are adopted for all funds in accordance with the requirements of the Wisconsin Technical College System Board. The process includes an administrative compilation and review of campus and departmental requests, public hearings, and approval by the District Board prior to June 30 of each year. Capital outlays for multi-year projects are budgeted annually in the Capital Projects Fund upon planned inception of the project.

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

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

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

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

SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
Year Ended June 30, 2013

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Project Identification Number	Grant Period	Federal Grant Amount	Expenditures		Total Expenditures
					Federal	Match	
<b>Department of Education Direct Programs</b>							
Student Financial Assistance Cluster							
Federal Supplemental Education Opportunity Grant	84.007		7/1/12-6/30/13	\$ -	\$ 55,077	\$ -	\$ 55,077
Federal College Work Study	84.033		7/1/12-6/30/13	-	63,221	-	63,221
Federal Pell Grant	84.063		7/1/12-6/30/13	-	2,903,898	-	2,903,898
Federal Student Stafford Loans	84.268		7/1/12-6/30/13	-	3,643,502	-	3,643,502
Federal Student Plus Loans	84.268		7/1/12-6/30/13	-	5,760	-	5,760
Total Direct Student Loans				-	3,649,262	-	3,649,262
Total Student Financial Assistance Cluster				-	6,671,458	-	6,671,458
<b>Department of Agriculture</b>							
Competitive Cooperative Partnership Agreements	10.459	03-187-000-113	10/1/2012-9/30/13	95,599	10,271	-	10,271
Pass-through Program from University of Minnesota							
Farm Business Management and Benchmarking Competitive Grants Program	10.319	03-158-000-001	7/1/12-8/31/12	-	25,975	-	25,975
Pass-through Program from Northeast Wisconsin Technical College							
Farm Business Management and Benchmarking Competitive Grants Program	10.319	03-170-000-013	7/1/12-8/31/12	3,850	3,895	-	3,895
Pass-through Program from University of Missouri							
Farm Business Management and Benchmarking Competitive Grants Program	10.319	03-151-000-012	10/1/11-8/31/13	88,500	64,482	-	64,482
Total Farm Business Management and Benchmarking Competitive Grants Program				92,350	94,352	-	94,352
Total Department of Agriculture				187,949	104,623	-	104,623
<b>Department of the Interior Bureau of Indian Education</b>							
Indian Education - Higher Education Grant program	15.114		7/1/12-6/30/13	-	2,900	-	2,900
<b>Department of Education</b>							
Pass-through program from Wisconsin Technical College Systems Board							
Adult Education Act							
Forward to Civic Literacy	84.002	03-111-146-163	7/1/12-6/30/13	18,145	17,828	-	17,828
Adult Basic Education - Disadvantaged	84.002	03-110-146-123	7/1/12-6/30/13	95,808	95,807	116,600	212,407
Total Adult Education Act				113,953	113,635	116,600	230,235

SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
Year Ended June 30, 2013

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Project Identification Number	Grant Period	Federal Grant Amount	Expenditures		Total Expenditures
					Federal	Match	
<b>Department of Education (continued)</b>							
Career and Technical Education Basic Grants to States							
Strengthening Career & Technical Program	84.048	03-193-150-253	7/1/12-6/30/13	33,785	33,785	18	33,803
NTO Connections to NTO Recruit	84.048	03-194-150-263	7/1/12-6/30/13	8,446	8,446	-	8,446
Student Success	84.048	03-198-150-233	7/1/12-6/30/13	84,463	84,454	-	84,454
Career Prep	84.048	03-106-150-213	7/1/12-6/30/13	39,378	39,378	-	39,378
High School to College Transition	84.048	03-137-150-243	7/1/12-6/30/13	39,614	39,614	-	39,614
Total Career and Technical Education Basic Grants to States				205,686	205,677	18	205,695
<b>Total Department of Education</b>				319,639	319,312	116,618	435,930
<b>Department of Labor</b>							
Pass-through Program from Southwest Workforce Development Board							
Workforce Investment Act Cluster							
WIA Adult Program	17.258	03-131-000-003	3/1/13-6/30/13	19,000	19,000	789	19,789
WIA Youth Activities	17.259	03-196-000-003	4/4/13-6/30/13	7,492	7,405	-	7,405
Total Workforce Investment Act Cluster				26,492	26,405	789	27,194
Pass-through Program from Southwest Community Action Program							
ARRA-Program of Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors	17.275	03-184-000-113	7/1/12-6/30/13	18,648	9,813	-	9,813
Pass-through Program from Workforce Development Board South Central Wisconsin							
ARRA-Program of Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors	17.275	03-185-000-113	12/15/11-11/30/12	11,128	11,081	-	11,081
Total ARRA-Program of Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors				29,776	20,894	-	20,894
Pass-through Program from Northeast Iowa Community College							
H-1B Job Training Grants	17.268	03-156-000-012	10/1/11-9/30/12	313,020	74,821	-	74,821
H-1B Job Training Grants	17.268	03-156-000-012	10/1/12-6/30/13	139,395	146,359	-	146,359
Total H-1B Job Training Grants				452,415	221,180	-	221,180

SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
Year Ended June 30, 2013

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Project Identification Number	Grant Period	Federal Grant Amount	Expenditures		Total Expenditures
					Federal	Match	
Department of Labor (continued)							
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282	03-152-000-012	07/1/12-9/30/13	127,775	41,991	-	41,991
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282	03-152-000-012	10/1/12-6/30/13	310,384	135,225	-	135,225
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282	03-180-000-013	10/1/12-6/30/13	142,564	25,903	-	25,903
Total Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants				580,723	203,119	-	203,119
Total Department of Labor				1,089,406	471,598	789	472,387
Department of Health & Human Services							
Pass-through Program from Scenic Rivers Area Health Education Center Area Health Education Centers Point of Service Maintenance and Enhancement Awards	93.107	03-181-000-013	7/1/12-6/30/13	6,405	6,381	-	6,381
Total Federal Awards				\$ 1,603,399	\$ 7,576,272	\$ 117,407	\$ 7,693,679

SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
Year Ended June 30, 2013

State Grantor/Program	State Identifying Number	Project Identification Number	Grant Period	Grant Amount	Expenditures		Total Expenditures
					State	Match	
<b>Wisconsin Higher Education Board</b>							
Wisconsin Higher Education Grant	235.102		7/1/12-6/30/13	\$ 364,054	\$ 364,054	\$ -	\$ 364,054
Remission of Fees for Veterans and Dependents	235.105		7/1/12-6/30/13	39,169	39,169	-	39,169
Minority Undergraduate Retention Grant	235.107		7/1/12-6/30/13	675	675	-	675
Talent Incentive Program Grant	235.114		7/1/12-6/30/13	20,200	20,200	-	20,200
Nursing	235.117		7/1/12-6/30/13	16,000	16,000	-	16,000
Indian Grant	235.132		7/1/12-6/30/13	1,100	1,100	-	1,100
Wisconsin Covenant Scholars Grant Revenue	235.131		7/1/12-6/30/13	25,875	25,875	-	25,875
Wisconsin Covenant Foundation Grant Revenue	235.131		7/1/12-6/30/13	14,500	14,500	-	14,500
<b>Total Wisconsin Higher Education Board</b>				<b>481,573</b>	<b>481,573</b>	<b>-</b>	<b>481,573</b>
<b>Wisconsin Technical College Systems Board</b>							
State Aids for Vocational Technical and Adult Education	292.105		7/1/12-6/30/13	2,377,900	2,331,177	-	2,331,177
State Aids prior years	292.105		7/1/12-6/30/13	-	110,500	-	110,500
Displaced Homemakers Project Pivot	292.106	03-113-106-113	7/1/12-6/30/13	38,696	48,695	-	48,695
Students of Color Service and Support	292.109	03-104-109-113	7/1/12-6/30/13	5,986	5,986	-	5,986
Incentive Grants:							
C.N.A. Curriculum Revision	292.112	03-107-112-143	7/1/13-6/30/13	2,500	2,500	-	2,500
TSA Cosmetology	292.112	03-108-112-153	7/1/12-6/30/13	15,000	15,000	250	15,250
Advanced Manufacturing	292.112	03-118-112-113	7/1/12-6/30/13	27,500	26,143	-	26,143
Online Competency Based - Sup Mgmt.	292.112	03-138-112-143	7/1/12-6/30/13	20,000	20,000	-	20,000
Business & Manufacturing Bridges to Success	292.112	03-160-112-163	7/1/12-6/30/13	33,750	33,749	-	33,749
Basic Skills	292.112	03-167-112-123	7/1/12-6/30/13	42,881	42,881	-	42,881
<b>Total Incentive Grants</b>				<b>141,631</b>	<b>140,273</b>	<b>250</b>	<b>140,523</b>
Special Needs Transition	292.115	03-157-115-113	7/1/12-6/30/13	23,638	23,638	-	23,638

SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
Year Ended June 30, 2013

State Grantor/Program	State Identifying Number	Project Identification Number	Grant Period	Grant Amount	Expenditures		Total Expenditures
					State	Match	
Wisconsin Technical College Systems Board (continued)							
Workforce Advancement Training Grants:							
Cabela's Leadership	292.116	03-103-116-113	7/1/12-6/30/13	7,256	7,174	-	7,174
OSHA Safety Train-the-Trainer	292.116	03-142-116-112	11/1/11-8/31/12	5,423	3,997	-	3,997
Cabela's	292.116	03-166-116-113	7/1/12-6/30/13	14,395	13,057	-	13,057
Milprint, Inc.	292.116	03-168-116-113	7/1/12-6/30/13	6,701	5,464	-	5,464
3M	292.116	03-169-116-113	7/1/12-6/30/13	71,494	71,494	-	71,494
Cummins	292.116	03-176-116-113	7/1/12-6/30/13	175,786	74,182	-	74,182
Curwood, MS Excel 2010	292.116	03-189-116-113	7/1/12-6/30/13	8,975	8,975	38	9,013
Upland Hills - Lean Health	292.116	03-191-116-113	7/1/12-6/30/13	36,792	24,882	-	24,882
Rayovac - Lean Manufacturing	292.116	03-199-116-113	7/1/12-8/31/13	22,585	10,405	-	10,405
Total Workforce Advancement Training Grants:				349,407	219,630	38	219,668
Technology in Teaching	292.123	03-162-123-113	7/1/12-6/30/13	43,600	43,600	-	43,600
Fire Fighter Training 2%	292137		7/1/12-6/30/12	44,128	44,128	-	44,128
Occupational Competency Grants:							
Occupational Competency	292.138	03-114-000-003	7/1/12-6/30/13	600	600	-	600
Occupational Competency	292.138	03-115-000-003	7/1/12-6/30/13	300	300	-	300
Occupational Competency	292.138	03-116-000-003	7/1/12-6/30/13	300	300	-	300
Pass-through Nicolet College							
Occupational Competency	292.138	03-195-112-143	7/1/12-6/30/13	10,598	11,443	-	11,443
Total Occupational Competency Grants:				11,798	12,643	-	12,643
Healthcare Education Grants							
Healthcare: Certified Nursing Assistant	292.161	03-147-161-113	7/1/12-6/30/13	176,527	176,527	14,425	190,952
Healthcare: Nursing Retention & Program Completion	292.161	03-148-161-113	7/1/12-6/30/13	94,540	94,540	2,874	97,414
Healthcare: Medical Lab Technician	292.161	03-149-161-113	7/1/12-6/30/13	93,731	93,731	4,734	98,465
Total Healthcare Education Grants				364,798	364,798	22,033	386,831
Total Wisconsin Technical College Systems Board				3,401,582	3,345,068	22,321	3,367,389

SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
Year Ended June 30, 2013

State Grantor/Program	State Identifying Number	Project Identification Number	Grant Period	Grant Amount	Expenditures		Total Expenditures
					State	Match	
Department of Justice							
Law Enforcement Training Fund - Local Assistance Program							-
Active Assailant	455.231	03-122-000-113	6/27/2013	3,000	3,000	-	3,000
Canine Tactical Operations	455.231	03-182-000-113	6/5/2013	15,751	15,228	-	15,228
Instructor Tactical Functional Training	455.231	03-186-000-113	9/11/2012	2,460	1,810	-	1,810
Advanced Tactical Functional Training	455.231	03-188-000-114	9/12/2012	1,980	905	-	905
Total Law Enforcement Training Fund - Local Assistance Program				23,191	20,943	-	20,943
Department of Revenue							
State Aid Computers	835.109		7/1/12-6/30/13	29,791	29,791	-	29,791
Department of Transportation							
Motorcycle Safety	20.395(4)(aq)	03-123-000-112	1/1/12-12/31/12	8,924	8,146	-	8,146
Total State Awards				\$ 3,945,061	\$ 3,885,521	\$ 22,321	\$ 3,907,842



**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
June 30, 2013

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**NOTE 1—BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of the Southwest Tech under programs of the federal government and state agencies for the year ended June 30, 2013. The information in this schedule is presented in accordance with requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*, and the *State Single Audit Guidelines*. Because the schedule presents only a selected portion of the operations of the Southwest Tech, it is not intended to and does not present the financial position, changes in Net Position, or cash flows of the Southwest Tech.

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

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

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended June 30, 2013

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No Prior Audit Findings



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

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

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business type activities and the aggregate remaining fund information of Southwest Wisconsin Technical College (Southwest Tech) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Southwest Wisconsin Technical College's basic financial statements, and have issued our report thereon dated December 4, 2013.

#### Internal Control Over Financial Reporting

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

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

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

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Southwest Wisconsin Technical College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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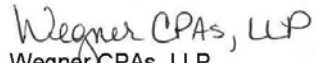
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#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Wegner CPAs, LLP  
Madison, Wisconsin  
December 4, 2013



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

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

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

We have audited Southwest Wisconsin Technical College's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *State Single Audit Guidelines* that could have a direct and material effect on each of Southwest Wisconsin Technical College's major federal and major state programs for the year ended June 30, 2013. Southwest Wisconsin Technical College's major federal and major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

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

In our opinion, Southwest Wisconsin Technical College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and major state programs for the year ended June 30, 2013.

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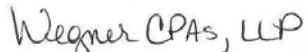
## Report on Internal Control Over Compliance

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

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

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

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

  
Wegner CPAs, LLP  
Madison, Wisconsin  
December 4, 2013

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year Ended June 30, 2013

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

**Financial Statements**

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

**Federal Awards**

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

CFDA Number(s)	Name of Federal Program or Cluster
84.007	Student Financial Assistance Cluster
84.033	Federal Supplemental Education Opportunity Grant
84.063	Federal College Work Study
84.268	Federal Pell Grant
84.268	Federal Student Stafford Loans
84.268	Federal Student Plus Loans

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

**State Awards**

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported?	No

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year Ended June 30, 2013

Identification of state major programs:

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

**Section II—Financial Statement Findings**

None

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

None

**Section IV—Other Issues**

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

Does the audit report show audit issues (i.e., material non-compliance, non-material non-compliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue, or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:

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

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

Name and signature of partner



Scott R. Haumersen, CPA

Date of report

December 4, 2013



***B. Request for Approval of Library Area of Building 300 Renovation***

The Library Area renovation will improve student access to educational resources. We seek the Boards approval to move forward with the renovation of the Library Area. Doug Pearson, Director of Facilities, will provide a review of the plans and present the Request for Approval.

**1. Resolution Approving Library Area of Building 300 Renovation Project**

The resolution approving the renovation of the Library Area is available below.

**Recommendation:** Approve the renovation of the Library Area of Building 300.

**RESOLUTION  
OF THE  
SOUTHWEST WISCONSIN TECHNICAL COLLEGE BOARD**

WHEREAS, Southwest Wisconsin Technical College has statutory authority to renovate an existing facility, and

WHEREAS, Southwest Wisconsin Technical College has recognized the need to renovate the Library area to improve student access to educational resources, and

WHEREAS, Southwest Wisconsin Technical College has considered contracting the design and renovation of the Library area in Building 300 of the college campus, Fennimore, Wisconsin, to Plunkett Raysich Architects, LLP, and

WHEREAS, Southwest Wisconsin Technical College has the ability to fund the renovation project via capital funds obtained through tax levy,

BE IT THEREFORE RESOLVED that the Southwest Wisconsin Technical College Board approves contracting for the design and renovation of the Library Area of Building 300 of the college campus, Fennimore, Wisconsin, to improve student support services.

Adopted and recorded this 23rd day of January, 2014.

---

Eileen Nickels  
Chairperson

ATTEST:

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Darlene Mickelson  
Secretary

**2. Resolution Requesting State Board Approval of Library Area of Building 300 Renovation Project**

The resolution approving the submission of the renovation of the Library area of Building 300 to the WTCS Board is below.

**Recommendation:** Approve the submission to the State Board for their approval of renovation of the Library Area.

**RESOLUTION  
OF THE  
SOUTHWEST WISCONSIN TECHNICAL COLLEGE BOARD**

WHEREAS, the Southwest Wisconsin Technical College Board has approved the renovation of the Library area in Building 300 to improve student access to educational resources,

BE IT THEREFORE RESOLVED that the Southwest Wisconsin Technical College Board submits for State Board approval the renovation of the Library area of Building 300 located on the college campus in Fennimore, Wisconsin.

Adopted and recorded this 23rd day of January 2014.

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Eileen Nickels  
Chairperson

ATTEST:

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Darlene Mickelson  
Secretary

***C. Request for Approval of Cosmetology Renovation***

The Cosmetology renovation will provide more classroom space and updated lab workstations. We seek the Boards approval to move forward with the renovation of Cosmetology. Doug Pearson, Director of Facilities, will provide a review of the plans and present the Request for Approval.

**1. Resolution Approving Cosmetology Renovation Project**

The resolution approving the renovation of Cosmetology is below.

**Recommendation:** Approve the renovation of Cosmetology.

**RESOLUTION  
OF THE  
SOUTHWEST WISCONSIN TECHNICAL COLLEGE BOARD**

WHEREAS, Southwest Wisconsin Technical College has statutory authority to renovate an existing facility, and

WHEREAS, Southwest Wisconsin Technical College has recognized the need to renovate the Cosmetology area to provide more classroom space and updated lab workstations, and

WHEREAS, Southwest Wisconsin Technical College has considered contracting the design and renovation of the Cosmetology area in Building 500 of the college campus, Fennimore, Wisconsin, to Plunkett Raysich Architects, LLP, and

WHEREAS, Southwest Wisconsin Technical College has the ability to fund the renovation project via capital funds obtained through tax levy,

BE IT THEREFORE RESOLVED that the Southwest Wisconsin Technical College Board approves contracting for the design and renovation of the Cosmetology area of Building 500 of the college campus, Fennimore, Wisconsin, to provide more classroom space and updated lab workstations.

Adopted and recorded this 23rd day of January, 2014.

---

Eileen Nickels  
Chairperson

ATTEST:

---

Darlene Mickelson  
Secretary

**2. Resolution Requesting State Board Approval of Cosmetology Renovation Project**

The resolution approving the submission of the renovation of Cosmetology to the WTCS Board is available below.

**Recommendation:** Approve the submission to the State Board for their approval of renovation of Cosmetology.

**RESOLUTION  
OF THE  
SOUTHWEST WISCONSIN TECHNICAL COLLEGE BOARD**

WHEREAS, the Southwest Wisconsin Technical College Board has approved the renovation of the Cosmetology area in Building 500 to improve student access to educational resources,

BE IT THEREFORE RESOLVED that the Southwest Wisconsin Technical College Board submits for State Board approval the renovation of the Cosmetology area of Building 500 located on the college campus in Fennimore, Wisconsin.

Adopted and recorded this 23rd day of January 2014.

---

Eileen Nickels  
Chairperson

ATTEST:

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Darlene Mickelson  
Secretary

***D. Request for Approval of Rental of Facilities in Richland Center, WI***

Caleb White will present the Request for Approval for a Rental Space for the Richland Center Outreach Site.

**1. Resolution Approving Lease**

The resolution approving the lease of 3,600 square feet of space in Richland Center, WI, is available below.

**Recommendation:** Approve the lease of approximately 3,600 square feet located at 26220 Executive Lane, Richland Center, WI, to provide an off-site classroom/office space.

**RESOLUTION  
OF THE  
SOUTHWEST WISCONSIN TECHNICAL COLLEGE BOARD**

WHEREAS, Southwest Wisconsin Technical College has demand for use of outreach facilities for Basic Education and other outreach programming to meet the needs of the Richland Center area, and

WHEREAS, Southwest Wisconsin Technical College has recognized the need for an off-campus facility in Richland Center of approximately 3,600 square feet to meet classroom/office demand, and

WHEREAS, Southwest Wisconsin Technical College has considered the lease for continued use of facility located at 26220 Executive Lane, Richland Center, WI, and

WHEREAS, Southwest Wisconsin Technical College has the ability to fund the off-campus Richland Center facility from operational funds obtained through tax levy,

BE IT THEREFORE RESOLVED that the District Board of Southwest Wisconsin Technical College approves the lease of approximately 3,600 square feet located at 26220 Executive Lane in Richland Center, WI, to provide an off-site classroom/office space.

Adopted and recorded this 23rd day of January, 2014.

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Eileen Nickels  
Chairperson

ATTEST:

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Darlene Mickelson  
Secretary

2. **Resolution Requesting State Board Approval of Lease** – The resolution approving the submission of the lease of an off-site classroom/office facility to the State Board is available below.

**Recommendation:** Approve the submission to the State Board for their approval of the lease of an off-site classroom/office facility in Richland Center, WI.

**RESOLUTION  
OF THE  
SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
DISTRICT BOARD**

WHEREAS, the District Board of Southwest Wisconsin Technical College has approved the lease of approximately 3,600 square feet located at 26220 Executive Lane, Richland Center, WI, to provide classroom/office facilities to meet the needs of Outreach Basic Education and other programming needs in the Richland Center area.

BE IT THEREFORE RESOLVED that the District Board of Southwest Wisconsin Technical College submits for State Board approval the lease of an off-site laboratory and classroom facility.

Adopted and recorded this 23rd day of January 2014.

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Eileen Nickels  
Chairperson

ATTEST:

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Darlene Mickelson  
Secretary

## **Board Monitoring of College Effectiveness**

### ***A. Transition Plan for Facilities Projects***

Doug Pearson and Caleb White will provide an overview of the facilities projects and the plan for moving the projects forward. The report will be available at the Board meeting.

### ***B. Industry, Trades & Agriculture Report***

Derek Dachelet, Dean of Industry, Trades & Agriculture will present recent division activities. The report will be available at the Board meeting.

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

Laura Bodenbender, Human Resources Director, will provide an update on College staffing. A summary is below



### Position Tracking 2013/2014 Fiscal Year

	Name	Title	Status and/or Additional Info	Effective Date	Funding Source &/or Estimated Wage Range
1	New Position	CNC Setup Instructor	New hire - Jason Robbins	Fall 2013	BS \$40,368-\$68,225 MS \$44,159-\$74,437
2	Derek Dachelet (Promotion)	Marketing Manager	New hire - Susan Reukauf	7/22/2013	Grade 6 Salaried Professional \$57,532-\$65,490
3	New Position	Career Prep Specialist	New hire - Mary Johannesen	7/1/2013	Partially Grant Funded
4	Stephanie Foster (Promotion)	Guidance Counselor	From Advisor to Guidance Counselor	7/1/2013	Grade 7 Salaried Professional \$50,376 Annual
5	Heather Fifrick (Transfer)	Student Housing & Activities Manager		7/1/2013	Funded through the Foundation
6	Noreen Edge (Retired)	Info. Tech. Lab Asst.		7/9/2013	
7	New Position	Health Care Success Coach, LTE	New hire - Danette Tessman	8/1/2013	Grant Funded Hourly Grade 6 \$20.74 - \$26.74
8	New Position	Culinary Arts Instructor	Student Enrollment Low - Defer to Spring 2014		BS \$40,368-\$68,225 MS \$44,159-\$74,437
9	Lily Long (Retired)	Accounting Instructor	New hire - Garry Kirk	8/16/2013	BS \$40,368-\$68,225 MS \$44,159-\$74,437
10	Kerry Long (Resigned)	Accounting Instructor	New hire - Gary Christiansen	8/16/2013	Same as Above
11	Replacement (Ashley Crubel transfer to Accounts Payable)	Financial Aid Asst/Accounting Bursar	New hire - Cora Halverson	Aug-13	Grade 3 Hourly \$15.02 - \$19.39
12	Replacements (Sharon Beer and Jennifer Strand Retirement)	Administrative Assts. (2)	New hire - Denise Bausch & New hire - Lori Needham	Aug-13	Grade 4 Hourly \$16.09 - \$20.78
13	New Position	Assessment Specialist (Examiner)	New hire - Donna Marchese	Aug-13	Grade 5 Hourly \$17.14 - \$22.09

### Position Tracking 2013/2014 Fiscal Year

	Name	Title	Status and/or Additional Info	Effective Date	Funding Source &/or Estimated Wage Range
14	New Position	Student Services Specialist	New hire - Breanna Callahan	Aug-13	Grade 2 Hourly \$13.98 - \$18.07
15	New Position	Enrollment Services Specialist	New hire - Deb Thomas	Aug-13	Grade 5 Hourly \$17.14 - \$22.09
16	New Position	Foundation Assistant	New hire - Sara Bahl	Aug-13	Funded through the Foundation Grade 3 Hourly \$15.02 - 19.39
17	New Position	Welding Instructor (Spring 2014)	Have decided not to hire at this time. Combined some sections instead.		BS \$40,368-\$68,225 MS \$44,159-\$74,437
18	New Position - Limited Term	Electro Mech Instructor	New hire - Bart Wood	9/30/2013	BS \$40,368-\$68,225 MS \$44,159-\$74,437 Grant Funded
19	Replacement - Kari Kabat Resignation	Advisor	Interviewing		Grade 6 Hourly \$20.74 - \$26.74
20	New Position - Limited Term	Healthcare Skills Specialist	New hire - Janet Giese	9/23/2013	Grade 6 Hourly \$20.74 - \$26.74 1 Year Limited Term / Grant Funded
21	New Position	Electro Mech Assistant	New hire - Glenn Crary	8/1/2013	Grade 6 Hourly \$20.74 - \$26.74 1 Year Limited Term / Grant Funded
22	Replacement / Mary Uren Retirement	Benefits & Payroll Administrator	Transfer in- Connie Haberkorn	11/1/2013	Grade 7 Salaried Professional \$51,419 Annual
23	Replacement - Sara Davis (Resignation)	College Admissions Representative	New hire - Matthew Schneider	11/4/2013	Grade 2 Hourly \$13.98 - \$18.07
24	Replacement - Connie Haberkorn (Transfer)	Human Resources Assistant	New hire - Annetta Smith	11/4/2013	Grade 5 Hourly \$17.14 - \$22.09

### Position Tracking 2013/2014 Fiscal Year

	Name	Title	Status and/or Additional Info	Effective Date	Funding Source &/or Estimated Wage Range
25	Replacement	Grant Support Specialist (LTE) 50% Position	New hire - Nancy Flanagan	10/3/2013	Grade 5 \$17.14 - \$22.09 Grant Funded
26	New Position	Controller	Transfer in - Kelly Kelly	11/1/2013	Grade 6 Salaried Professional \$58,723
27	Replacement - Kelly Kelly (Transfer)	Financial Analyst	Transfer in - Ashley Crubel	Upon backfill	Grade 6 Hourly \$20.74 - \$26.74
28	New Position - Limited Term	Online Support Specialist	Interviewing		Grade 5 Hourly \$17.14 - \$22.09 Grant Funded
29	New Position - Limited Term	Southwest Health Network Director	New hire - Darnell Hendricks	1/6/2014	Grade 7 Salaried \$51,419-69,567 Grant Funded
30	Replacement - Ashley Crubel (Transfer)	Accounts Payable	Transfer in - Holly Crubel		Grade 2 Hourly \$13.98 - \$18.07
31	New Position - Limited Term	Logistics Instructor/Program Coordinator	New hire - Tonya Archie	1/13/2014	BS \$40,368-\$68,225 MS \$44,159-\$74,437 Grant Funded
32	New Position	Evening Custodian	New hire - Brian Reuter	1/2/2014	Grade 1 Hourly \$11.89 - \$15.36
33	Replacement - Holly Crubel	Financial Aid Spec/Acct. Bursar	Interviewing		Grade 4 Hourly \$16.09 - \$20.78
34	Replacement - Shari Johnson	Early Childhood Education Program Instructor	Transfer in - Emily McBee	1/6/2014	BS \$40,368-\$68,225 MS \$44,159-\$74,437
35	Replacement - Jessica Esser	Financial Aid Spec/Acct. Bursar	Interviewing		Grade 4 Hourly \$16.09 - \$20.78
36	Replacement - Doug Pearson	Director of Facilities	Posting and Advertising		Grade 4 Salaried Professional \$73,331-\$99,212
37	Replacement - Pam Myhre	Nursing Instructor	New hire - Christal Foreyt	1/6/2014	BS \$40,368-\$68,225 MS \$44,159-\$74,437

## Information and Correspondence

### A. Enrollment Report

The 2013-14 Comparison FTE and 2014-15 Application Reports are available below.



#### 2012-2013 and 2013-2014 FTE Comparison

Program Type	Program Title	01-14-13 Students	01-13-14 Students	Student Change	01-14-13 FTE	01-13-14 FTE	FTE Change
10	Accounting	42	38	(4)	36.43	27.13	(9.30)
10	Administrative Professional	17	15	(2)	14.63	12.97	(1.67)
10	Agri-Business/Science Technology	38	42	4	34.93	41.47	6.53
10	Business Management	87	108	21	60.96	78.03	17.07
10	Medical Laboratory Technician	23	15	(8)	19.77	11.33	(8.43)
10	Criminal Justice - Law Enforcement	64	57	(7)	50.73	52.10	1.37
10	Culinary Arts	-	7	7	-	5.97	5.97
10	Culinary Management	29	9	(20)	20.77	7.63	(13.13)
10	Direct Entry Midwife	32	26	(6)	19.20	14.23	(4.97)
10	Early Childhood Education	48	51	3	39.80	36.47	(3.33)
10	Electro-Mechanical Technology	50	59	9	44.30	57.40	13.10
10	Engineering Technologist	21	23	2	19.53	21.83	2.30
10	Golf Course Management	30	36	6	28.90	31.37	2.47
10	Graphic and Web Design	40	34	(6)	34.43	29.13	(5.30)
10	Human Services Associate	56	63	7	38.23	38.07	(0.17)
10	IT-Computer Support Specialist	7	1	(6)	2.57	0.40	(2.17)
10	IT-Network Comm Spec	37	32	(5)	26.60	24.23	(2.37)
10	IT-Web & Software Developer	26	22	(4)	15.13	17.27	2.13
10	Individualized Technical Studies	3	7	4	1.43	6.37	4.93
10	Marketing	3	11	8	1.67	7.47	5.80
10	Nursing - Associate Deg	214	256	42	105.94	125.34	19.40
10	Physical Therapist Assistant	36	38	2	23.50	23.43	(0.07)
10	Supervisory Management	1	-	(1)	0.03	-	(0.03)
	<b>Total Associate Degree</b>	<b>904</b>	<b>950</b>	<b>46</b>	<b>639.50</b>	<b>669.64</b>	<b>30.14</b>
31	Accounting Assistant	13	8	(5)	9.07	4.87	(4.20)
32	Agricultural Power & Equipment Tech	44	43	(1)	39.91	42.50	2.60

Program Type	Program Title	01-14-13 Students	01-13-14 Students	Student Change	01-14-13 FTE	01-13-14 FTE	FTE Change
31	Auto Collision Repair & Refinish Tech	27	21	(6)	18.20	13.37	(4.83)
32	Automotive Technician	38	32	(6)	35.64	24.97	(10.67)
31	Cosmetology	40	43	3	35.37	34.47	(0.90)
31	Bricklaying and Masonry	-	10	10	-	8.50	8.50
30	Building Maintenance & Construction	-	1	1	-	0.10	0.10
31	Building Trades - Carpentry	14	13	(1)	12.14	12.97	0.83
30	CNC Setup/Operation	8	12	4	4.73	8.17	3.43
31	Child Care Services	12	10	(2)	7.73	8.43	0.70
30	Criminal Justice-Law Enf Acad	15	22	7	7.97	11.80	3.83
31	Culinary Specialist	13	6	(7)	10.20	3.10	(7.10)
31	Dairy Herd Management	14	17	3	15.07	17.43	2.37
30	Dental Assistant	30	29	(1)	16.50	15.87	(0.63)
31	Electrical Power Distribution	23	28	5	22.93	23.23	0.30
50	Electricity (Construction)	13	18	5	1.67	2.95	1.28
31	Esthetician	14	12	(2)	10.60	8.73	(1.87)
30	Farm Business & Production Manage	72	-	(72)	18.13	-	(18.13)
50	Industrial Electrician Apprentice	13	16	3	2.20	2.47	0.27
31	IT-Computer Support Technician	-	4	4	-	1.80	1.80
31	Medical Assistant	42	44	2	29.97	33.31	3.33
30	Medical Coding Specialist	64	61	(3)	28.37	21.33	(7.03)
31	Medical Transcription	14	3	(11)	7.87	1.27	(6.60)
30	Nursing Assistant	215	169	(46)	27.81	20.43	(7.38)
31	Office Support Specialist	4	9	5	3.10	5.60	2.50
50	Plumbing Apprentice	11	12	1	1.17	1.97	0.80
31	Welding	43	44	1	38.24	40.84	2.60
	<b>Total Technical Diploma</b>	<b>796</b>	<b>687</b>	<b>(109)</b>	<b>404.57</b>	<b>370.48</b>	<b>(34.09)</b>
	Liberal Studies	-	11	11	-	6.40	6.40
	Undeclared Majors	1,725	1,808	83	202.28	211.88	9.60
	<b>Total</b>	<b>3,425</b>	<b>3,456</b>	<b>31</b>	<b>1,246.35</b>	<b>1,258.39</b>	<b>12.05</b>
	<b>Percent of Change</b>						0.97%
	Vocational Adult (Aid Codes 42-47)				52.98	73.32	20.34
	Community Services				0.55	0.59	0.04
	Basic Skills (Aid Codes 7x)				26.78	19.82	(6.96)
	Basic Skills Remedial(Aid Codes 78)				56.43	55.72	(0.71)
	<b>Grand Total</b>				<b>1,383.08</b>	<b>1,407.83</b>	<b>24.75</b>
	<b>Total Percent of Change</b>						1.79%

## APPLICATION REPORT

2014-15 (1/13/2014)

<u>Max</u>	<u>Program</u>	<u>Accepted</u>	<u>Waiting List</u>	<u>In Process</u>	<u>Total</u>	<u>Max</u>	<u>Program</u>	<u>Accepted</u>	<u>Waiting List</u>	<u>In Process</u>	<u>Total</u>
	Accounting	11		6	17	24	Electro-mech Tech (Jan start)	3		10	13
	Acct Assist	1		3	4	12	Electro-mech Tech (Jun start)	6			6
	Admin Professional	5		4	9	18	Engineering Technologist	3		3	6
24	Agribusiness/Science	24	5	12	41	16	Esthetician	3		2	5
22	Ag Power	22	12	17	51		Golf Course Mgnt	5		4	9
22	Auto Collision	4		10	14	25	Graphic & Web Design	4		12	16
22	Auto Tech	8		14	22	32	Hum Serv Assoc	23		16	39
20	Bricklaying & Masonry			6	6		IT-Comp Sup Technician	5		4	9
20	Bldg Trades-Carpentry	2		11	13		IT-Network Comm	1		6	7
	Business Management	24		23	47		IT-Web Software Develop	3		5	8
13	CC Services	4		6	10		Liberal Arts - Assoc. Arts			5	5
15	CNC Setup/Operation	1		4	5		Liberal Arts - Assoc. Science	1		6	7
24	Cosmetology	6		15	21		Marketing	4		2	6
	Criminal Justice-LE	12		26	38	32	Medical Asst	32	5	22	59
	CJ-LE Academy (Sum Only)	-		-	-	34	Med Coding Spec	34	9	15	58
	Culinary Arts	4		15	19	16	Medical Laboratory Tech	2		11	13
	Culinary Mgnt			1	1	4	Nail Technician				-
	Culinary Spec	3		1	4	54	N-Assoc Degree	54	71	106	231
24	Dairy Herd	5		15	20	28	N-Assoc Degree P/T	28	4	-	32
18	Dental Assist	18	5	10	33		Office Aide (Jan start only)				-
9	Dental Assist (Jan Only)	9			9		Office Sup Spec	5		2	7
17	DE Midwife (Jan start only)	13	1	34	48		Pharmacy Tech (shared)			4	4
	DE Midwife CPM	3			3	15	Physical Therapist Asst	15	16	26	57
28	Early Child Education	9		11	20		Undecided			39	39
22	Electrical Power	15		17	32	40	Welding	18	-	38	56
<b>Totals</b>								<b>452</b>	<b>128</b>	<b>599</b>	<b>1,179</b>

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

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

1. Thank You's
2. Business Leaders
3. Spring Events – Taking it Local and Agriculture Day

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



## **Establish Board Agenda Items for Next Meeting**

### ***A. Agenda***

1. Board Retreat
2. Community Panel
3. Budget Assumptions & Parameters
4. Administrative Services Report
5. Student & Academic Affairs Report

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

Friday, February 21, 2014, at 12:30 at the Richland Center Community Center, Richland Center, WI and Saturday, February 22, 2014, at 8:30 a.m. in the Pipen Conference Room 3 at The Richland Hospital, Richland Center, WI

## **Adjournment**