

Fiscal Year 2020
BUDGET DOCUMENTS



WAUKESHA
COUNTY TECHNICAL
COLLEGE

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WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

Fiscal Year 2020 Budget

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Government Finance Officers Association

AWARD FOR BEST PRACTICES IN COMMUNITY COLLEGE BUDGETING

Presented to:

For Fiscal Year Beginning
July 1, 2017

Christopher P. Morrill

EXECUTIVE DIRECTOR/CEO

The Award for Best Practices in Community College Budgeting is presented by the Government Finance Officers Association (GFOA) annually to community colleges demonstrating a budget process aligned with GFOA's best practice recommendations. Budget processes are evaluated based on a number of criteria that focus on alignment of resources towards student achievement focusing on collaboration, communication, and rigorous development, evaluation, and prioritization of strategies to achieve a college's goals and objectives. In addition, the award includes criteria for conveying the results of this budget process through the budget presentation and also utilizing continuous improvement approaches to monitor outcomes.

NOTE: WCTC submitted its 2018/19 budget to the budget award program in a timely fashion, and is still awaiting the results. GFOA changed the award criteria for colleges to include a focus on the budget and planning processes in addition to the content included in the budget document, which has resulted in a delay by GFOA to return budget awards timely. WCTC believes its 2018/19 meet this more stringent award criteria.

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READER'S GUIDE TO THE BUDGET DOCUMENT

Introduction

The Adopted Budget ("Budget") contains a wealth of information about many aspects of Waukesha County Technical College's (WCTC or College) operations. To make this budget document easier to use and read, this Reader's Guide and the Quick Reference Guide have been developed. The Transmittal Letter and Budget Message should assist the reader in understanding many of the key issues within this document.

What is a budget?

The Budget includes the financial planning and legal authority to obligate public funds. Additionally, the budget informs the reader of significant policy direction and goals established by WCTC. The budget serves four major functions:

- **Policy document:** The Budget functions as a policy document in that the decisions made within the Budget will reflect the general principles or plans that guide the actions taken for the future. As a policy document, the Budget makes specific attempts to link desired goals and policy direction from the Strategic Plan to the actual day-to-day activities of WCTC and the Budget.
- **Operations guide:** The Budget reflects WCTC's operations. Activities of each division have been planned, formalized, and described in the following sections. This process will help to maintain an understanding of the various WCTC operations and how they relate to each other and to the attainment of WCTC's mission and vision. In this effort, the Budget addresses areas that may not be traditional budget document topics (i.e. debt management, staffing levels, long-range planning, capital improvement plans). An Appendix section is added to provide additional information.
- **A link with the general public:** The Budget provides a unique opportunity to allow and encourage public review of WCTC's operations. The Budget describes WCTC's activities, the reason or cause for those activities, future implications, and the direct relationship to the public. An Overview section is included for this purpose.
- **A legally required financial planning tool:** The Budget is a financial planning tool. It is also a statutory requirement for WCTC. The Budget must be adopted as a balanced budget and must be in place prior to July 1 of each year. The Budget is the legal authority to expend public monies and controls those expenditures by limiting the amount of the appropriations at the fund and function level. WCTC's revenues are estimated along with available cash carry forwards to indicate funds available for use. The staffs' requests for funds represent the expenditure side of the Budget.

Why prepare a budget?

The Budget Process affords both an interesting and challenging opportunity to reassess plans and overall goals and objectives in order to achieve the ends established by the WCTC Board. It is through this effort that the Budget becomes an important policy document each year. Much effort is expended to ensure the Budget and Strategic Plan are aligned in order to achieve the overall goals and objectives of WCTC.

The Budget is also a requirement by state law. The Budget, as adopted, constitutes the legal authority for expenditures. WCTC's Budget is adopted at the fund and function level so expenditures may not legally

exceed appropriations at this level without WCTC Board approval. During the year staff may request budget modifications of the Board to reallocate funds between functions within a fund. If new revenue sources become available during the year, staff may request the Board to modify the Budget. All unused appropriations lapse at yearend. Unexpended resources must be re-appropriated in a subsequent year in order for them to be available for use.

How does the Budget work?

The planning process, in many respects, is an ongoing, year-round activity. The formal strategic planning process begins in July with reviews and updates made to the existing Strategic Plan. Formal budget planning begins in December and ends when the Board adopts the Budget in June. Throughout the year the Board and staff seek input from students, employers, business and industry, customers, taxpayers, and others. Environmental scanning takes place all year long.

The Budget and policies are implemented through individual departments. The Financial Accounting Services Office monitors the accounting controls. The Budget is monitored by a reporting system including reports that are available to staff which compare actual expenditures and revenues with the Budget.

If new sources of funds become available during the year or funds need to be reallocated between funds or between functions, the Financial Accounting Services Office will work with the Board to seek a modification of the Budget. These modifications require a two-thirds vote by the Board.

How is the Budget structured?

The Budget is divided into eight sections. These sections focus on the following information:

- **Overview section:** This section contains a Transmittal Letter and Budget Message that gives the reader a broad picture of what is happening at WCTC, where WCTC is going, and what its intentions are. This section includes policies and other factors that helped guide the budget development process. This section also gives the reader information about how WCTC is structured and information about WCTC in relationship to the community and other technical colleges. It also gives the reader the big picture of the Budget.
- **General Fund:** Most of WCTC's activities are located in the General Fund. In addition to financial summaries, this section includes the operational plans of the various divisions within WCTC.
- **Special Revenue Fund:** This section contains information about two Special Revenue Funds. The Special Revenue – Operating Fund is used to record and track grant activity that WCTC is involved in. Information about the grants that WCTC expects to receive next year is included. The Special Revenue – Non-Aidable Fund is used to record and track activity where WCTC is either a trustee or fiscal agent for funds of others.
- **Capital Projects Fund:** This section gives the reader information about the capital equipment and capital projects portion of the Budget.
- **Debt Service Fund:** This section gives the reader information about the amount of debt WCTC has outstanding as well as information about its plans to borrow future debt.
- **Proprietary Fund:** This section contains information about the Proprietary Funds WCTC operates. The Enterprise Funds include such activities as the Bookstore and Child Development Center. The Internal Service Fund contains information about WCTC's self-insurance for dental coverage.

- **Fiduciary Fund:** This section contains information about the OPEB (other post-employment benefits) Trust WCTC has established to fund post-employment benefits for staff and retirees.
- **Appendix section:** This section includes statistical information about WCTC and the community. It also includes a glossary of terms and acronyms used within this document.

QUICK REFERENCE GUIDE

The following information should assist the reader with answering some of the more commonly asked questions about the Waukesha County Technical College budget:

To answer these questions	Refer to	Page
What is WCTC's vision and mission?	Strategic Plan	21
What are the major policy issues in the budget?	Budget Message Policies	12 25
What are WCTC's major expenditures?	Combining Budget Summary Combined Budget Summary	17 40
What are WCTC's major revenue sources?	Combining Budget Summary Combined Budget Summary Revenue Analysis	17 40 44
How will the homeowner be impacted?	Impact on Taxpayers	20
How many staff does WCTC employ?	Position Summary	43
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Has the tax rate increased over time?	Schedule of Tax Levies & Mill Rates	118
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What programs does WCTC offer?	Degree/diploma Offerings	109
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How can the reader easily locate information?	Table of Contents	3
What if the reader doesn't understand a term?	Glossary	132
What activities do the divisions perform?	General Fund divisional write-ups	65 - 70
Does WCTC have a website?	http://www.wctc.edu	

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WAUKESHA
COUNTY TECHNICAL
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June 11, 2019

To the Taxpayers of Waukesha County Technical College:

The WCTC Board of Trustees is pleased to present this fiscal year 2019/20 (FY 20) Adopted Budget to you. The Board has kept in mind the needs of the taxpayers, students, and other customers as staff prepared the budget. The FY 20 Budget consists of an expenditure budget of \$113,743,463 (0.2% decrease) and a revenue budget of \$101,431,084 (0.2% decrease). As a college, WCTC plans to issue \$7,750,000 (same as FY 19) in general obligation promissory notes to offset the cost of capital expenditures. The remainder of the budget will be funded with funds remaining from prior years, which WCTC planned on using in FY 20.

The Budget focuses on the following strategic directives: helping students learn, meeting stakeholder needs, valuing employees, planning and leading, and resources stewardship.

This budget contains a consistent property tax mill rate from fiscal year 2018/19 (FY 19) to FY 20 with an estimated operational levy increase of \$301,930 in FY 20. What does this mean to a homeowner in WCTC's district? This means the average home in Waukesha County, which is valued at \$270,000 would pay the same property tax of \$97.75 as they paid in FY 19.

The WCTC Board is proud of the accomplishments WCTC has made in helping to move the college forward so it can provide a highly skilled and trained workforce that is necessary for economic development in WCTC's district. The WCTC Board feels it has been very responsive to the needs of its students and other customers while maintaining its fiscal responsibility to you, the taxpayers. It is WCTC's intention to continue providing the quality of service it has done in the past while it keeps in mind the needs of its students and taxpayers. The WCTC Board appreciates the opportunity to serve you.

Sincerely,

Alan A. Karch
Board Chairperson

David L. Lancaster
Board Secretary/Treasurer



WAUKESHA
COUNTY TECHNICAL
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June 11, 2019

To the WCTC Board of Trustees:

We submit this 2019-20 Budget to you for your adoption. This Budget was prepared using Waukesha County Technical College's (WCTC) strategic planning process, which is predicated on informed decision-making and which fosters quality educational and fiscal accountability while keeping the focus on our students. WCTC's definition of accountability is the stewardship responsibility it has to its stakeholders to explain and clearly report its planned use of resources and the results of those efforts to achieve organizational objectives. WCTC focuses on maintaining the quality and integrity of its educational programs and on student learning.

The 2019-20 budget plan reflects the efforts of the WCTC Board of Trustees, administration and staff to allocate resources to support growth in the quality educational programs and services we provide to the residents of the WCTC district. This budget includes the same mill rate of 0.36203 for 2019-20 as was levied for 2018-19.

The following decision making criteria were used in budget planning and resource allocation:

- Alignment with mission, vision, and strategic directions
- Focus on students
- Use data to inform decision-making
- Reallocate resources when possible
- Assure the college is sustainable and financially viable into the future
- Include innovation
- Include changes to maintain relevance of programming and services

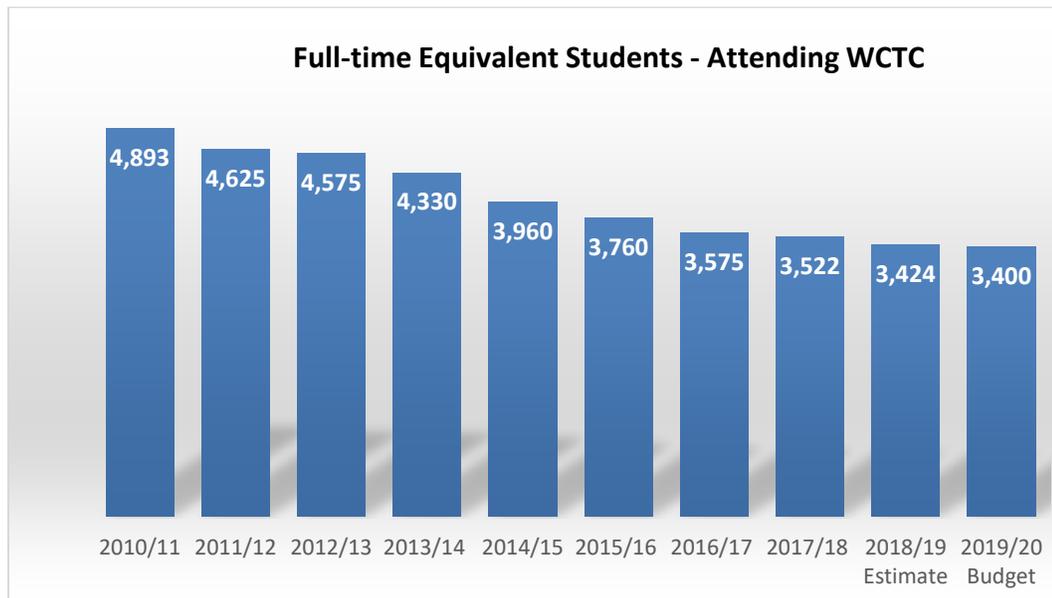
Challenges

WCTC faced a number of challenges as it prepared the FY 20 Budget. Some of those challenges were:

- **Moving the College Forward:** WCTC is, and must remain, a vibrant and financially sound educational entity focused on students and the College's mission. This focus includes maintaining high quality standards and innovation in programs and services to meet the needs of students and the community. The College examines the viability of educational programs to meet student and employment needs, as well as effectiveness and sustainability of programs and college operations. All this is being done in an environment of declining enrollments, strong competition for students, decreasing high school graduates resulting in fewer potential college students, and stagnant revenues. Specific information regarding WCTC's plan is identified in this document.
- **Enrollment Trends:** Student enrollments for Wisconsin technical colleges are strongly correlated with unemployment rates. When unemployment rates go down, enrollments go down and vice versa. The budget challenge is estimating where enrollments will be in the subsequent year using past trends and year-to-date information along with economic information to predict enrollments.

In addition to unemployment rates affecting enrollments, WCTC has other demographics that impact its enrollments.

- WCTC is located in Southeastern Wisconsin and is part of the Milwaukee metropolitan area. There are a number of other colleges and universities in the area, providing students many options for meeting their higher education needs.
- Many out-of-state colleges and universities are advertising their on-line classes in WCTC's district, offering additional competition and options for the same students.
- High school enrollments for the K-12 school districts located within the WCTC district have been declining for a number of years, resulting in fewer students available to come to WCTC or another college or university. Although enrollments are showing increases for Kindergarten through third grade, it will be a number of years before those enrollees will be deciding which college to attend.

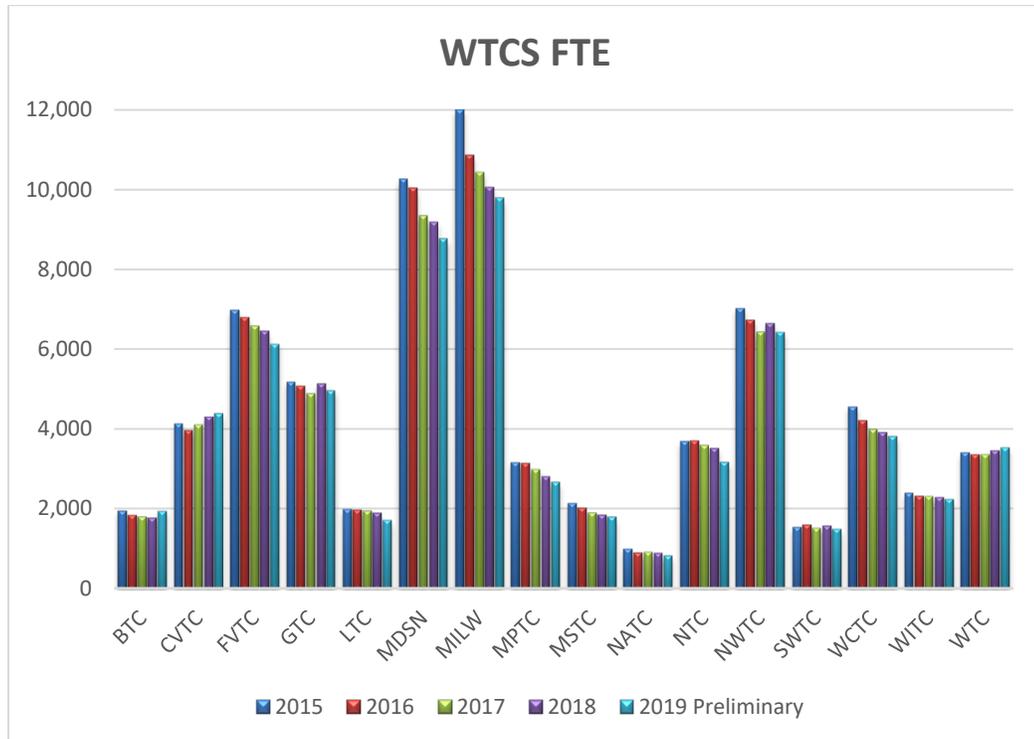


*The data in the chart above does not include FTEs generated from dual enrollment programs for high school students, such as transcribed credit, where the high school student earns high school and WCTC credit for the same class. It only includes data for classes taught at WCTC.

Projecting enrollments with accuracy has become more difficult since enrollment trends have not followed previous trend patterns. A number of factors, including but not limited to, economic factors, demographic changes, change in competition, and various initiatives WCTC has implemented to increase recruitment of new students and retention of existing students has affected projecting future FTEs with accuracy.

In order to get ahead of tuition shortfalls, WCTC is conservatively budgeting student FTEs to decrease in FY 20 with the academic goal for FTE's to actually increase. To be conservative, WCTC is projecting a small decline in enrollments again in FY 20 even after it has added new programs and expansion of existing programs for FY 19 and FY 20.

WCTC is not alone in experiencing declines in FTEs. Some of the other Wisconsin technical colleges and other two- and four-year colleges across the nation have experienced declining enrollments. The chart below depicts trend data related to the Wisconsin technical colleges' student FTEs.



- **Generational Issues:** WCTC serves diverse students from multiple generations. This significantly affects how classes are taught, the technology used, the support services that are needed, how facilities are designed, how students learn, and the perspectives of the students. WCTC manages a broad spectrum of student types by using various teaching methodologies, technology, and facilities to meet diverse student needs.
- **Marketing/Recruitment:** For many years, WCTC's focus was on the high school population for its marketing and recruitment efforts. The high school population is less than 15% of WCTC's overall enrollment. In order to more efficiently and effectively utilize its recruitment and marketing resources, WCTC has done or will do the following:
 - Went live with a website redesign in Fall 2018.
 - Increased marketing and recruitment efforts to segmented populations, such as the adult learner.
 - Implemented a Customer Relations Management (CRM) system in February 2019 that strategically tracks a prospective student from the first contact to the time the student is admitted to a program.
 - Expanded use of social media as a form of communication.
 - Developed a rebranding campaign with new logo and updated look.
- **Stagnant and Declining Revenues:** WCTC has limited funding for operations.
 - The Wisconsin 2017 – 2019 Biennium Budget kept state aids at the 2015 – 2017 levels.

- With declining enrollments, tuition and fees have declined.
- WCTC has some limited ability to increase its operational levy. This budget does contain a small operational levy increase of \$501,930, which is significantly lower than the amount allowed by statute. WCTC has only asked the Board for the amount it needs for FY 20 to fund new programs and initiatives.

Major initiatives

Some of the major initiatives planned for 2019-20 are:

- **Guided Pathways:** Guided Pathways is a national model that combines student access and student support efforts to increase historically low graduation rates at community and technical colleges. Like many other colleges and universities nationwide, WCTC plans to redesign its academic programs and support services to create more clearly structured and educationally coherent pathways to meet student end goals. Through the development and implementation of strategic policies, services, technology, and business processes, this initiative will serve the WCTC district's workforce needs by helping students complete credentials and enhance critical life skills in a more timely manner.
- **Flexible Calendar:** To meet the needs of today's students, this initiative involves having classes available when students want to take them, to offer classes in multiple modalities, and at different frequencies to meet student needs throughout the calendar year. Year-round calendaring for class offerings will expand the way we utilize our existing semesters, offering accelerated/compressed mini-terms within semesters, and increasing the utilization of the summer term. Planning activities have already begun so that in fiscal year 2020-21, WCTC will implement a new academic calendar to improve course success, increase retention, and expedite credential completion. This initiative will impact all staff and many processes and technology systems across campus.
- **Higher Education Regional Alliance (HERA):** WCTC joined with other postsecondary institutions to form HERA. HERA will significantly reduce skills and talent gaps in Southeastern Wisconsin by increasing the employment rates and number of post-secondary graduates in the region. HERA has three major goals:
 - ✓ Goal 1: Raise the region's college completion rate.
 - ✓ Goal 2: Increase program innovation, growth and alignment.
 - ✓ Goal 3: Higher Education and Talent Needs Connection - Better connect employers with the talent coming out of the colleges
- **Engage WCTC:** WCTC partnered with Studer Education to intentionally work on cultural transformation and strategy execution to support attainment of new vision, strategic directives and goals contained within the strategic plan. This initiative aligns with WCTC's Strategic Directive #4: Plan and Lead.
- **Diversity, Equity & Inclusion:** In the Fall of 2018, WCTC participated in the WTCS Affirmative Action Compliance Review Audit, held a minority student panel to gain an understanding of their experiences, and obtained feedback from the Studer Employment Engagement Survey. Through these initiatives, it was apparent that there is more work that needs to be done in the areas of Diversity, Equity, and Inclusion. Guided Pathways provides equity for students, and we are developing an equity framework for employees. We are also finalizing the 2019-24 Affirmative Action Plan which will help guide our work in this area.

Acknowledgements

The preparation of this report was accomplished through the cooperative efforts of all departments at WCTC. We express our appreciation to these staff for their many long hours in the preparation of this report. In addition, we convey our appreciation to the WCTC Board for their interest and support in planning and conducting the financial operations of WCTC in a responsible and progressive manner.

WCTC will submit its budget to the Government Finance Officers Association's Distinguished Budget Awards Program. WCTC has received this award from GFOA every year since FY 96.

Respectfully submitted,


Kaylen Betzig
President


Dr. Jane L. Kittel
Vice President of Finance

COMBINING BUDGET SUMMARY
Fiscal Year July 1, 2019 - June 30, 2020

	Governmental					Proprietary		Combined
	Funds					Funds		
	Operating Funds		Special Revenue			Internal Service	Enterprise	
General	Operating	Non-Aidable	Capital Projects	Debt Service	Total			
REVENUES								
Local Government	11,048,797	963,400	151,500	-	8,792,794	-	-	20,956,491
State	47,588,730	1,350,800	1,292,220	-	-	-	-	50,231,750
Program Fees	12,152,940	-	-	-	-	-	-	12,152,940
Material Fees	770,800	5,700	-	-	-	-	-	776,500
Other Student Fees	1,150,550	107,800	625,000	-	-	-	-	1,883,350
Institutional	3,911,890	30,000	13,000	380,000	100,000	1,072,000	4,385,445	9,892,335
Federal	-	689,900	5,007,818	-	-	-	40,000	5,737,718
Total Revenues	76,623,707	3,147,600	7,089,538	380,000	8,892,794	1,072,000	4,425,445	101,631,084
EXPENDITURES								
Instruction	46,484,961	2,149,400	-	3,523,020	-	-	-	52,157,381
Instructional Resources	1,541,420	-	-	84,074	-	-	-	1,625,494
Student Services	8,814,963	890,300	7,109,538	6,000	-	-	-	16,820,801
General Institutional	14,148,052	107,900	-	1,331,000	-	-	-	15,586,952
Physical Plant	5,634,311	-	-	7,771,215	8,892,794	-	-	22,298,320
Auxiliary Services	-	-	-	-	-	1,132,672	4,321,843	5,454,515
Total Expenditures	76,623,707	3,147,600	7,109,538	12,715,309	8,892,794	1,132,672	4,321,843	113,943,463
Net Revenue/(Expenditures)	-	-	(20,000)	(12,335,309)	-	(60,672)	103,602	(12,312,379)
OTHER SOURCES/(USES)								
Operating Transfer In/(Out)	-	-	20,000	-	-	-	(20,000)	-
Proceeds from Debt	-	-	-	7,750,000	-	-	-	7,750,000
Total Other Sources/(Uses)	-	-	20,000	7,750,000	-	-	(20,000)	7,750,000
TRANSFERS TO/(FROM) FUND BALANCE								
Reserve for Capital Outlays	-	-	-	(4,585,309)	-	-	-	(4,585,309)
Retained Earnings	-	-	-	-	-	(60,672)	83,602	22,930
Total Transfers To/(From) Fund Balance	-	-	-	(4,585,309)	-	(60,672)	83,602	(4,562,379)
Beginning Fund Balance	19,909,188	426,978	642,240	15,557,704	756,001	2,653,769	396,764	40,342,644
Ending Fund Balance	19,909,188	426,978	642,240	10,972,395	756,001	2,593,097	480,366	35,780,265

FISCAL IMPACT SUMMARY

General Fund

The General Fund includes \$76.6 million in revenues and \$76.6 million in expenditures, which is up from \$76.5 and \$76.5 million respectively in 2018-19. The increase in revenue is due to a levy increase based on estimated net new construction within the WCTC district while keeping the tax levy mill rate the same as fiscal year 2018-19. Expenditure increases are due to normal cost increases and new or expanded initiatives.

Special Revenue Fund

The Special Revenue – Operating Fund includes \$3.1 million in anticipated revenues and expenditures respectively, which is down from \$2.8 million respectively for each in 2018-19. This budget was based on anticipated external federal and state grants to be received in 2019-20.

The Special Revenue – Non-Aidable Fund includes \$7.1 million of revenues and expenditures respectively. This is down from \$7.7 million of revenues expenditures in 2018-19. The majority of these funds are state and federal financial aid to be disbursed to students to pay for tuition and fees. WCTC also acts as fiscal agent for other agencies. These grants are recorded in this fund rather than the Special Revenue – Operating Fund since WCTC does not receive state aids for these expenditures, does not provide the services, and needs to isolate these activities from the operating funds.

Capital Projects Fund

The Capital Projects Fund includes \$0.3 million in projected revenue and \$12.7 million in expenditures, which is consistent with \$0.3 and \$12.5 million for 2018-19.

WCTC will fund \$7.75 million of capital expenditures through general obligation promissory notes. Over the next four or five years, WCTC anticipates it will issue the same \$7.75 million annually in debt to fund projects included in its Facility Master Plan as well as other capital needs. WCTC will utilize \$4.6 million of fund balance to cover the remainder of the costs as previously planned.

Debt Service Fund

The Debt Service Fund includes \$8.9 million in revenues and expenditures respectively. Debt repayment schedules are structured to allow a steady tax levy mill rate for this fund.

Proprietary Funds

The Enterprise Fund includes \$4.4 million of revenues and expenditures respectively for 2019-20 compared to \$4.6 million for 2018-19. Enrollment declines are a factor in this decrease. When needed in a year, the Bookstore transfers funds to the Child Development Center and the Firing Range to offset planned losses. A small transfer of funds to both operations is included in this budget.

Internal Service Fund

The Internal Service Fund includes \$1.1 million of revenues and expenditures for self-funded dental insurance compared to \$1.1 million for 2018-19. This activity is consistent year to year.

One-time Use of Fund Balance: WCTC does not use fund balance for ongoing operations, which is consistent with Board policy. However, there are times WCTC does utilize fund balance for one-time activities. For 2019-20, WCTC plans on utilizing fund balance for the following one-time activities:

- **Capital Fund:** WCTC plans on utilizing \$4,585,309 of fund balance to fund some of its capital. These were funds planned to be used during fiscal year 2019-20.
- **Internal Service Fund:** The Internal Service Fund has exceeded the planned level of Retained Earnings for this fund. These funds will be used to fund some wellness initiatives to help reduce insurance costs.
- **Enterprise Fund:** Annually the Bookstore's revenues exceed its expenditures resulting in the Bookstore exceeding its planned level of Retained Earnings. WCTC has a planned drawdown of these funds in place. The Bookstore will transfer \$20,000 to help fund books for needy students.
- **Special Revenue Fund – Non-Aidable:** Annually \$20,000 of the Bookstore earnings has been transferred to the Special Revenue – Non-Aidable Fund to help students pay for books and other supplies that are not covered with financial aid and scholarships.

IMPACT ON TAXPAYER

How does the budget affect the taxpayer?

WCTC is considered a unit of government by the state of Wisconsin. By statute, it has authority to levy taxes to cover the services it provides. Annually WCTC is required to adopt a balanced budget. During the budget process, it determines how much tax levy is needed to meet the needs of the budget. In October of each budget year the WCTC Board approves the amount of tax levy to be assessed against each municipality within the district.

By state statute, WCTC cannot increase the operational levy by more than the percent increase of net new construction for the year plus one-half of one percent of unused operational levy increase from the prior year. There is no limit on the amount that can be assessed for debt service. However, state statutes limit how much debt WCTC can issue without a referendum. In this way, the statutes put controls on the technical colleges for tax levy and borrowing.

WCTC levies tax with the municipalities based on **equalized valuation** as determined by the Wisconsin Department of Revenue. WCTC bills the municipalities based on mill rates. A **mill rate** is the amount of taxes billed per \$1,000 of valuation. The tax rates shown within this document are based on equalized valuations that are billed to the municipalities, not on assessed valuations billed to the taxpayer.

The municipalities, in turn, bill the taxpayers of those municipalities based on **assessed valuation**. Therefore, the mill rate assessed by one municipality for taxes due to WCTC can be different than the mill rate assessed by another municipality. These rates may be higher or lower than the mill rate billed to the municipalities by WCTC based on equalized valuation.

Based on a projected average Waukesha County home value of \$270,000 for WCTC's 2019-20 budget, the estimated amount the municipalities within the district will be billed is \$0.21 for operations and \$0.15 for debt for a total of \$0.36 per \$1,000 of equalized valuation. This is based on the assumption that equalized valuation will **increase 2.5%**. For a \$270,000 home the municipality would be billed \$97.75, the same as last year.

The municipality, in turn, will bill the taxpayer based on assessed valuation. The municipality determines the assessed valuation for properties within the municipality. Equalized valuation is determined by the Wisconsin Department of Revenue based on a formula that standardizes property values across all municipalities within the state.



STRATEGIC PLAN – 2018 and Beyond

Vision

Waukesha County Technical College is the distinct choice of innovative and transformational education.

Mission

Waukesha County Technical College provides accessible career and technical education to strengthen our community through life-long learning.

Strategic Directives

Strategic Directive #1 – Helping Students Learn: Facilitate learning so students are competently prepared for the workforce.

1.1 Students exhibit the technical skills required for employment	Target	2015/16 Actual	2016/17 Actual	2017/18 Actual
Course Success Rate	80.0%	76.7%	76.7%	77.3%
Technical Skill Assessment (TSA) pass rate	95.4%	97.5%	91.9%	96.3%

1.2 Students exhibit the Critical Life Skills (CLS) of productive contributors to society	Target	2015/16 Actual	2016/17 Actual	2017/18 Actual
CLS Average Pass Rate – All Programs	>90%	87%	93%	93%
CLS Average Pass Rate – Co-Curricular	>90%	93%	95%	94%

Strategic Directive #2 – Meeting Stakeholder Needs: Provide transformative educational offerings to meet stakeholder needs.

2.1 Provide relevant educational offerings	Target	2015/16 Actual	2016/17 Actual	2017/18 Actual
New Students Enrolled (#)	3,300	3,274	3,142	3,289
Job Placement	79.2%	79.9%	76.1%	N/A

2.2 Support credential completion	Target	2015/16 Actual	2016/17 Actual	2017/18 Actual
Course Success Rate	80%	76.7%	76.7%	77.3%
Retention	75%	73.7%	73.3%	75.7%
Graduation Rate	40%	39.1%	N/A	N/A

2.3 Expand accessibility to the College	Target	2015/16 Actual	2016/17 Actual	2017/18 Actual
Postsecondary Enrollment (#)	12,000	11,780	11,288	10,978
Postsecondary Students Receiving Pell Grants (%)	30%	20%	18%	18%

2.4 Implement Guided Pathway model	Target	2015/16 Actual	2016/17 Actual	2017/18 Actual
Community College Resource Center (CCRC) Scale of Adoption	Yes	N/A	N/A	Yes
Retention	75%	73.7%	72.9%	75.7%
Graduation Rate	40%	39.1%	N/A	N/A

Strategic Directive #3 – Valuing Employees: Create an exemplary, engaged workforce where employees are valued.

3.1 Maintain an appropriate workforce to meet present and future needs	Target	2015/16 Actual	2016/17 Actual	2017/18 Actual
Voluntary Termination Rate	<6%	5.8%	5.8%	4.5%
HLC compliance with credentialing requirements				
WCTC faculty by 2019	N/A	N/A	N/A	N/A
High school faculty by 2022	N/A	N/A	N/A	N/A

3.2 Develop and grow employees	Target	2015/16 Actual	2016/17 Actual	2017/18 Actual
Life Matters Rate	10%	6.0%	7.9%	6.9%
Employees Reaching Wellness Reward Threshold (%)	32%	32%	32%	32%

Strategic Directive #4 – Planning and Leading: Execute strategic initiatives to attain the College’s vision.

4.1 Provide leadership to become the ‘distinct choice’ in innovative and transformative education	Target	2015/16 Actual	2016/17 Actual	2017/18 Actual
Admitted application to registered conversion rate	80%	81.8%	83.7%	81.5%

4.2 Plan and execute the strategic plan	Target	2015/16 Actual	2016/17 Actual	2017/18 Actual
Set Metrics and Targets for College Goals	Yes	N/A	N/A	Yes
Achievement of Targets for College Goals (%)	80%	N/A	N/A	N/A

Strategic Directive #5 – Resource Stewardship: Build financial strength through effective resource stewardship.

5.1 Effective physical resource stewardship	Target	2015/16 Actual	2016/17 Actual	2017/18 Actual
Annual Required Asset Replacement Spend	>130%	142%	173%	149%
Replacement Cost Ratio	1.5-1.75	1.93	1.85	1.75
Capital asset condition	35-50%	38.1%	37.2%	37.5%

5.2 Effective data resource management	Target	2015/16 Actual	2016/17 Actual	2017/18 Actual
Cognos Student Refresh Failures	<1%	0%	6.8%	2.1%

5.3 Ensure financial strength	Target	2015/16 Actual	2016/17 Actual	2017/18 Actual
Revenue per Capita	\$184	\$176.72	\$174.49	\$181.97
Expenditures per Capita	\$184	\$180.78	\$174.05	\$172.14
Fund Balance to Operating Expenditure	25%	30.45%	30.13%	30.82%
Liquidity	>200%	290%	295%	312%
OPEB Funded (%)	100%	91.7%	106.3%	104.6%
Debt bond rating	Aaa	Aaa	Aaa	Aaa

Ends Statements

The ends statements describe the benefits or long-term results that are desired for WCTC students and other customers and define the expectations of WCTC in meeting its mission.

Students will obtain the critical life, occupational and technical skills needed to achieve their educational goals at an affordable cost.

Employers will be able to develop and maintain a skilled workforce through available and accessible educational offerings.

Taxpayers will benefit from customer-driven educational services provided through efficient and effective use of limited resources.

Values

Commitment

Dependability/Effectiveness/Responsiveness/Stewardship/Accountability/Purposefulness

We are committed to creating an environment that fosters learning, personal growth, and fulfillment of the critical life skills.

Integrity

Honesty/Truth/Fairness/Trust

We create a work environment together which upholds honesty, truth, fairness and trust.

Relationships

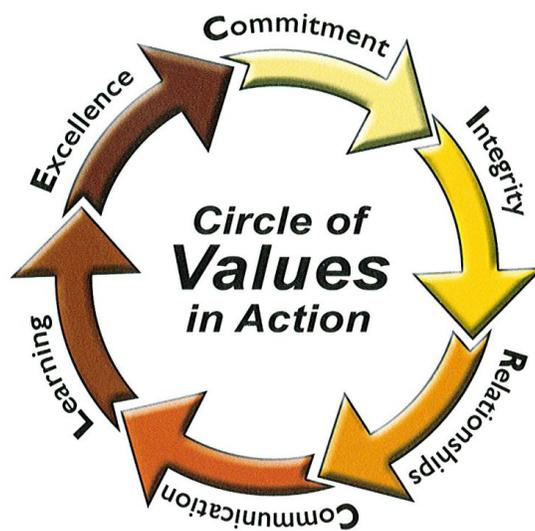
Collaboration/Fun/Teamwork/Respect/Humor

We encourage collaboration and diversity among staff, students and the community through teamwork and respect of one another.

Communication

Listening/Sharing/Questioning/Thinking

We share information and ideas in an open, honest, timely manner throughout the college as we practice clear thinking and questioning.



Learning

Competence/Success/Personal Growth

We provide opportunities to grow professionally and personally to foster competent and productive members of our community.

Excellence

Quality/Innovation/Flexibility

We provide excellence in education by delivering high quality, innovative and flexible learning options.



POLICIES

A number of policies provide the context for planning and developing the budget in any given year. Fiscal policies address the acquisition and general allocation of resources: cash management, reserves, debt service, etc. Programmatic policies focus on what is done with those resources and how it is accomplished. Long-term policies deal with broad goals that vary little from year to year. Short-term policies are specific to the budget year. Policies address the key issues and concerns that frame the task at hand – preparing a balanced budget that effectively achieves WCTC’s priorities within the context of the current and expected economic and political realities.

Fiscal policies

Debt management

The WCTC Board has taxing powers and may incur long-term debt obligations. By statute WCTC cannot have bonded indebtedness greater than 2% of equalized valuation and aggregate indebtedness greater than 5% of equalized valuation. WCTC structures its debt in such a way as to maintain a stable tax levy requirement in the Debt Service Fund. WCTC also structures its debt to be repaid over a five to ten year period or less for any bond or note issue that is not part of a referendum. Referendum-related issues may be paid off over a ten to twenty year period, depending on the size of the referendum. WCTC annually borrows funds to pay for new construction, land improvements, building improvements, site improvements, and capital equipment that are budgeted in the Capital Projects Fund. WCTC does not borrow funds short-term for operations.

Long-term liabilities

Responsible financial management means looking beyond the next fiscal year to potential liabilities that can impact WCTC in the future. Post-employment sick pay and other post-employment benefits are long-term costs have been addressed. Annually WCTC has an actuarial calculation done of its post-employment benefits liability to document the financial impact of this benefit. Beginning in FY 07, WCTC created an irrevocable OPEB trust to fund its post-employment benefits and continued to fund the trust to reduce and, eventually, eliminate this liability. It also made changes to its post-employment benefits in order to significantly reduce the liability.

Accounting systems

WCTC is committed to the development of good management systems and controls. Significant efforts are made to employ qualified personnel. Likewise, systems are conscientiously developed within which WCTC employees can function effectively and which provide appropriate levels of supervision, internal controls, and segregation of job duties.

Internal control

In developing and modifying WCTC’s accounting system, consideration is given to the adequacy of internal controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets.

Cash management

WCTC has adopted an investment policy, which restricts investments to time deposits that mature in not more than one year, US treasury obligations, repurchase agreements, US instrumentalities, and other high-grade securities that comply with Wisconsin statute 66.04(a). WCTC structures its investments to ensure sufficient funds are available to meet all obligations when due and to provide for safety, liquidity, return, and diversification – in that order.

Revenue estimates

In order to maintain good fiscal integrity, WCTC uses conservative estimates when forecasting revenues so that actual revenues equal or exceed the budgeted revenues.

Balanced budget

State statutes require WCTC to prepare an annual budget. The WCTC Board controls the budget by controlling the rate of growth to the tax levy. WCTC staff must present a balanced budget to the Board that meets the budget guidelines as established by the Board. The budget is balanced when revenues plus other sources equals expenditures plus other uses.

Balanced Budget	
Total Revenues	101,631,084
Proceeds from Debt	7,750,000
Use of Fund Balance	4,562,379
Total Sources of Funds	113,943,463
Total Expenditures	113,943,463
Variance	-

Maintenance of fund balance

State statutes prohibit the technical colleges from maintaining any unreserved and undesignated fund balances. WCTC maintains fund balances to cover prepaid expenditures and inventories, operations, post-employment sick pay, capital projects, debt service, student organizations, student financial assistance, retained earnings, and funds designated for subsequent year(s). WCTC does not utilize fund balance to fund ongoing operations. Any use of fund balance is for one-time-only expenditures and emergencies. For Proprietary Funds whose retained earnings have exceeded planned levels, WCTC may implement a planned, gradual drawdown of those funds.

Proceeds from issuance of general obligation promissory notes are not always spent in the year the funds are received. As a result, WCTC's budget may include re-appropriating some of these funds in future years.

When WCTC creates the Debt Service budget, it knows the principal and interest that is due on debt that is already issued. It anticipates when it will issue debt and whether or not any principal and interest on the new debt will need to be repaid in the budget year. It also estimates how much might be earned on the levy funds between the time they are received and when payment needs to be made. When differences occur between actual and projected, WCTC may have additional funds in its fund balance, otherwise known as sinking funds. WCTC will re-appropriate these funds in future years to help repay debt in those years in order to keep the levy amount low and stable.

Contingencies

WCTC maintains a Designated for Operations account in its fund balance in the General Fund that can be accessed for emergencies and to help with cash flow in order to avoid short-term borrowing. A similar account is maintained in the Special Revenue – Operating Fund to be used for additional match for grants if the budgeted levy for the year is insufficient for new grants that may become available during the year.

Bond rating

WCTC values fiscal integrity and strives to retain its Aaa bond rating with each debt issue.

Risk management

WCTC maintains a risk management program that includes a risk manager, a comprehensive insurance program designed to meet WCTC's needs, active security and safety committees and programs oriented to the identification and avoidance of risk, and regular meetings with employees covering risk management.

Independent audit

WCTC hires a certified public accounting firm to conduct an independent audit of its accounting records in compliance with generally accepted accounting and auditing standards and in compliance with the Single Audit Act requirements. WCTC Board policy and state law require an annual audit of the financial statements of WCTC by an independent certified public accountant. WCTC does not maintain an internal audit staff; however, internal audit and operation review services are purchased on an as-needed basis from an independent auditor.

Planning processes

WCTC integrates a number of planning processes into its daily activities. These processes are also integrated into the resource allocation processes, which include financial, human, and capital resources.

Strategic planning

Strategic planning provides a clear focus and direction. The strategic planning process is fully integrated with other planning processes such as academic planning, budgeting, technology planning, resource allocation, capital improvement planning, program planning, etc.

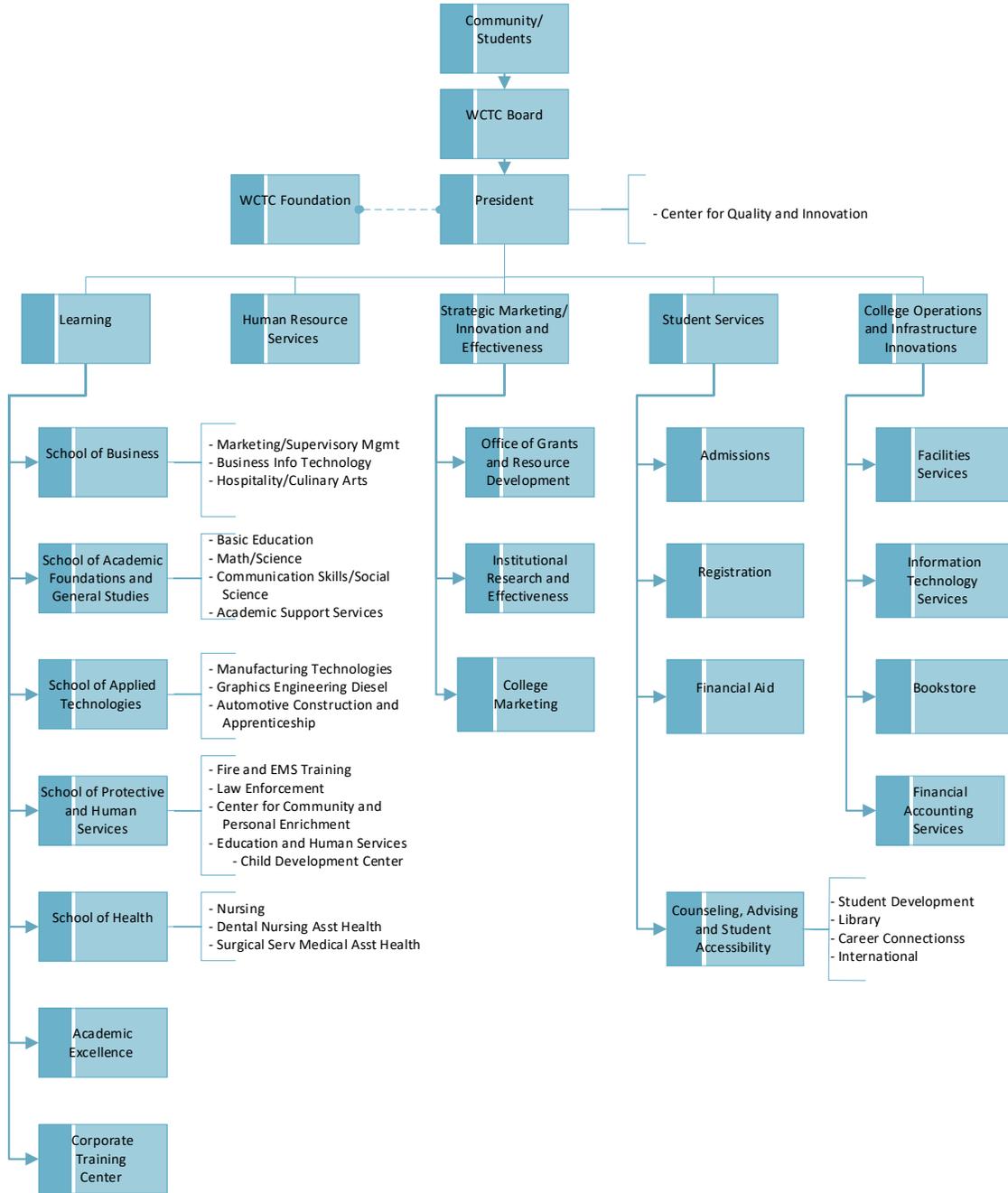
WCTC's strategic planning process includes the development of vision and mission statements which helps steer WCTC on the desired path. The ends statements describe the benefits or long-term results that are desired for WCTC students and other customers and define the expectations of WCTC in meeting its mission. The development of strategic goals helps guide WCTC in achieving its mission, vision, and ends statements.

Annually WCTC reviews this framework and modifies the above documents as necessary. Once the Strategic Plan has been reviewed and updated, the various divisions within WCTC develop action plans that align to WCTC's strategic goals.



These action plans are prepared in conjunction with the annual budget. Resource allocation, which includes economic, human, facilities, and equipment resources, are allocated based on needs identified in these plans. The budget is one component of the resource allocation process. Budget development responds to the planning guidelines established in the various planning processes.

WCTC Organizational Chart



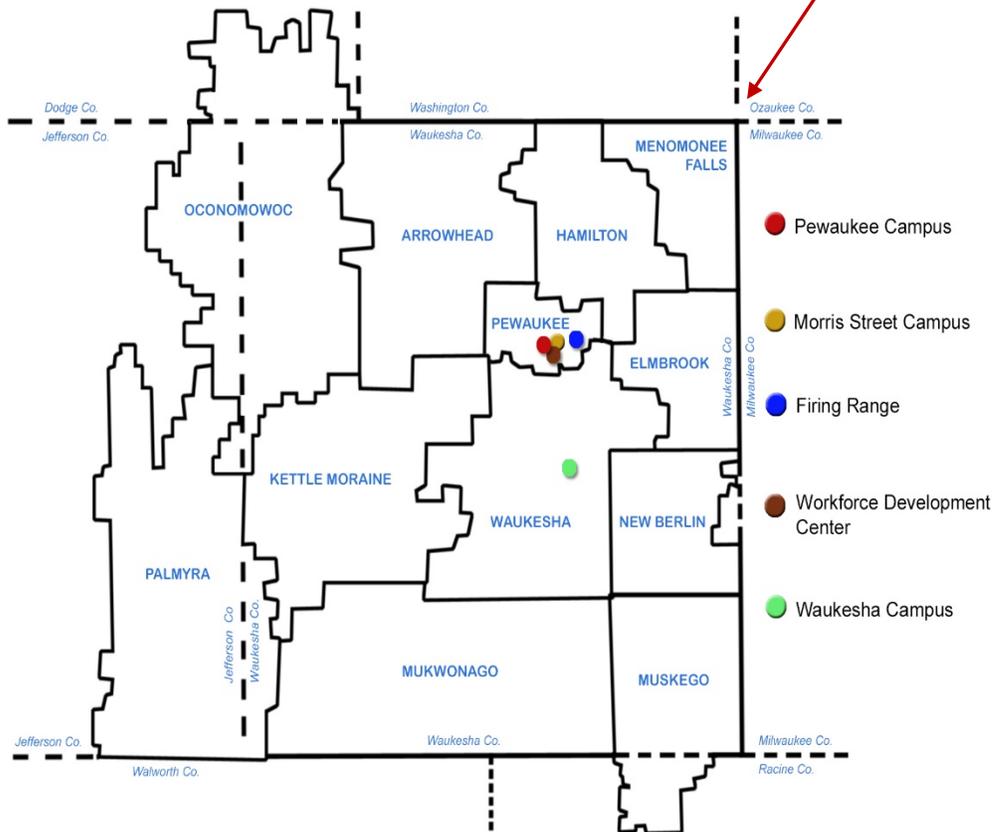


WTCS Technical Colleges

WCTC is one of sixteen technical colleges in Wisconsin. The technical college boundaries are determined by the K-12 school districts. WCTC's district is composed of twelve K-12 school districts.



WCTC District Map



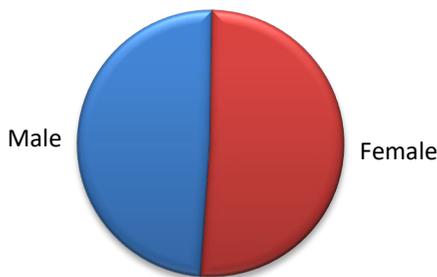
DISTRICT PROFILE

Taxing district

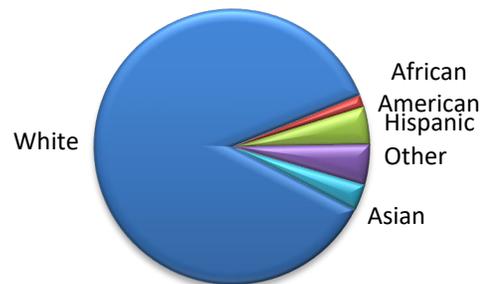
Located in Pewaukee, Wisconsin, WCTC's main campus is 20 miles west of the City of Milwaukee and approximately 60 miles east of the state capitol in Madison. WCTC's boundaries encompass approximately 600 square miles and serves 95% of Waukesha County, 2% of Jefferson County, 1% of Dodge County, and 3% of Racine County and the local municipalities (7 cities, 19 towns, and 21 villages) located therein.

- WCTC was organized as a Waukesha city institution in 1923.
- Between 1923 and 1963 WCTC's programs served apprentices, adults, full-time compulsory-age students and employed part-time students attending school one day per week under a work permit.
- In 1967 WCTC dropped its status as a city institution and became a county-based district known as the Waukesha County Technical Institute.
- In 1973 WCTC's legal name was officially changed to the Waukesha County Area Vocational, Technical and Adult Education District.
- In 1987 WCTC became known as Waukesha County Technical College based on action taken by the WCTC Board and the Wisconsin Technical College System Board; however, its legal name still remained the same.
- In July 1994 WCTC's legal name was officially changed to Waukesha County Area Technical College District. The primary purpose of the name change was to communicate more clearly the higher education nature of its offerings. WCTC's mission and legislative authority have not changed. WCTC's authority includes granting associate of applied science degrees and offering basic skills training.

Gender



Ethnicity



Our students

Students enrolled in credit classes range in age from 13 - 80 with a median age of 25 and represent diversified socio-economic backgrounds. For all students taking classes, ages range from 10 - 93 with a median age of 28. Following graduation, 68% of WCTC's former students reside and 55% work in WCTC's taxing district and 89% are employed in the Milwaukee Metropolitan area. Eighty one percent of employed graduates are employed in jobs related to their education. Annually more than 20,000 citizens take advantage of educational opportunities offered by WCTC.

Our campuses

In addition to the main campus in Pewaukee, WCTC operates other campuses where full-time staff is assigned. Campus locations and square footages are summarized as follows:

- **Pewaukee campus**, 800 Main Street, Pewaukee – 710,308 square feet
- **Waukesha campus**, 327 E Broadway, Waukesha – 45,010 square feet
- **Workforce Development Center**, 892 Main Street, Pewaukee – 30,685 square feet (leased space)
- **Protective Services Center (a.k.a. Morris Street)**, 357 Morris Street, Pewaukee – 20,529 square feet (leased space)
- **WCTC Firing Range and Training Facility**, 1228 Hickory Street, Pewaukee – 19,800 square feet (leased space)

Below is an aerial view of the Pewaukee campus taken when school was not in session. Behind the campus is Pewaukee High School, surrounding neighborhoods, and Pewaukee Lake.



BOARD MEMBERSHIP

Board members are qualified to serve and provide a critical balancing perspective on WCTC’s vision and direction. The membership consists of two employers, two employees, three citizen members, one public school administrator, and one elected official. Board members are appointed by an Appointment Committee consisting of the chair of each of the four County Boards in the district. Members of the Board serve three-year terms. Regular Board meetings are held once per month and are open to the public. If necessary, additional periodic meetings are scheduled as well. Board members receive no compensation for their services, but are reimbursed for actual and necessary expenses in the performance of their duties.

- **Brian K. Baumgartner** is the Business Representative Glaziers Local 1204/941 of the International Union of Painters and Allied Trades District Council 7 (IUPAT DC7), lives in the Town of Lisbon, and was appointed to the Board in September 2018.
- **Ronald L. Bertieri** is the retired President/Chief Executive Officer of Friction Stir Link, Inc., and Vice President of the Menomonee Falls School Board, lives in the Village of Menomonee Falls, and has been a Board member since 1995.
- **Joe Garza** is the Superintendent of the School District of New Berlin, lives in New Berlin and was appointed to the Board in July 2018.
- **Alan A. Karch, Chairperson**, is the Manufacturing Plant Manager at Bruno Independent Living Aids, lives in the City of Delafield, and has been a Board member since 2013.
- **David L. Lancaster, Secretary/Treasurer**, is the Executive Vice President, Employee Benefits, at R & R Insurance Services, lives in the Town of Delafield, and has been a Board member since 2016.
- **Robyn E. Ludtke** is the Director of Talent Development for the Waukesha County Business Alliance, lives in the City of Hartland, and has been a Board member since 2016.
- **Courtney R. Parkhurst** is a Special Agent/Deputy State Fire Marshall with the Wisconsin Department of Justice – Division of Criminal Investigation, lives in the Town of Lisbon, and has been a Board member since 2016.
- **Mary S. Wehrheim, Vice Chairperson**, is the retired President and former Owner/Consultant of Stanek Tool Corporation, lives in the City of Pewaukee, and has been a Board member since 2008.
- **Michael M. Wiebe** is the Chief Operating Officer and Head of International Operations and Services/North America/Central America/Caribbean, with Krones, Inc., lives in the City of New Berlin, and has been a Board member since 2017.

GENERAL FUND
2019/20 Budgetary Statement of
Resources, Uses, and Changes in Fund Balance

	2017/18	2018/19	2018/19	2018/19	2019/20
	Actual	Adopted	Modified	Estimate	Budget
REVENUES					
Local Government	9,901,161	10,492,944	10,714,797	10,714,797	11,048,797
State Aids	47,552,558	47,810,583	47,588,730	47,588,730	47,588,730
Program Fees	12,376,216	12,288,874	12,288,874	12,150,000	12,152,940
Material Fees	825,748	800,500	800,500	785,000	770,800
Other Student Fees	1,020,221	1,150,550	1,150,550	925,000	1,150,550
Institutional	3,433,401	3,971,890	3,971,890	3,660,000	3,911,890
Total Revenue	75,109,305	76,515,341	76,515,341	75,823,527	76,623,707
EXPENDITURES					
Instruction	42,682,338	46,772,666	46,772,666	46,363,000	46,484,961
Instructional Resources	1,373,420	1,359,836	1,359,836	1,359,800	1,541,420
Student Services	7,847,219	8,323,235	8,323,235	7,735,000	8,814,963
General Institutional	12,183,983	13,537,942	13,537,942	13,238,000	14,148,052
Physical Plant	6,963,846	6,521,662	6,521,662	6,521,600	5,634,311
Total Expenditures	71,050,806	76,515,341	76,515,341	75,217,400	76,623,707
Net Revenue/(Expenditures)	4,058,499	-	-	606,127	-
OTHER SOURCES/(USES)					
Operating Transfer In/(Out)	(3,700,000)	-	(4,170,000)	(4,170,000)	-
Total Other Sources/(Uses)	(3,700,000)	-	(4,170,000)	(4,170,000)	-
Total Resources/(Uses)	358,499	-	(4,170,000)	(3,563,873)	-
TRANSFERS TO/(FROM) FUND BALANCE					
Reserve for Prepaids & Inventories	18,322	-	-	-	-
Designated for Operations	(119,473)	-	-	606,127	-
Reserve for Post-Employment Sick Pay	(10,350)	-	-	-	-
Designated for Subsequent Year	470,000	-	(4,170,000)	(4,170,000)	-
Total Transfers To/(From) Fund Balance	358,499	-	(4,170,000)	(3,563,873)	-
Beginning Fund Balance	23,114,562	19,564,276	23,473,061	23,473,061	19,909,188
Ending Fund Balance	23,473,061	19,564,276	19,303,061	19,909,188	19,909,188

*Actual is presented on a budgetary basis

**Estimate is based upon 9 months of actual and 3 months of estimate

SPECIAL REVENUE FUND - OPERATING
2019/20 Budgetary Statement of
Resources, Uses, and Changes in Fund Balance

	2017/18	2018/19	2018/19	2018/19	2019/20
	Actual	Adopted	Modified	Estimate	Budget
REVENUES					
Local Government	1,004,676	925,470	925,470	925,470	963,400
State Aids	923,934	908,918	908,918	908,900	1,350,800
Program Fees	-	-	-	-	-
Material Fees	2,269	4,000	4,000	3,000	5,700
Other Student Fees	61,698	79,000	79,000	80,400	107,800
Institutional	320,957	30,000	30,000	30,000	30,000
Federal	1,058,720	811,941	811,941	811,900	689,900
Total Revenue	3,372,254	2,759,329	2,759,329	2,759,670	3,147,600
EXPENDITURES					
Instruction	2,355,231	1,751,383	1,826,383	1,826,300	2,149,400
Instructional Resources	-	-	-	-	-
Student Services	878,130	893,236	893,236	873,000	890,300
General Institutional	81,388	114,710	114,710	114,710	107,900
Physical Plant	-	-	-	-	-
Total Expenditures	3,314,749	2,759,329	2,834,329	2,814,010	3,147,600
Net Revenue/(Expenditures)	57,505	-	(75,000)	(54,340)	-
OTHER SOURCES/(USES)					
Operating Transfer In/(Out)	-	-	-	-	-
Total Other Sources/(Uses)	-	-	-	-	-
Total Resources/(Uses)	57,505	-	(75,000)	(54,340)	-
TRANSFERS TO/(FROM) FUND BALANCE					
Designated for Operations	57,505	-	(75,000)	(54,340)	-
Total Transfers To/(From) Fund Balance	57,505	-	(75,000)	(54,340)	-
Beginning Fund Balance	498,813	503,389	556,318	481,318	426,978
Ending Fund Balance	556,318	503,389	481,318	426,978	426,978

*Actual is presented on a budgetary basis

**Estimate is based upon 9 months of actual and 3 months of estimate

SPECIAL REVENUE FUND - NON-AIDABLE
2019/20 Budgetary Statement of
Resources, Uses, and Changes in Fund Balance

	2017/18	2018/19	2018/19	2018/19	2019/20
	Actual	Adopted	Modified	Estimate	Budget
REVENUES					
Local Government	137,500	137,500	137,500	137,500	151,500
State Aids	1,125,725	1,094,500	1,315,500	981,800	1,292,220
Other Student Fees	645,708	650,000	650,000	630,000	625,000
Institutional	127,332	15,000	15,000	12,400	13,000
Federal	4,970,826	5,789,756	5,789,756	5,270,000	5,007,818
Total Revenue	7,007,091	7,686,756	7,907,756	7,031,700	7,089,538
EXPENDITURES					
Instruction	-	16,256	16,256	16,256	-
Student Services	6,949,002	7,695,500	7,916,500	6,940,000	7,109,538
General Institutional	-	-	-	-	-
Total Expenditures	6,949,002	7,711,756	7,932,756	6,956,256	7,109,538
Net Revenue/(Expenditures)	58,089	(25,000)	(25,000)	75,444	(20,000)
OTHER SOURCES/(USES)					
Operating Transfer In/(Out)	20,000	20,000	20,000	20,000	20,000
Total Other Sources/(Uses)	20,000	20,000	20,000	20,000	20,000
Total Resources/(Uses)	78,089	(5,000)	(5,000)	95,444	-
TRANSFERS TO/(FROM) FUND BALANCE					
Reserve for Financial Aids	20,624	(5,000)	(5,000)	15,000	-
Reserve for Student Organizations	57,465	-	-	80,444	-
Total Transfers To/(From) Fund Balance	78,089	(5,000)	(5,000)	95,444	-
Beginning Fund Balance	468,707	439,997	546,796	546,796	642,240
Ending Fund Balance	546,796	434,997	541,796	642,240	642,240

*Actual is presented on a budgetary basis

**Estimate is based upon 9 months of actual and 3 months of estimate

CAPITAL PROJECTS FUND
2019/20 Budgetary Statement of
Resources, Uses, and Changes in Fund Balance

	2017/18	2018/19	2018/19	2018/19	2019/20
	Actual	Adopted	Modified	Estimate	Budget
REVENUES					
Local Government	150,000	-	-	150,017	-
State	66,447	-	-	80,000	-
Institutional	568,411	255,000	2,603,100	2,375,000	380,000
Federal	10,000	-	-	-	-
Total Revenue	<u>794,858</u>	<u>255,000</u>	<u>2,603,100</u>	<u>2,605,017</u>	<u>380,000</u>
EXPENDITURES					
Instruction	1,130,735	3,112,322	3,460,422	3,300,000	3,523,020
Instructional Resources	128,784	220,000	220,000	200,000	84,074
Student Services	395,458	6,500	6,500	6,500	6,000
General Institutional	577,796	544,337	544,337	375,000	1,331,000
Physical Plant	6,116,820	8,586,000	11,236,000	10,750,000	7,771,215
Total Expenditures	<u>8,349,593</u>	<u>12,469,159</u>	<u>15,467,259</u>	<u>14,631,500</u>	<u>12,715,309</u>
Net Revenue/(Expenditures)	(7,554,735)	(12,214,159)	(12,864,159)	(12,026,483)	(12,335,309)
OTHER SOURCES/(USES)					
Proceeds from Debt	7,750,000	7,750,000	7,750,000	7,750,000	7,750,000
Operating Transfer In/(Out)	3,700,000	-	4,170,000	4,170,000	-
Total Other Sources/(Uses)	<u>11,450,000</u>	<u>7,750,000</u>	<u>11,920,000</u>	<u>11,920,000</u>	<u>7,750,000</u>
Total Resources/(Uses)	<u>3,895,265</u>	<u>(4,464,159)</u>	<u>(944,159)</u>	<u>(106,483)</u>	<u>(4,585,309)</u>
TRANSFERS TO/(FROM) FUND BALANCE					
Reserve for Capital Projects	3,895,265	(4,464,159)	(944,159)	(106,483)	(4,585,309)
Total Transfers To/(From) Fund Balance	<u>3,895,265</u>	<u>(4,464,159)</u>	<u>(944,159)</u>	<u>(106,483)</u>	<u>(4,585,309)</u>
Beginning Fund Balance	11,768,922	15,263,939	15,664,187	15,664,187	15,557,704
Ending Fund Balance	<u>15,664,187</u>	<u>10,799,780</u>	<u>14,720,028</u>	<u>15,557,704</u>	<u>10,972,395</u>

*Actual is presented on a budgetary basis

**Estimate is based upon 9 months of actual and 3 months of estimate

DEBT SERVICE FUND
2019/20 Budgetary Statement of
Resources, Uses, and Changes in Fund Balance

	2017/18	2018/19	2018/19	2018/19	2019/20
	Actual	Adopted	Modified	Estimate	Budget
REVENUES					
Local Government	8,792,794	8,792,794	8,792,794	8,792,794	8,792,794
Institutional	75,474	75,000	75,000	158,500	100,000
Total Revenue	8,868,268	8,867,794	8,867,794	8,951,294	8,892,794
EXPENDITURES					
Physical Plant	8,850,905	8,867,794	8,867,794	8,824,629	8,892,794
Total Expenditures	8,850,905	8,867,794	8,867,794	8,824,629	8,892,794
Net Revenue/(Expenditures)	17,363	-	-	126,665	-
OTHER SOURCES/(USES)					
Operating Transfer In/(Out)	-	-	-	-	-
Total Other Sources/(Uses)	-	-	-	-	-
Total Resources/(Uses)	17,363	-	-	126,665	-
TRANSFERS TO/(FROM) FUND BALANCE					
Reserve for Debt Service	17,363	-	-	126,665	-
Total Transfers To/(From) Fund Balance	17,363	-	-	126,665	-
Beginning Fund Balance	611,973	608,824	629,336	629,336	756,001
Ending Fund Balance	629,336	608,824	629,336	756,001	756,001

*Actual is presented on a budgetary basis

**Estimate is based upon 9 months of actual and 3 months of estimate

ENTERPRISE FUND
2019/20 Budgetary Statement of
Resources, Uses, and Changes in Fund Balance

	2017/18	2018/19	2018/19	2018/19	2019/20
	Actual	Adopted	Modified	Estimate	Budget
REVENUES					
Institutional	3,708,128	4,517,710	4,517,710	3,910,785	4,385,445
Federal	42,329	50,000	50,000	40,000	40,000
Total Revenue	3,750,457	4,567,710	4,567,710	3,950,785	4,425,445
EXPENDITURES					
Auxiliary Services	3,968,392	4,572,886	4,572,886	4,298,586	4,321,843
Total Expenditures	3,968,392	4,572,886	4,572,886	4,298,586	4,321,843
Net Revenue/(Expenditures)	(217,935)	(5,176)	(5,176)	(347,801)	103,602
OTHER SOURCES/(USES)					
Operating Transfer In/(Out)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
Total Other Sources/(Uses)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
Total Resources/(Uses)	(237,935)	(25,176)	(25,176)	(367,801)	83,602
TRANSFERS TO/(FROM) FUND BALANCE					
Retained Earnings	(237,935)	(25,176)	(25,176)	(367,801)	83,602
Total Transfers To/(From) Fund Balance	(237,935)	(25,176)	(25,176)	(367,801)	83,602
Beginning Fund Balance	1,002,500	1,086,000	764,565	764,565	396,764
Ending Fund Balance	764,565	1,060,824	739,389	396,764	480,366

*Actual is presented on a budgetary basis

**Estimate is based upon 9 months of actual and 3 months of estimate

INTERNAL SERVICE FUND
2019/20 Budgetary Statement of
Resources, Uses, and Changes in Fund Balance

	2017/18	2018/19	2018/19	2018/19	2019/20
	Actual	Adopted	Modified	Estimate	Budget
REVENUES					
Institutional	526,276	1,057,000	1,057,000	676,000	1,072,000
Federal	-	-	-	-	-
Total Revenue	526,276	1,057,000	1,057,000	676,000	1,072,000
EXPENDITURES					
Auxiliary Services	1,876,613	1,131,014	1,131,014	917,000	1,132,672
Total Expenditures	1,876,613	1,131,014	1,131,014	917,000	1,132,672
Net Revenue/(Expenditures)	(1,350,337)	(74,014)	(74,014)	(241,000)	(60,672)
OTHER SOURCES/(USES)					
Operating Transfer In/(Out)	-	-	-	-	-
Total Other Sources/(Uses)	-	-	-	-	-
Total Resources/(Uses)	(1,350,337)	(74,014)	(74,014)	(241,000)	(60,672)
TRANSFERS TO/(FROM) FUND BALANCE					
Retained Earnings	(1,350,337)	(74,014)	(74,014)	(241,000)	(60,672)
Total Transfers To/(From) Fund Balance	(1,350,337)	(74,014)	(74,014)	(241,000)	(60,672)
Beginning Fund Balance	4,245,106	2,711,106	2,894,769	2,894,769	2,653,769
Ending Fund Balance	2,894,769	2,637,092	2,820,755	2,653,769	2,593,097

*Actual is presented on a budgetary basis

**Estimate is based upon 9 months of actual and 3 months of estimate

COMBINED BUDGET SUMMARY
2019/20 Budgetary Statement of
Resources, Uses, and Changes in Fund Balance

	2017/18	2018/19	2018/19	2018/19	2019/20
	Actual	Adopted	Modified	Estimate	Budget
REVENUES					
Local Government	19,986,131	20,348,708	20,570,561	20,720,578	20,956,491
State Aids	49,668,664	49,814,001	49,813,148	49,559,430	50,231,750
Program Fees	12,376,216	12,288,874	12,288,874	12,150,000	12,152,940
Material Fees	828,017	804,500	804,500	788,000	776,500
Other Student Fees	1,727,627	1,879,550	1,879,550	1,635,400	1,883,350
Institutional	8,759,979	9,921,600	12,269,700	10,822,685	9,892,335
Federal	6,081,875	6,651,697	6,651,697	6,121,900	5,737,718
Total Revenue	99,428,509	101,708,930	104,278,030	101,797,993	101,631,084
EXPENDITURES					
Instruction	46,168,304	51,652,627	52,075,727	51,505,556	52,157,381
Instructional Resources	1,502,204	1,579,836	1,579,836	1,559,800	1,625,494
Student Services	16,069,809	16,918,471	17,139,471	15,554,500	16,820,801
General Institutional	12,843,167	14,196,989	14,196,989	13,727,710	15,586,952
Physical Plant	21,931,571	23,975,456	26,625,456	26,096,229	22,298,320
Auxiliary Services	5,845,005	5,703,900	5,703,900	5,215,586	5,454,515
Total Expenditures	104,360,060	114,027,279	117,321,379	113,659,381	113,943,463
Net Revenue/(Expenditures)	(4,931,551)	(12,318,349)	(13,043,349)	(11,861,388)	(12,312,379)
OTHER SOURCES/(USES)					
Proceeds from Debt	7,750,000	7,750,000	7,750,000	7,750,000	7,750,000
Operating Transfer In/(Out)	-	-	-	-	-
Total Other Sources/(Uses)	7,750,000	7,750,000	7,750,000	7,750,000	7,750,000
Total Resources/(Uses)	2,818,449	(4,568,349)	(5,293,349)	(4,111,388)	(4,562,379)
TRANSFERS TO/(FROM) FUND BALANCE					
Reserve for Prepays & Inventories	18,322	-	-	-	-
Reserve for Post-Employment Sick Pa	(10,350)	-	-	-	-
Reserve for Capital Outlays	3,895,265	(4,464,159)	(944,159)	(106,483)	(4,585,309)
Reserve for Debt Service	17,363	-	-	126,665	-
Reserve for Financial Aid	20,624	(5,000)	(5,000)	15,000	-
Reserve for Student Organizations	57,465	-	-	80,444	-
Retained Earnings	(1,588,272)	(99,190)	(99,190)	(608,801)	22,930
Designated for Operations	(61,968)	-	(75,000)	551,787	-
Designated for Subsequent Year	470,000	-	(4,170,000)	(4,170,000)	-
Total Transfers To/(From) Fund Balance	2,818,449	(4,568,349)	(5,293,349)	(4,111,388)	(4,562,379)
Beginning Fund Balance	41,710,583	40,177,531	44,529,032	44,454,032	40,342,644
Ending Fund Balance	44,529,032	35,609,182	39,235,683	40,342,644	35,780,265

*Actual is presented on a budgetary basis

**Estimate is based upon 9 months of actual & 3 months of estimate

PRO FORMA BALANCE SHEET
As of June 30, 2019

	Governmental					Proprietary	
	Fund Type					Fund Type	
	General	Special Revenue		Capital	Debt	Internal	
Operating		Non-aidable	Projects	Service	Service	Enterprise	
ASSETS							
Cash & investments	21,285,670	-	500	17,562,704	756,001	2,466,769	-
Receivables	11,000,000	450,000	14,000	-	-	20,000	80,000
Due from other funds	-	121,978	927,740	-	-	-	16,764
Inventories & prepaids	165,000	-	-	-	-	252,000	400,000
Capital assets	-	-	-	-	-	-	300,000
Total assets	<u>32,450,670</u>	<u>571,978</u>	<u>942,240</u>	<u>17,562,704</u>	<u>756,001</u>	<u>2,738,769</u>	<u>796,764</u>
LIABILITIES							
Accounts payable	375,000	25,000	5,000	2,000,000	-	55,000	100,000
Due to other funds	1,066,482	-	-	-	-	-	-
Employer-related payables & deferred revenue	<u>11,100,000</u>	<u>120,000</u>	<u>295,000</u>	<u>5,000</u>	<u>-</u>	<u>30,000</u>	<u>300,000</u>
Total liabilities	<u>12,541,482</u>	<u>145,000</u>	<u>300,000</u>	<u>2,005,000</u>	<u>-</u>	<u>85,000</u>	<u>400,000</u>
FUND BALANCE							
Retained earnings	-	-	-	-	-	2,653,769	396,764
Reserve for:							
Capital projects	-	-	-	15,557,704	-	-	-
Debt service	-	-	-	-	756,001	-	-
Post-employment benefits	-	-	-	-	-	-	-
Post-employment sick pay	-	-	-	-	-	-	-
Prepaid expenses	165,000	-	-	-	-	-	-
Student organizations	-	-	496,361	-	-	-	-
Financial aid	-	-	145,879	-	-	-	-
Unreserved:							
Designated for:							
Operations	19,744,188	426,978	-	-	-	-	-
Subsequent years	-	-	-	-	-	-	-
Subsequent year	-	-	-	-	-	-	-
Total fund balance	<u>19,909,188</u>	<u>426,978</u>	<u>642,240</u>	<u>15,557,704</u>	<u>756,001</u>	<u>2,653,769</u>	<u>396,764</u>
Total liabilities and fund balance	<u>32,450,670</u>	<u>571,978</u>	<u>942,240</u>	<u>17,562,704</u>	<u>756,001</u>	<u>2,738,769</u>	<u>796,764</u>

PRO FORMA BALANCE SHEET
As of June 30, 2020

	Governmental					Proprietary	
	Fund Type					Fund Type	
	General	Special Revenue		Capital	Debt	Internal	Enterprise
	Operating	Non-aidable	Projects	Service	Service	Enterprise	
ASSETS							
Cash & investments	21,404,272	-	500	12,977,395	756,001	2,406,097	-
Receivables	11,000,000	450,000	14,000	-	-	20,000	80,000
Due from other funds	-	121,978	927,740	-	-	-	135,366
Inventories & prepaids	165,000	-	-	-	-	252,000	400,000
Capital assets	-	-	-	-	-	-	285,000
Total assets	<u>32,569,272</u>	<u>571,978</u>	<u>942,240</u>	<u>12,977,395</u>	<u>756,001</u>	<u>2,678,097</u>	<u>900,366</u>
LIABILITIES							
Accounts payable	375,000	25,000	5,000	2,000,000	-	55,000	100,000
Due to other funds	1,185,084	-	-	-	-	-	-
Employer-related payables & deferred revenue	<u>11,100,000</u>	<u>120,000</u>	<u>295,000</u>	<u>5,000</u>	<u>-</u>	<u>30,000</u>	<u>320,000</u>
Total liabilities	<u>12,660,084</u>	<u>145,000</u>	<u>300,000</u>	<u>2,005,000</u>	<u>-</u>	<u>85,000</u>	<u>420,000</u>
FUND BALANCE							
Retained earnings	-	-	-	-	-	2,593,097	480,366
Reserve for:							
Capital projects	-	-	-	10,972,395	-	-	-
Debt service	-	-	-	-	756,001	-	-
Post-employment benefits	-	-	-	-	-	-	-
Post-employment sick pay	-	-	-	-	-	-	-
Prepaid expenses	165,000	-	-	-	-	-	-
Student organizations	-	-	496,361	-	-	-	-
Financial aid	-	-	145,879	-	-	-	-
Unreserved:							
Designated for:							
Operations	19,744,188	426,978	-	-	-	-	-
Subsequent years	-	-	-	-	-	-	-
Subsequent year	-	-	-	-	-	-	-
Total fund balance	<u>19,909,188</u>	<u>426,978</u>	<u>642,240</u>	<u>10,972,395</u>	<u>756,001</u>	<u>2,593,097</u>	<u>480,366</u>
Total liabilities and fund balance	<u>32,569,272</u>	<u>571,978</u>	<u>942,240</u>	<u>12,977,395</u>	<u>756,001</u>	<u>2,678,097</u>	<u>900,366</u>

POSITION SUMMARY

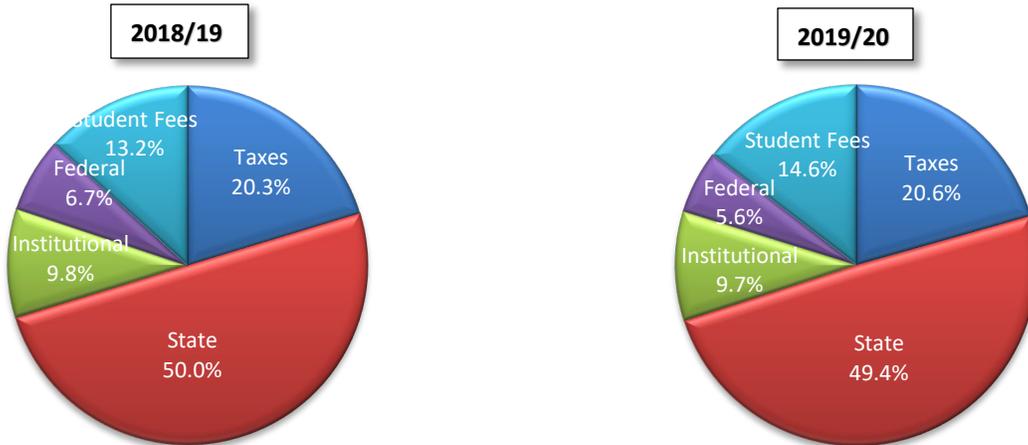
FTE Basis

Position Type	2016/17 Actual	2017/18 Actual	2018/19 Budget*	2019/20 Budget						Change Amount
				General Fund	Special Revenue Fund - Operating	Special Revenue Fund Non- Aidable	Enterprise Fund	Internal Service Fund	Total Budget	
Administrator										
Administrator	12.0	12.0	12.0	12.0	-	-	-	-	12.0	-
Total Administrators	12.0	12.0	12.0	12.0	-	-	-	-	12.0	-
Instructional Supervisor										
Instructional Supervisor	19.0	19.0	17.0	16.9	0.1	-	-	-	17.0	-
Total Supervisors	19.0	19.0	17.0	16.9	0.1	-	-	-	17.0	-
Faculty										
Instructors	211.8	211.3	213.4	206.7	6.3	-	-	-	213.0	(0.4)
Total Faculty	211.8	211.3	211.3	206.7	6.3	-	-	-	213.0	(0.4)
Specialists										
Counselors	5.0	3.4	3.4	2.3	1.1	-	-	-	3.4	-
Librarian	2.4	2.4	2.4	2.5	-	-	-	-	2.5	0.1
Instructional Specialist	1.5	1.5	1.5	1.5	-	-	-	-	1.5	-
Total Specialists	8.9	7.3	7.3	6.3	1.1	-	-	-	7.4	0.1
Other Staff										
Non-instructional Supervisor	38.8	39.1	33.6	28.9	1.0	0.1	2.6	-	32.6	(1.0)
Professional Non-Faculty	47.6	50.8	56.9	53.2	4.1	0.5	-	-	57.8	0.9
Clerical/Secretarial	89.5	89.6	81.1	71.4	0.8	0.4	4.6	-	77.2	(3.9)
Technical/Paraprofessional	68.5	61.8	56.2	53.5	3.0	0.2	4.2	0.6	61.5	5.3
Skilled Craft	7.0	7.0	7.0	7.0	-	-	-	-	7.0	-
Service/Maintenance	15.5	14.5	14.6	12.0	-	-	2.6	-	14.6	-
Total Other Staff	266.9	262.8	248.4	226.0	8.9	1.2	14.0	0.6	250.7	1.3
Total Positions	518.6	512.4	496.0	467.8	16.4	1.2	14.0	0.6	500.0	0.9

The above schedule includes regular funded and authorized positions. It does not include full-time equivalent information for temporary, casual, students, adjunct instructors, and limited-term grant-funded positions, which can fluctuate from year to year and are controlled by individual department needs based on enrollment.

REVENUES

WCTC has a diversified funding base composed of property taxes, state aid, student fees, federal and state grants, and institutionally generated revenues. WCTC believes this diversity, the strength of the local economy and its fiscal management will continue to provide the resources required to fulfill its mission now and in the future.



Property taxes

Prior to FY 15, WCTC’s major revenue source was local property taxes. In March 2014, the Wisconsin State Legislature approved a major change to the funding structure of the Wisconsin Technical College System. The State replaced \$406 million of operational property tax levy with property tax relief aid from the state, which resulted in the mill rate decreasing \$0.89. In addition to making this shift, the State excluded the property tax relief aid portion from the state aid in lieu of computer taxes calculation. Beginning with FY 19, the Wisconsin Legislature also approved shifting personal property from the property tax levy and replacing it with state aids in lieu of personal property taxes.

The property tax relief aid payment is made the third week in February of each fiscal year, which results in more cash flow during the fiscal year once the payment is received and less outstanding receivable at year-end since the last levy payments are not received until August following year-end. It also results in the college needing to have additional cash flow available at the end of a fiscal year to carry the college through until February (eight months into the new fiscal year) instead of January (seven months) in order to avoid short-term borrowing since this is the largest funding source the college has. Annually WCTC will receive \$43,219,314 of property tax relief funds. This amount will not change unless the legislature either increases or decreases the \$406 million amount.

Year	Tax Levy Increase
14/15	-69.23%
15/16	0.00%
16/17	0.00%
17/18	3.97%
18/19	1.27%
19/20	2.45%

As part of Wisconsin’s FY 14/FY 15 State Biennium Budget, the Legislature included a cap on the operational portion of the levy amount. The operational portion of the levy may not increase more than the percent of net new construction for the year, which is not known until October of the budget year. This calculation does include the property tax relief aid and personal property relief aid portions in the formula. The calculation of net new construction would use the total levy needs above (\$64,311,573) less the debt service levy (\$8,792,794) less state aid in lieu of personal property taxes (\$138,768) for a total of \$55,380,011.

If a college does not utilize all of this levy authority in one year, it may use up to one-half of one percent the following year. In the event the Legislature would decrease the \$406 million, colleges are allowed to increase their operational levy amount by the amount of the reduction. No cap exists on the debt service portion of the levy amount.

Per discussions with staff at Waukesha County, Waukesha County staff is projecting net new construction without tax incremental financing (TIF) districts included to be 1.5%. More net new construction is occurring in TIF districts, but that growth is not included in the allowable calculation.

OPERATIONAL LEVY LIMIT CALCULATION

Fiscal Year	Net New Construction	Allowed Increase	Unused 0.5%	Total Allowed	Estimated Amount budgeted
2016/17	0.0162751	\$872,968	\$268,191	\$1,141,159	\$0
2017/18	0.0180914	\$970,391	\$268,191	\$1,238,582	\$763,466
2018/19	0.0156126	\$849,352	\$272,009	\$1,121,361	\$615,128
2019/20 est	0.0150000	\$828,766	\$276,255	\$1,105,021	\$501,930

In October, the property tax levy is billed to municipalities within WCTC’s boundaries based on the equalized value of taxable property, excluding tax incremental financing districts. The local municipalities act as assessors and collection agencies. All delinquencies are assumed by the respective counties, thus WCTC will receive the full amount of its levy.

The total of WCTC’s tax levy and property tax relief aid was the same for FY 11 through FY 17. An operational levy increase was included in the FY 18, FY 19, and FY 20 budget due to need.

In FY 2000 the State removed the value of personal computers from the property tax assessment and provided a state aid payment in lieu of computer taxes to all governmental entities based on the WCTC’s total levy needs. Total levy needs was the sum of its property tax levy plus state aid in lieu of computer taxes. The amount of state aid in lieu of computer taxes was the mill rate for property taxes times the equalized value of personal computers.

Beginning with FY 18, the Legislature changed the formula for state aids in lieu of computer taxes. The equalized valuation of personal computer values remains at the FY 17 value of \$294,872,000. The FY 18 amount is the FY 17 amount increased by a factor of 1.0147% ($\$108,626 * 1.0147 = \$110,223$). The FY 19 amount was the \$110,223 amount increased by a CPI factor of 2.2% ($\$110,223 * 1.022 = \$112,648$). This payment will remain constant at this FY 19 level for future years unless the Legislature makes a change.

Prior to the economic downturn, housing values within WCTC’s boundaries were averaging in the high single digits. Because of the economic downturn, WCTC’s values were negative for five years. In FY 15 the valuations finally turned around and began to increase. WCTC is conservatively projecting valuations to increase 2.5% in FY 20. Information received from Waukesha County projects valuations to increase around 3.0%. WCTC’s change in value is always close to Waukesha County’s increase since most of WCTC’s boundaries are similar to Waukesha County’s boundaries.

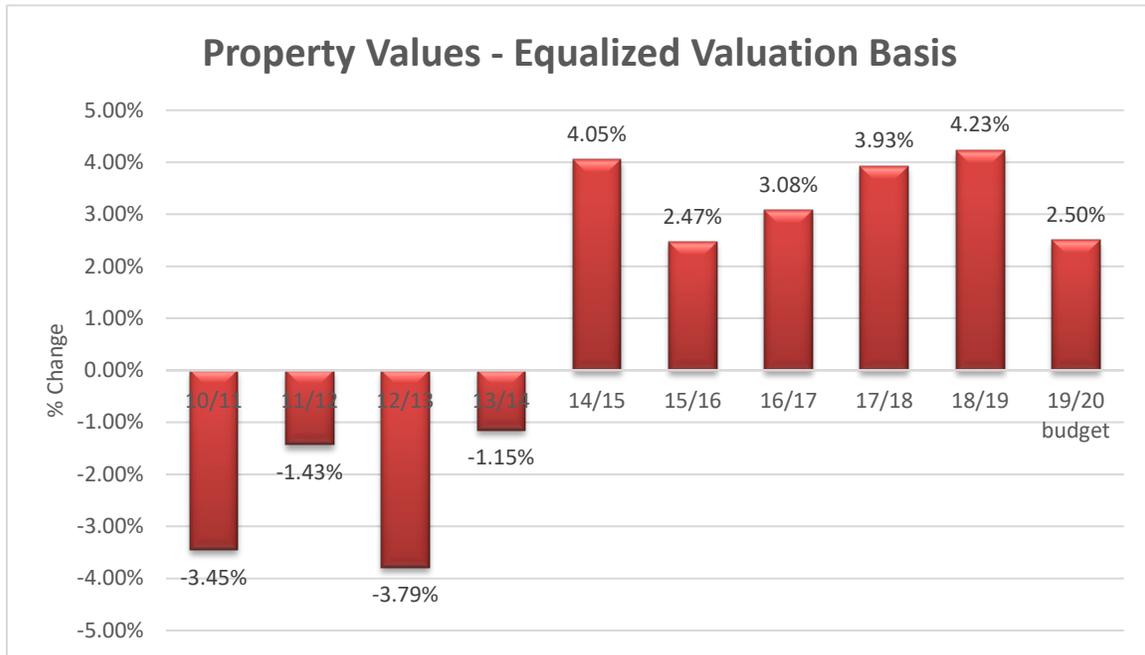
When equalized valuation is greater than the tax levy increase, the mill rate is reduced. The mill rate increased in FY 10 through FY 14 due to valuation declines even though WCTC did not raise its total levy in those years. FY 15 saw a significant decline in the mill rate due to the shift in funding and valuations

Description	Levy limit formula		Mill rate impact	
	FY 19	FY 20	FY 19	FY 20
Property tax relief aid	43,358,082	43,358,082		
Operational levy	11,658,767	12,160,697	11,658,767	12,160,697
Total operational	55,016,849	55,518,779		
Debt service levy	8,792,794	8,792,794	8,792,794	8,792,794
Total 'levy'	63,809,643	64,311,573	20,451,561	20,953,491
Percent change		0.79%		2.45%
Mill rate			0.36203	0.36203

increasing. For FY 20 valuations are expected to increase the same as WCTC's increase in the levy resulting in a static projected mill rate. Although WCTC's levy increased 0.79% based on the levy-limit formula, the taxpayers may see a 2.45% increase when looking at the levy amount only as shown above.

The mill rate is a factor of the tax levy amount divided by the equalized valuation (divided by \$1,000). The mill rate, as stated, equals the amount of taxes paid per \$1,000 of equalized valuation. For consistency purposes, the State of Wisconsin Department of Revenue requires all technical colleges within Wisconsin to bill municipalities for their share of the tax levy assessed by the technical colleges on the basis of *equalized valuation* since their district boundaries cross multiple taxing jurisdictions. The municipalities, in turn, bill their constituents on the basis of *assessed valuation* since they are sending out bills for one taxing jurisdiction only.

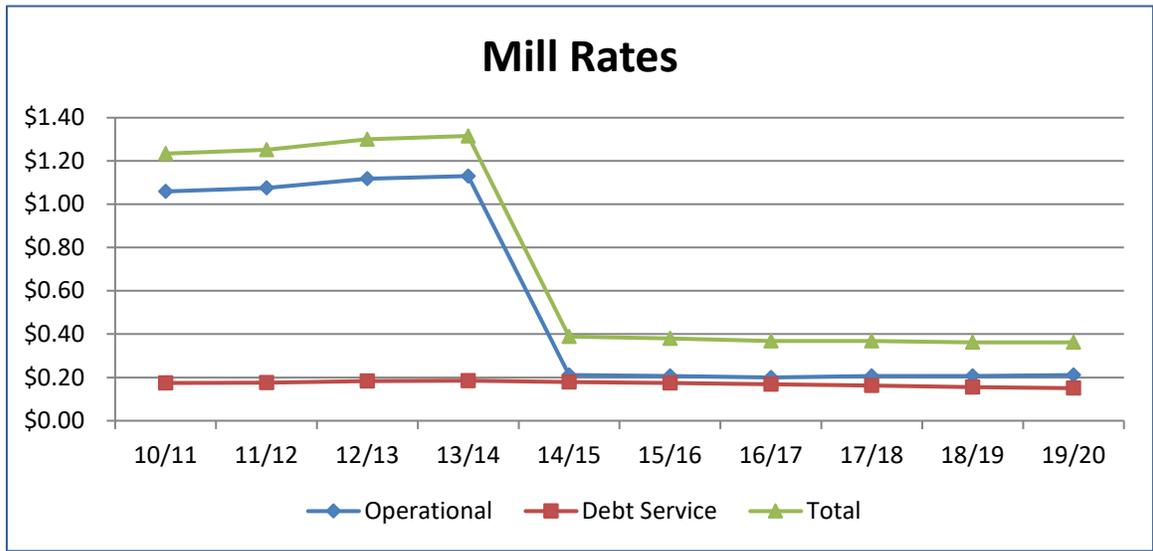
The next chart shows the change in equalized valuation of property over the past ten years.



The technical colleges have two components to their mill rate: operational mill rate and debt service mill rate.

- The **debt service mill rate** can only be used to cover that portion of the tax levy assessed to repay the general obligation promissory notes or bonds WCTC issues to cover its capital needs. There is no cap on the debt service mill rate; however, there are state statutes limiting the amount of building construction a college can do without a referendum and how much can be borrowed per debt issue.
- The **operational mill rate** covers the balance of the tax levy assessed. By state statute the operational mill rate may not increase more than the percent of net new construction each year plus 0.5% carryover of unused taxing authority from the prior year.
 - WCTC has elected to increase its operational levy using a portion of its taxing authority only.
 - The official percent of net new construction growth to be used to calculate taxes will not be received from the Department of Revenue until October 2019, but currently is conservatively projected to be around 1.5%.

Year	Operational Mill Rate	Debt Service Mill Rate	Total Mill Rate
14/15	\$ 0.21102	\$ 0.17809	\$ 0.38911
15/16	\$ 0.20594	\$ 0.17380	\$ 0.37974
16/17	\$ 0.19978	\$ 0.16860	\$ 0.36838
17/18	\$ 0.20632	\$ 0.16223	\$ 0.36855
18/19	\$ 0.20638	\$ 0.15565	\$ 0.36203
19/20	\$ 0.21164	\$ 0.15039	\$ 0.36203



State funds

WCTC receives state funds from different sources: general state aids, property tax relief aid, state aids in lieu of computer taxes, personal property tax relief aid, and grants. Grant funding may be used in either of the Special Revenue Funds or the Capital Projects Fund. Discussion regarding property tax relief aid, personal property tax relief aid, and state aids in lieu of computer taxes was included in the discussion on property taxes. As a result, those state funds will not be discussed here.

Grant funding

The amounts budgeted for state grants are based on proposals submitted to the various funding agencies. These amounts may fluctuate greatly between years. During the year, WCTC may be required to amend its budget if the fluctuation is different than what was included in the budget process. Examples of state grants are General Purpose Revenues (GPR), which funds such activities as career pathways, capacity building, and new markets. These grants are competitive in nature and budgeted in one of the two Special Revenue Funds, depending on whether or not WCTC actively manages and oversees the grant or if it is only acting as a fiscal agent or trustee of the funds. WCTC also acts as a trustee for state financial aid funds such as Wisconsin Higher Education Grants (WHEG). These are recorded in the Special Revenue—Non-Aidable Fund.

Year	Grant Funding		Capital Projects (in 000's)
	Special Revenue Fund Operating (in 000's)	Non-Aidable (in 000's)	
10/11	\$ 1,369	\$ 879	\$ 51
11/12	\$ 1,229	\$ 747	\$ 19
12/13	\$ 1,474	\$ 837	\$ 33
13/14	\$ 1,304	\$ 967	\$ 53
14/15	\$ 1,823	\$ 934	\$ 16
15/16	\$ 1,987	\$ 1,006	\$ 207
16/17	\$ 896	\$ 1,071	\$ 66
17/18	\$ 924	\$ 1,126	\$ 66
18/19 est	\$ 909	\$ 982	\$ 80
19/20 est	\$ 1,351	\$ 1,292	\$ -

General state aid funding

The sixteen technical colleges in Wisconsin receive funding from the state called general state aids to be used to offset the operational costs of the colleges. This is a segment of GPR funds and is recorded in the General Fund.

In the 2014-2015 State Biennium Budget, the Legislature phased in outcome-based funding starting with 10% of state aids funding in FY 15 and increasing the percentage 10% each year through FY 17 for a total of 30% being outcome-based funding for FY 17 and future years.

Year	State Aid		Outcome-Based Funding (in 000's)
	Aidable FTE's	State Aids (in 000's)	
10/11	4,855	\$ 4,439	\$ -
11/12	4,590	\$ 2,983	\$ -
12/13	4,538	\$ 3,070	\$ -
13/14	4,297	\$ 2,999	\$ -
14/15	3,935	\$ 2,878	\$ 614
15/16	3,723	\$ 2,506	\$ 1,252
16/17	3,538	\$ 2,186	\$ 1,869
17/18	3,489	\$ 2,206	\$ 1,847
18/19 est	3,378	\$ 2,306	\$ 1,821
19/20 est	3,365	\$ 2,180	\$ 1,700

The following criteria are used to distribute outcome-based funding. Beginning in FY 15, the colleges annually selected seven of the nine criteria to receive funding on. A tenth criteria was added during the 2015 – 2017 State Biennium Budget process – credit for prior learning. Since an equalized valuation index is not part of the formula, WCTC receives more funding from outcome-based funding than it lost in state-aid funding. Annually, WCTC selects seven of the following ten criteria to receive funding on.

Total Funding for the Wisconsin Technical College System

- Job placement
- High demand fields
- Industry-validated curriculum
- ABE (adult basic education) transition
- ABE services and successes
- Dual enrollment
- Workforce training
- Collaboration
- Special populations
- Credit for prior learning

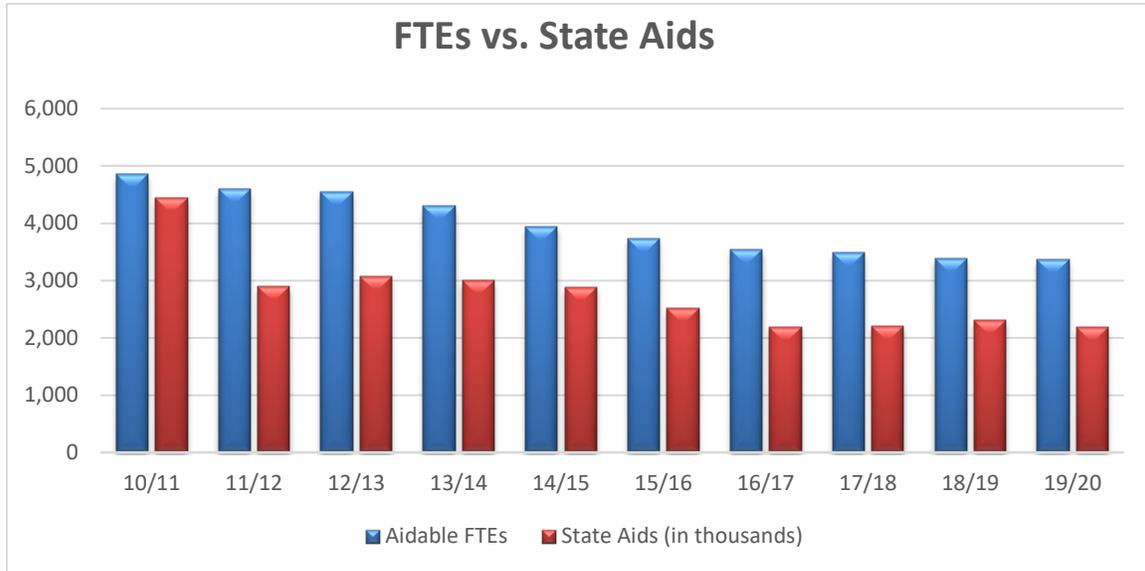
Fiscal Year	State-aid Funding	Outcome-Based Funding	Total Funding
2011/12	\$83,534,900	\$0	\$83,534,900
2012/13	\$83,534,900	\$0	\$83,534,900
2013/14	\$83,534,900	\$0	\$83,534,900
2014/15	\$79,681,410	\$8,853,490	\$88,534,900
2015/16	\$70,827,920	\$17,706,980	\$88,534,900
2016/17	\$61,974,430	\$26,560,470	\$88,534,900
2017/18	\$61,974,400	\$26,560,470	\$88,534,900
2018/19	\$61,974,400	\$26,560,470	\$88,534,900
2019/20	\$61,974,400	\$26,560,470	\$88,534,900

The current state aid formula distributes general state aids to the sixteen technical colleges based on a complicated, expenditure-driven, formula equalized for tax-levying ability that takes into consideration student full-time equivalent (FTE) enrollments, aidable operational costs, an equalized valuation index, and a sum-certain allocation at the state level. It is difficult to pinpoint exactly what each college will annually receive in state aids. The total amount available to the system in FY 20 will be \$61,974,400. A simplified version of the formula is:

$$((\text{Total General Fund and Special Revenue Fund—Operating expenditures less all non-property tax or interest income revenue}) \text{ plus Debt Service Fund expenditures}) \text{ times (state average of taxable property per full-time equivalent student divided by WCTC's taxable property per full-time equivalent student)}$$

This simplified formula does not take into consideration the effect of FTEs and operational costs of the other fifteen technical colleges, which can greatly affect the estimates. During the year the technical colleges are required to submit projected cost allocation reports to the state. Based on these projections, the state attempts to estimate the amount of state aids each college will receive. The information is only as good as the projections received from each college. The amount each college may earn is then pro-rated based on the total amount available at the state level to be distributed. Final allocations do not occur until five months after the fiscal year end or later. There can be wide fluctuation between the estimates during the year and the final allocation.

Due to the timing of when WCTC prepares its budget and when information is available on how much state aid it received for the prior year as well as the uncertainty in the estimates, there may be a material difference between the budgeted state aid amount and what is actually received from the state for that fiscal year. Because WCTC receives a small portion of its revenue in the form of state aids, the variation has been manageable during the fiscal year. WCTC is very conservative and budgets for state aids on the lower end of estimated revenue.



Student fees

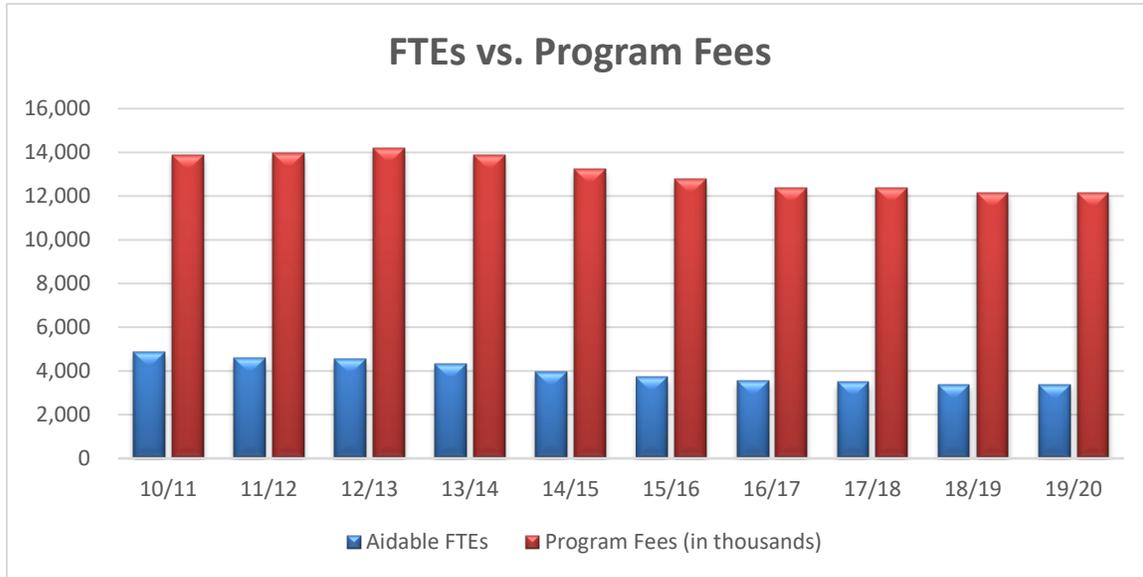
Fees are collected from students for tuition, materials, and miscellaneous items. Program fees consist of tuition paid for students taking classes. These fees may be paid by the student, a relative, an employer, financial aid, a grant, or some other source. State statutes require that the technical colleges may not waive tuition and fees unless specifically stated in a state statute (i.e. grant covers the cost of a course and thus tuition may not be charged to the student). If a student drops a course within a certain timeframe, a credit of 60%, 80%, or 100% of the tuition and fees is given.

WCTC estimates the amount of tuition to be received based on projected enrollments, an estimated amount to be credited due to drops, Veterans remissions, and projected change to tuition rates. The tuition rates per credit for associate degree, technical, apprentice, and vocational adult programs are set by the Wisconsin Technical College System Board and are not able to be changed by WCTC. The WTCS Board normally approves the tuition rates at their Board meeting in March of each year.

Year	Tuition per Credit	Aidable FTE's	Program Fees, Net
10/11	\$ 106.00	4,855	\$ 13,878,493
11/12	\$ 111.85	4,590	\$ 13,953,790
12/13	\$ 116.90	4,538	\$ 14,195,474
13/14	\$ 122.20	4,297	\$ 13,887,633
14/15	\$ 125.85	3,935	\$ 13,220,791
15/16	\$ 128.40	2,723	\$ 12,795,755
16/17	\$ 130.35	3,538	\$ 12,366,091
17/18	\$ 132.20	3,489	\$ 12,376,216
18/19	\$ 134.20	3,378	\$ 12,150,000
19/20	\$ 136.20	3,365	\$ 12,152,940

Program (tuition) fees may be recorded in the General Fund and Special Revenue—Operating Fund only.

When setting the tuition rates, the Wisconsin Technical College System Board and fiscal staff look at how much the state is funding, how much comes from the homeowner, and how much the students pay for tuition and fees with an ideal split being one-third each. With the shift in FY 15 to the state funding \$406 million previously funded by taxpayers, the state is now funding the largest portion of costs instead of the property taxpayer.



Material fees are rates charged to cover the cost of supplies used by the students in the classroom (i.e. welding rods for a welding class). These rates are set by the state using information provided by all sixteen colleges. The FY 18 rate was \$4.50. The multiplier rate was \$3.50 per credit. These rates did not change for FY 19 or FY 20.

Miscellaneous student fees include such fees as:

- Out-of-state tuition rates, which are set by the state at 50% of the tuition rate.
- Group dynamic course fee rates, which are set by the state.
- Testing, application, and graduation fees, which are set by WCTC.

WCTC sets the fee rates it controls based on the cost to provide the service and what the market will bear if market rates are allowed. The state allows WCTC to recover its costs for most of these services, but not to make a profit. The revenue budgets for these fees are based on past trend information and projected levels of activities. There is no increase anticipated for miscellaneous student fees.

Students taking credit courses also get charged a student activity fee unless their class has been exempted from the fee. These fees are recorded in the Special Revenue—Non-Aidable Fund and are used by Student Government to provide services to students. This fee is equal to 6% of the tuition rate rounded to the nearest \$0.05. The students determine how they would like these funds to be spent. WCTC acts as a trustee of these funds on behalf of the students. This fee is determined after the WTCS State Board sets the tuition rate. The rate was \$8.05 for FY 19 and will increase to \$8.20 for FY 20.

Institutional revenues

WCTC has a number of revenue sources that are classified as institutional revenue. Some of the major categories of institutional revenues are investment earnings, sales of goods and services from Enterprise activities, revenues generated from contracts with business and industry for customized instruction and technical assistance, and revenues from high schools for instructional services.

Year	Amount
10/11	\$ 372,349
11/12	\$ 330,660
12/13	\$ 595,647
13/14	\$ 608,391
14/15	\$ 428,279
15/16	\$ 540,367
16/17	\$ 323,630
17/18	\$ 508,624
18/19	\$ 1,137,000
19/20	\$ 580,000

Investment earnings

WCTC records most of its cash in the General Fund. Proceeds from issuing general obligation promissory notes are recorded in the Capital Projects Fund. Cash received for tax levy payments relating to debt service are recorded in the Debt Service Fund. WCTC receives earnings on these cash and cash equivalent investments.

The impact of the recession on the financial markets significantly affected investment earnings over the past few years, while markets have shown signs of recovery they continue to be volatile, and investment earnings can vary widely from year to year.



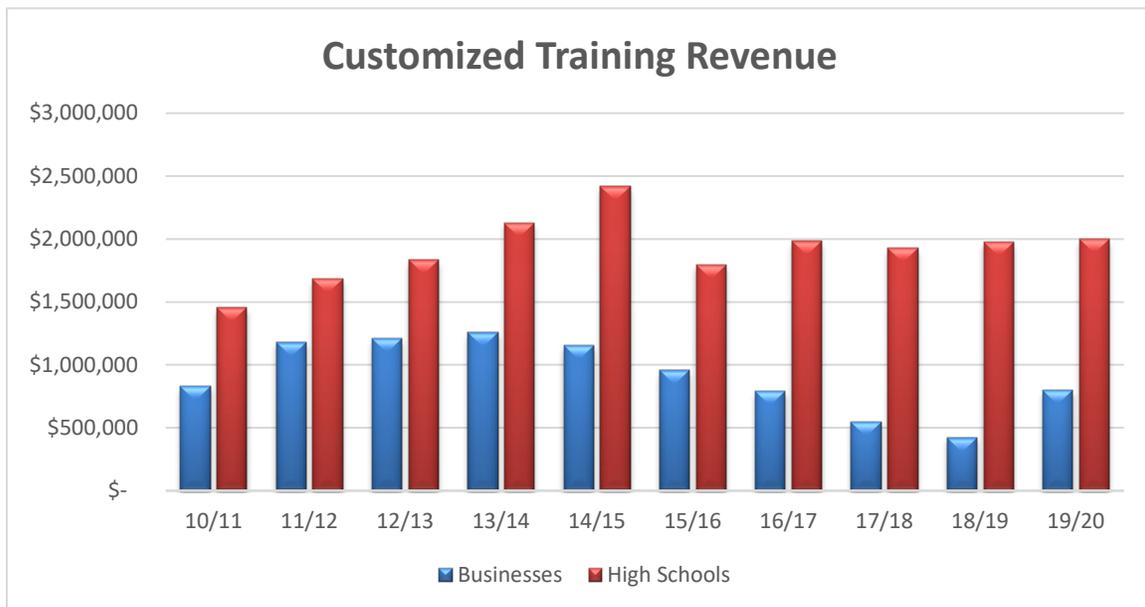
Customized instruction and technical assistance

Wisconsin state statute 38.14 allows the technical colleges to contract with business and industry to provide customized training to meet their educational needs (i.e. providing Six Sigma training for employees of XYZ Company). In addition, this statute allows the technical colleges to contract with businesses for technical assistance (i.e. a new business needs help in setting up their accounting system). Normal tuition and fees are not charged for this type of activity. Instead, there are other formulas used to set the contract price

that takes into consideration the direct and indirect costs of providing the services. The revenue on these contracts need to meet or exceed tuition and fee revenue and be market based.

Wisconsin state statutes 38.14 and 118 (transcripted credit) requires the technical colleges to provide certain types of services to high school students whereby the high school student, while still attending high school, can also receive technical college credit for the same class. When high school students meet the criteria for this statute, WCTC bills the high school for the cost of the service based on the funding rates allowed. The student does not pay tuition and fees for this service.

Year	With Businesses	With High School Students
10/11	\$ 827,869	\$ 1,452,040
11/12	\$ 1,180,469	\$ 1,684,800
12/13	\$ 1,208,509	\$ 1,833,267
13/14	\$ 1,254,303	\$ 2,130,063
14/15	\$ 1,151,218	\$ 2,419,996
15/16	\$ 957,633	\$ 1,791,579
16/17	\$ 792,212	\$ 1,983,073
17/18	\$ 549,841	\$ 1,928,434
18/19	\$ 423,000	\$ 1,975,000
19/20	\$ 800,000	\$ 2,000,000



In addition to providing customized instruction to business and industry, state statute 38.24 allows WCTC to provide seminars and workshops if they meet certain criteria with this revenue included in other student fees. WCTC is allowed to charge a market rate for these services.

The majority of the 38.14 and 118 contract activity takes place in the General Fund. The FY 20 budget was built using an estimate based on projected sales volume and contract rate pricing. WCTC has been serving an increasing number of high school students through its transcripted credit program each year. A decrease occurred for FY 16 since Project Lead the Way classes were no longer considered transcripted credit.

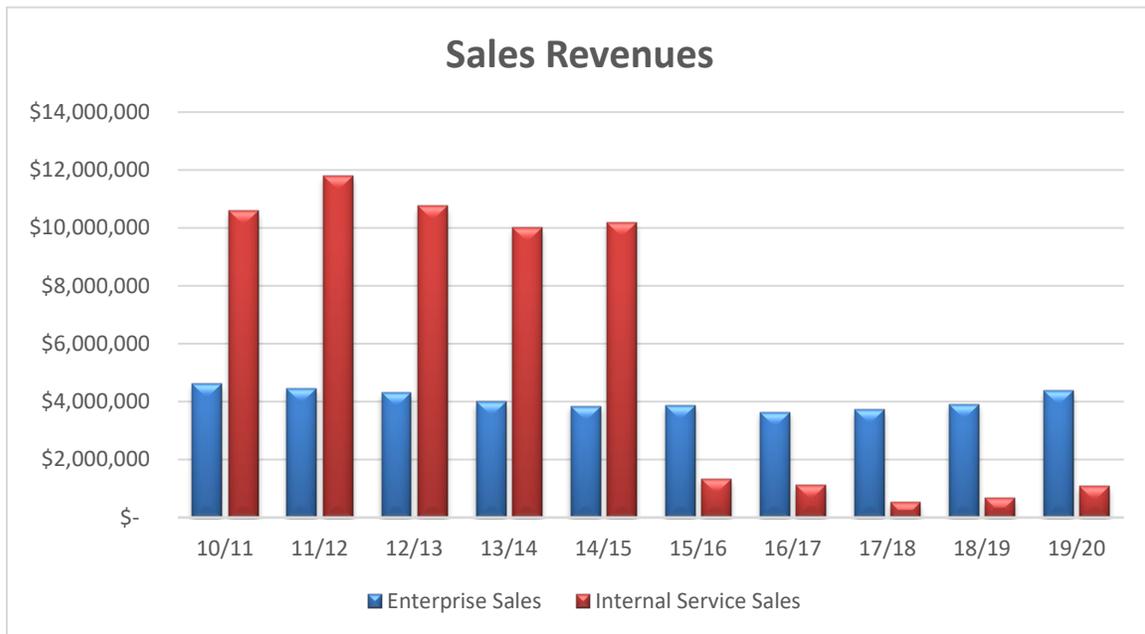
Sales of goods and services

WCTC operates a number of enterprise activities. These enterprise activities are run like a private business and sell goods and services to the public through an Enterprise Fund. The main enterprise activities are the Bookstore and Child Development Center. The goal of these enterprises is to break even or to make a small profit.

The Bookstore strives for a small profit margin each year. The Bookstore Manager continues to look for ways to keep the price of textbooks reasonable for the student. In spring 2016, the Bookstore and Learning piloted the use of digital books in a few classes at significant cost savings for students. Expansion of digital books continues. The Bookstore received approval to become an Apple-certified store in FY 18 and is now an Apple service provider as of FY 19. Enrollment declines have negatively affected Bookstore textbook sales.

Year	Enterprise Sales	Internal Service Sales
10/11	\$ 4,617,662	\$ 10,595,324
11/12	\$ 4,454,526	\$ 11,787,974
12/13	\$ 4,302,634	\$ 10,759,332
13/14	\$ 3,990,072	\$ 10,004,280
14/15	\$ 3,842,172	\$ 10,188,371
15/16	\$ 3,871,477	\$ 1,340,369
16/17	\$ 3,634,152	\$ 1,132,641
17/18	\$ 3,708,128	\$ 526,276
18/19	\$ 3,910,785	\$ 676,000
19/20	\$ 4,385,445	\$ 1,072,000

The Child Development Center strives to break even. In FY 14 WCTC opened an indoor firing range, which is available to the public when not needed for training purposes and which is also striving to break even. The Bookstore transfers funds to these two enterprise operations at year end if the operation sustains a loss in that year since neither have available retained earnings to offset a loss. No property tax levy is used in these operations.



In June 2002, WCTC became self-insured for health and dental. These revenues are recorded in an Internal Service Fund. A goal of three months' claims cost was set for retained earnings and WCTC exceeded that goal. In January 2013, WCTC transitioned retirees from the self-insurance fund to a Medicare Advantage plan that reduced costs and revenues in this fund since that point in time.

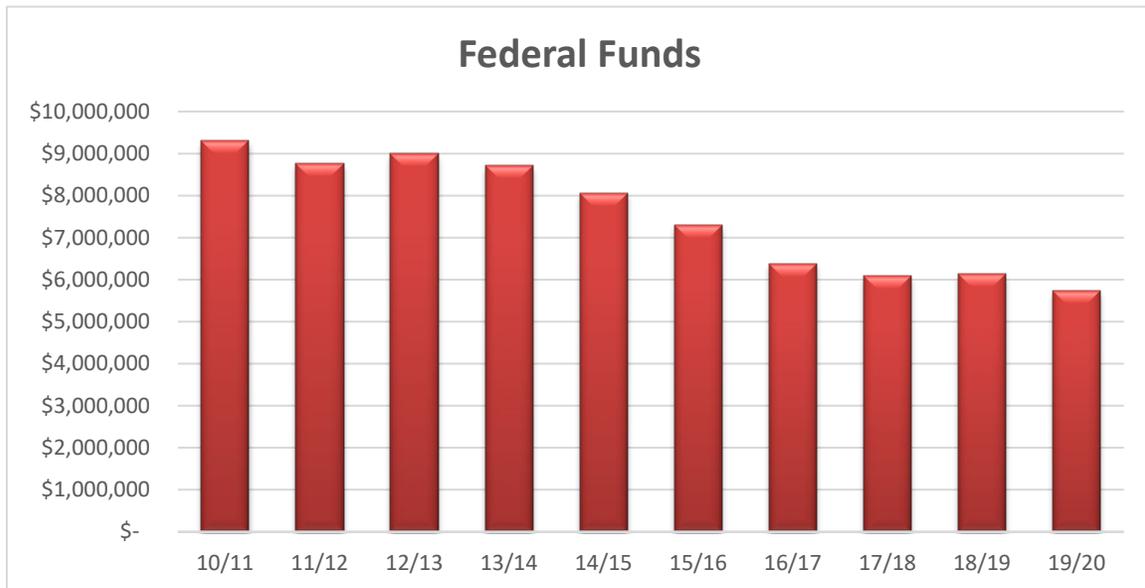
In FY 16, the Internal Service Fund sales were significantly reduced due to transitioning health insurance to the Wisconsin Technical College Employee Benefit Consortium. Health insurance transactions are no longer processed through the Internal Service Fund.

Federal funds

WCTC receives federal grants for specific projects and for student financial aid. Most federal grants are recorded in the Special Revenue—Operating Fund. These grants include Carl D Perkins Career and Technical Education, Adult Education Act, and other federal funds. For those grants where WCTC acts as a trustee, these funds are recorded in the Special Revenue—Non-Aidable Fund. WCTC acts as a trustee for financial aid funds such as Pell, Student Employment Opportunity Grant (SEOG), and College Work Study (CWS).

Year	Funds Received
10/11	\$ 9,298,150
11/12	\$ 8,759,580
12/13	\$ 8,988,499
13/14	\$ 8,717,077
14/15	\$ 8,065,163
15/16	\$ 7,305,774
16/17	\$ 6,384,111
17/18	\$ 6,081,875
18/19	\$ 6,121,900
19/20	\$ 5,737,718

Federal funding levels may fluctuate greatly from year to year based on the availability of federal funds and the amount projected to be awarded to WCTC. The budget is based on known information during the budget process. Any deviations from this information may result in a budget amendment being taken to the WCTC Board to modify the budget. The receipt of federal funds increased during the recession years as more students enrolled and were eligible for financial aid. The amount of federal financial aid to be received and disbursed will fluctuate based on increases or decreases in enrollment due to a high correlation between the two factors.



BUDGET PROCESS

Budget process

Annually WCTC is required to prepare a budget document and budget summary in accordance with section 65.90 of the Wisconsin state statutes and the rules contained in TCS (Technical College System) 7 of the Wisconsin Administrative Code as established by the Wisconsin Technical College System Board under section 38.04(11)(a) of the statutes.

Throughout the year the WCTC Board members and staff continuously seek input from customers, students, taxpayers, and others for the services to be provided by WCTC using methods such as:

- Each program area has an advisory committee made up of members from business and industry working in that field of expertise that meet twice per year and make recommendations.
- The WCTC Board members and staff meet regularly with various businesses throughout the district to seek input about their needs.
- Focus group meetings are held with various businesses, students, and staff in order to seek information about the needs of students and businesses.

During the summer, staff and the WCTC Board review and update the Strategic Plan. WCTC is updating its Strategic Plan for 2018 and Beyond.

During the budget process the WCTC Board and President set the guidelines for the development of the budget. Administrative staff uses the Board's guidelines to create more restrictive criteria to be used by organizational units when developing the divisional budgets so the final budget falls within the Board's guidelines. The budget has been developed using a zero-based budgeting approach.

In early December budget workshops are held whereby staff is given instructions for preparing the next year's budget, including the restrictions they must work within. Department heads have until mid-January to input their budget requests into the budget module. Division managers are then allowed two weeks to modify these requests. The Vice President of Finance works with the divisions to make sure they are in compliance with the guidelines and make any necessary adjustments. During the month of February the Vice President of Finance and the Controller develop the salary and benefit budgeting for regular staff as well as adding rate increases for temporary and part-time staff. During January and February the Vice President of Finance works with the President's Executive Cabinet to finalize all budget decisions to the extent possible with known information.

Between March and May staff present the budget to the WCTC Board. By this point in time, the budget is balanced and meets the Board's guidelines.

WCTC is required to hold a public hearing prior to adoption of the budget with a Class 1 legal notice being published fifteen days prior to the hearing. This public hearing is held in May. The budget is adopted in June. From March through May any necessary modifications are made to the budget.

Prior to July 1 the WCTC Board must legally adopt a budget at the fund and function level. It requires a majority vote to adopt the budget. Copies of the adopted budget and legal notice must be forwarded to the Wisconsin Technical College System by June 30.

In October of the budget year, the WCTC Board certifies the WCTC tax levy amount based on the adopted budget unless the adopted budget levy was subsequently modified by the Board prior to approving the tax bills. Property taxes are then levied on the various taxing municipalities located within the district based

on their portion of equalized valuation (excluding tax incremental financing districts) as established by the Wisconsin Department of Revenue. Because the taxes for the budget year are not levied until six months into the fiscal year, it is important that WCTC maintains adequate reserves to have sufficient cash available to meet its cash flow needs during the first seven months of the fiscal year.

Budget amendments

According to Wisconsin statutes, budget transfers between funds and functional areas within funds require WCTC Board approval. Increases or decreases in the overall budget by fund level, such as new revenues being received, require WCTC Board approval. These approvals require a two-thirds vote of the entire WCTC Board, publishing a Class I legal notice in the official college newspaper within ten days, and reporting the change to the WTC State Office within thirty days of approval. Budget modifications do not require re-issuance of the budget document.

Management has the ability to modify the budget by account number within a function within a fund without Board approval. Management exercises control over budgeted expenditures by fund and function as presented in the accompanying financial statements. Expenditures may not legally exceed the adopted or modified appropriations at the functional level within a fund. Unused appropriations lapse at the end of each fiscal year.

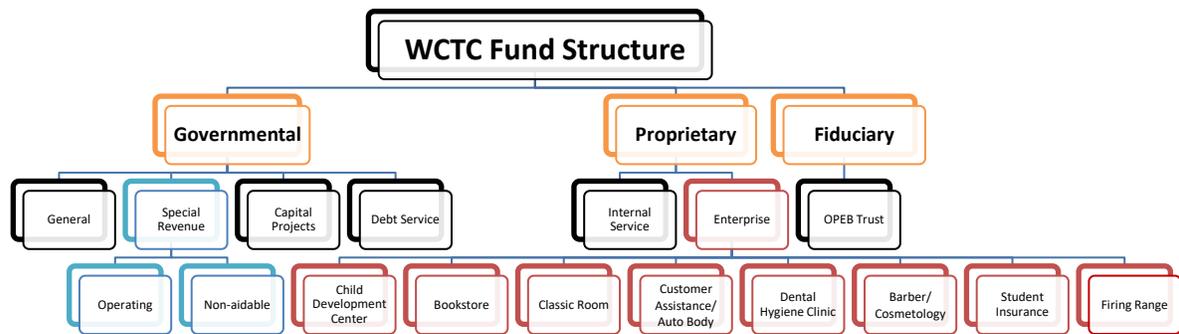
Month	Activity
Spring	WCTC Board Retreat held
Summer	Strategic Plan reviewed and updated
Fall	Budget and levy limit guidelines established
October	Capital requests received New position requests received New and expanded activity requests received
December	Budget workshops held Staff begins developing their budgets Capital project requests reviewed and approved
January	Staff completes inputting of their budgets Grant budgets developed Divisional managers finalize their budgets New position requests reviewed and prioritized Capital requests reviewed and prioritized New and expanded activity requests reviewed and prioritized
February	Divisional Action Plans updated and finalized Salary and benefit budgets calculated and inputted Revenue budgets calculated and inputted Grant budgets finalized
Spring	Budget presented to the WCTC Board WCTC Board establishes final budgeted tax levy
April/May	Public hearing notice published Public hearing held
May/June	WCTC Board adopts the budget Budget submitted to the state
October	WCTC Board approves the tax levy bills and mill rates Certified tax bills mailed to municipalities
Year long	Input sought from customers, students, staff, and taxpayers

FINANCIAL STRUCTURE

The WCTC Board is the governing authority of this reporting entity. By state statute, the County Board Chairs of Waukesha, Jefferson, Dodge, and Racine counties appoint WCTC Board members. These elected county officials do not maintain a continuing relationship with the WCTC Board with respect to carrying out its important public functions. As WCTC’s governing authority, the WCTC Board powers include authority to:

- Borrow money and levy taxes.
- Establish a budget.
- Execute contracts, exercise control over facilities and properties, determine the outcome or disposition of matters affecting the receipt of the services being provided, and approve the hiring or retention of key management personnel who implement board policies and directives.

The accounts of WCTC are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. WCTC’s resources are allocated to and accounted for in individual funds, based on the purpose for which they are to be spent and the means by which spending activities are controlled. In this budget document the various funds are grouped into fund types and three broad fund categories as follows:



Governmental funds

Governmental funds are those funds through which most functions of WCTC are financed. The acquisitions, uses, and balances of WCTC’s expendable financial resources and related liabilities, except those accounted for in Proprietary funds, are accounted for through Governmental funds. The measurement focus is based on the determination of changes in financial position rather than on determination of net income. WCTC maintains the following Governmental funds:

- **General Fund:** The General Fund is the principal operating fund and accounts for all financial activities not required to be accounted for in another fund.
- **Special Revenue Fund:** The Special Revenue Fund is used to account for the proceeds and related financial activities of specific revenue sources that are legally restricted to expenditures for specified purposes or where WCTC acts as a trustee or fiscal agent for the funds of others.

- ✓ **Operating:** The Special Revenue – Operating Fund is used to account for the proceeds and related financial activities of specific revenue sources that are legally restricted to expenditures for specified purposes and which are within the mission of WCTC.
- ✓ **Non-aidable:** The Special Revenue – Non-Aidable Fund is used to account for assets held by WCTC in a trustee capacity, primarily for student activities, financial aid, and funds from various state and federal grantor agencies where WCTC is acting as a fiscal agent and the scope of activities is not within WCTC’s mission. This fund is also used to account for assets held by WCTC as fiscal agent, such as student club funds and the Banner Consortium. No budgets are included for those activities where WCTC acts as a fiscal agent only. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations.
- **Capital Projects Fund:** The Capital Projects Fund accounts for financial resources used for the acquisition or construction of capital assets and remodeling other than those financed by Enterprise Funds.
- **Debt Service Fund:** The Debt Service Fund is used to account for the accumulation of resources for, and payment of, general long-term debt principal, interest, and related costs.

Proprietary funds

Proprietary Funds are used to account for ongoing activities that are similar to those often found in the private sector. The measurement focus is based on the determination of income. These funds are maintained on the accrual basis of accounting.

- **Internal Service Fund:** The Internal Service Fund is used to account for the financing and related financial activities of goods and services provided by one department of the college to another department of the college or to other governmental units on a cost-reimbursement basis. WCTC utilizes an Internal Service Fund to track the activities of its self-insurance for dental coverage.
- **Enterprise funds:** The Enterprise Fund is used to record revenues and expenses related to rendering services to students, faculty, staff, and the community. These funds are intended to be self-supporting and are operated in a manner similar to private business where the intent is that all costs, including depreciation expense, of providing goods and services to students and other aforementioned parties is recovered primarily through user charges. These services complement the educational and general objectives of WCTC.

Fiduciary funds

Fiduciary Funds are used to report assets held in an irrevocable trust on behalf of others and which, therefore, cannot be used to support WCTC’s own programs. Fiduciary Funds are not included in WCTC’s adopted budget. Budgetary information is provided for information purposes only.

- **OPEB Trust:** The OPEB Trust Fund is a fund created to track the activities of the irrevocable trust established by WCTC with a third-party. This trust was established to hold assets to cover the post-employment benefits earned by current and former WCTC staff until the benefit is paid out on behalf of the retiree.

ACCOUNTING STRUCTURE

Basis of accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The financial statements are prepared on an accrual basis, whereby all revenues are recognized when earned and all expenses are recorded as liabilities when incurred. This basis of accounting requires depreciation expense be recorded for all capitalized assets to spread the cost of those assets to the estimated period benefiting from them. Principal still owing on long-term debt is recorded as a liability.

In December 1998 the Governmental Accounting Standards Board (GASB) released Statement No. 33, *“Accounting and Financial Reporting for Non-Exchange Transactions,”* which revised reporting requirements for property tax revenue. In June 1999, GASB approved Statement No. 34, *“Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments,”* followed by Statement No. 35, *“Basic Financial Statements and Management’s Discussion and Analysis for Public Colleges and Universities,”* which changed the financial statement presentation requirements for WCTC. The change in financial statement presentation provides a comprehensive one-page look at the total college and requires capitalization of assets and the recording of depreciation. These statements were implemented by WCTC for the fiscal year ended June 30, 2002.

The significant changes in these financial statements included the recording and depreciation of capital assets, the elimination of internal revenue and expense charges, the removal of capital-related items from revenues and expenditures, the reporting of summer school revenues and expenses on a pro rata basis between fiscal years rather than in one fiscal year, the recording of all revenues and expenditures on an accrual basis rather than a modified accrual basis, the recognition of accrued interest on outstanding debt, and the elimination of two account groups.

Under these new regulations, WCTC reports its financial statements using the business-type activities model, whereby the financial statements will be presented in a manner similar to private industry.

Basis of budgeting

WCTC adopts an annual operating budget, which is prepared on substantially the same basis as the financial statements, which are prepared in accordance with generally accepted accounting principles (GAAP), with the following exceptions:

- WCTC uses encumbrance accounting in its budgetary basis. Encumbrances are not included in the accounting basis.
- WCTC records purchases of capital assets as an expenditure on a budgetary basis. Under the accounting basis, these costs are recorded as an asset with depreciation expense.
- WCTC records the principal and interest payment on debt as an expenditure on a budgetary basis for the year in which it is paid. Under the accounting basis, the principal portion is recorded as a liability and the interest portion is recorded as an expense in the year it is due.

- WCTC records some of its revenues on the accrual basis and some on the modified accrual basis for the budgetary basis. Under the accounting basis, all revenues are recorded using the accrual basis.
- WCTC utilizes the various funds described in the previous section to record transactions for budgetary purposes. For accounting purposes, these funds are consolidated into one column in the annual financial statements since WCTC uses the business-type activities method of reporting.

The Governmental Funds are accounted for on a modified accrual basis. Under the modified accrual basis of accounting, transactions are recorded in the following manner:

- Revenues are recognized when they become both measurable and available (susceptible to accrual). All revenues are considered susceptible to accrual except summer school tuition and fees.
- Expenditures are recognized when the liability is incurred, except for interest and principal on general long-term obligation debt, which are recognized as expenditures when due. Expenditures for claims and judgments are recognized when it becomes probable that an asset has been impaired or a liability has been incurred.
- Expenditures for compensated absences, including vacation and sick leave, are recognized when the liability is incurred for past services of an employee that vest and accumulate.
- Capital assets are recorded as capital outlays and expensed at the time of purchase.
- Proceeds of long-term debt obligations are treated as a financing source when received.

The Proprietary Funds are accounted for on an accrual basis, whereby revenues are recognized when measurable and earned and expenses are recorded as liabilities when incurred and, where applicable, depreciation expenses are also included.

DESCRIPTION OF FUNCTIONS

Instruction

This function includes teaching, academic administration and related clerical support, and other activities related directly to the teaching of students, such as guiding the students in the educational programs, coordination and improvement of teaching.

Instructional resources

This function includes all learning resource activities such as the Library and audio-visual aids center, learning resource center, Center for Academic Performance Excellence, instructional media center, instructional resources administration, and related clerical support.

Student services

This function includes those non-instructional services provided for the student body, such as student recruitment; student services administration and related clerical support; admissions; registration; counseling, including testing and evaluation; health services; financial aids; placement; and follow up. Non-instructional athletics, such as inter-mural and intercollegiate athletics, are also included.

General institution

This function includes costs related to general administrative functions, including the WCTC Board, the Office of the President, the Business Office, and general clerical support for administrative offices serving all functions of WCTC. Administrators of specific functions are not recorded under this function. This function also includes all services benefiting the entire college, exclusive of those chargeable directly to other functional categories. Examples of this type of expenditures are legal fees, external audit fees, general liability insurance, interest on operational borrowing, and public information. General personnel, employment relations, and affirmative action programs are included in this function.

Physical plant

This function includes all services required for the operation and maintenance of the physical facilities. Principal and interest on long-term debt obligations are included under this function as are general utilities, such as heat, light, and power.

Auxiliary services

This function includes commercial-type activities, such as the Bookstore and Child Development Center.

GENERAL FUND

The General Fund is the principal operating fund and accounts for all financial activities not required to be accounted for in another fund.

General Fund Budget Summary

	2017/18		2018/19		2019/20		Change from 2018/19	
	Actual	Adopted	Modified	Budget	Modified Budget			
					\$	%		
Revenues								
Local government	\$ 9,901,161	\$ 10,492,944	\$ 10,714,797	\$ 11,048,797	\$ 334,000	3.1%		
State aids	47,552,558	\$ 47,810,583	\$ 47,588,730	\$ 47,588,730	-	0.0%		
Program fees	12,376,216	\$ 12,288,874	\$ 12,288,874	\$ 12,152,940	(135,934)	-1.1%		
Material fees	825,748	\$ 800,500	\$ 800,500	\$ 770,800	(29,700)	-3.7%		
Other student fees	1,020,221	\$ 1,150,550	\$ 1,150,550	\$ 1,150,550	-	0.0%		
Institutional	3,433,401	\$ 3,971,890	\$ 3,971,890	\$ 3,911,890	(60,000)	-1.5%		
Federal	-	-	-	-	-	0.0%		
Total revenue	\$75,109,305	\$ 76,515,341	\$ 76,515,341	\$ 76,623,707	\$ 108,366	0.1%		
Expenditures								
Salaries	\$40,894,377	\$ 42,043,398	\$ 42,043,398	\$ 42,141,368	\$ 97,970	0.2%		
Benefits	14,566,838	16,377,139	16,377,139	16,183,903	(193,236)	-1.2%		
Operating expenditures	15,589,591	18,094,804	18,094,804	18,298,436	203,632	1.1%		
Total expenditures	\$71,050,806	\$ 76,515,341	\$ 76,515,341	\$ 76,623,707	\$ 108,366	0.1%		
Net Revenue/(Expenditures)	4,058,499	-	-	-				
Other sources/(uses)								
Operating Transfer In/(Out)	\$ (3,700,000)	\$ -	\$ (4,170,000)	\$ -				
Total Resources/(Uses)	\$ 358,499	\$ -	\$ (4,170,000)	\$ -				
Beginning Fund Balance	23,114,562	19,564,276	23,473,061	19,909,188				
Ending Fund Balance	\$23,473,061	\$ 19,564,276	\$ 19,303,061	\$ 19,909,188				

The FY 14/FY 15 Wisconsin State Biennium Budget included language that capped operational levy increases at net new construction growth. If the allowed increase was not levied in a budget year, a college could use up to one-half of one percent of the unused portion in the next budget year.

WCTC plans to increase the levy \$501,930, which is a 2.45% increase. The projected allowable operational levy increase from net new construction is 1.5%. WCTC strives to utilize resources efficiently and minimize the impact on the individual taxpayer where possible. In the prior 10 years, a levy increase has occurred only 3 times.

Financial summary by function and class

By state statute, the WCTC Board controls the budget at the fund and function level. The expenditure functions in the General Fund are:

- Instruction
- Instructional resources
- Student services
- General institutional
- Physical plant

In addition, WCTC staff also looks at expenditures in the following class categories:

- Salaries
- Benefits
- Operating expenditures

The following table displays the FY 20 General Fund budget by function and class categories.

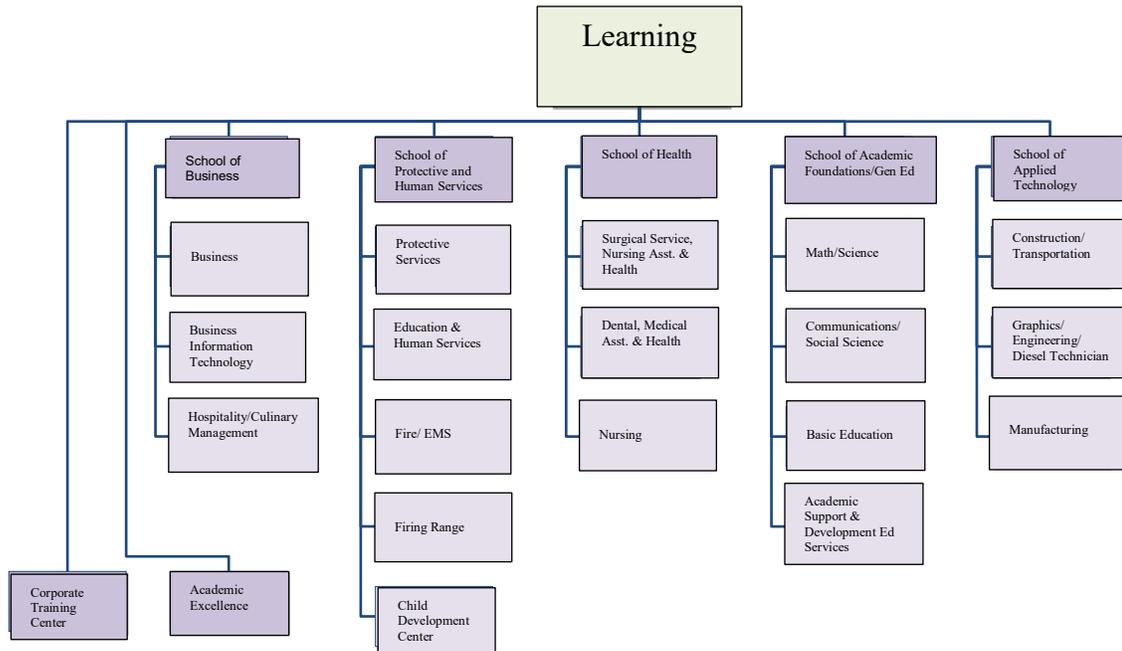
Function	Salaries	Benefits	Current Operating	Total
Instruction	\$ 29,063,209	\$ 9,984,488	\$ 7,437,264	\$ 46,484,961
Instructional resources	833,430	365,468	342,522	1,541,420
Student services	4,909,721	2,322,617	1,582,625	8,814,963
General administration	5,821,261	2,878,406	5,448,385	14,148,052
Physical plant	1,513,747	632,924	3,487,640	5,634,311
Total	\$ 42,141,368	\$ 16,183,903	\$ 18,298,436	\$ 76,623,707

The following narratives describe activities, goals, and achievements of the various divisional units at WCTC. Each section includes the following:

- Financial summary
- Divisional activities
- Organization chart

LEARNING DIVISION

	Change from 2018/19					
	2017/18	2018/19		2019/20	Modified Budget	
	Actual	Adopted	Modified	Budget	\$	%
Salaries	\$ 28,128,317	\$ 28,908,063	\$28,908,063	\$ 28,801,862	\$ (106,201)	-0.4%
Benefits	9,358,061	9,987,839	9,987,839	10,021,978	34,139	0.3%
Operating expenditures	<u>4,078,320</u>	<u>5,016,670</u>	<u>5,016,670</u>	<u>4,991,717</u>	<u>(24,953)</u>	<u>-0.5%</u>
Total expenditures	\$ 41,564,698	\$ 43,912,572	\$43,912,572	\$ 43,815,557	\$ (97,015)	-0.2%



Activities

Learning is responsible for providing all direct educational services to its customers. Educational activities include associate of applied science degrees, technical diploma programs, continuing education, community and family education, advanced technical certificates (ATC), apprenticeship education, technical studies journey worker, basic education, adult high school, English as a second language (ESL), school to work, youth apprenticeship, and distance learning – shared programming, telecourses, and on-line.

The **School of Academic Foundations/General Studies Division** prepares a culturally diverse population with basic education and critical life skills that will enable individuals to successfully identify, enter, and succeed in occupational programs, to be successful lifelong learners, to be productive members of the workforce, and to become contributing members of the community.

The **School of Business**, through a learner-centered focus, provides entry-level, advanced technical training, customized contract training, and continuing education for learners. This division spans the fields of human resources, accounting, management, information technology, global business, marketing, and office operations. Specialized certificates are also available in entrepreneurship, information technology, real estate, customer service, quality tools, management, global business, assessor, mortgage lending, advertising, leadership, and accounting.

The **School of Applied Technologies** provides a comprehensive series of technical/occupational programs to fulfill the educational and training needs of area employers and employees. The division spans the fields of construction, electronics technology, architecture, mechanical design, manufacturing, automation systems, printing, graphic design, and transportation. Practical, application-oriented instruction is offered in well-equipped laboratory facilities. Many program areas feature cooperative work experience with related industry employers.

The **School of Protective and Human Services** accomplishes its vision/mission and that of WCTC through its educational programs and services. The division offers community services, continuing education, and specially funded or certificate programs in the fields of education, interior design, human services, protective services, barber/cosmetology, and emergency medical.

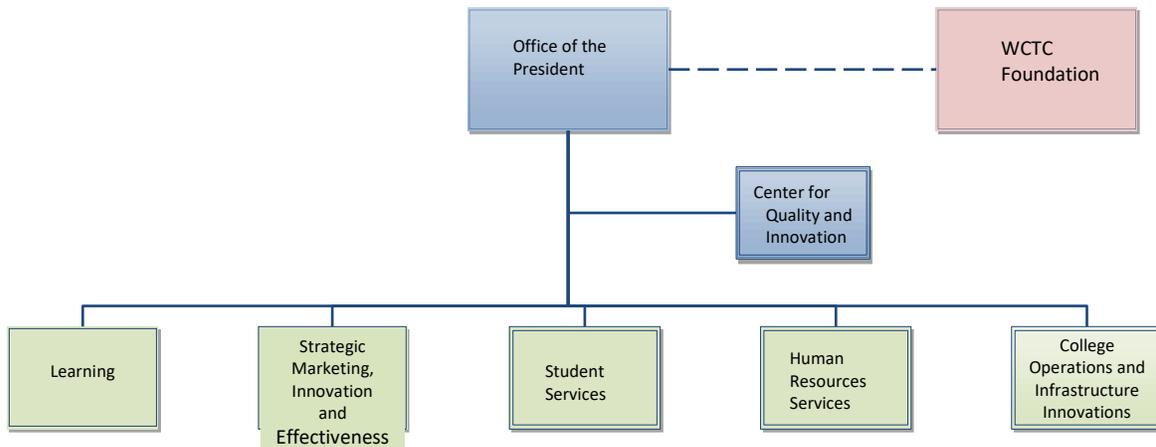
The **School of Health** accomplishes its vision/mission and that of WCTC through its educational programs and services. The division offers community services, continuing education, and specially funded or certificate programs in the fields of nursing, dental hygiene, health information technology, health office operations, pharmacy, surgical technology, and physical therapy.

The **Corporate Training Center** builds and maintains lasting relationships between Waukesha County Technical College and business, industry and governmental agencies in Waukesha County, including small business. WCTC's customers embrace the use of WCTC's innovative and customized occupational, technical and professional development training and technical assistance. A value-added customer service approach leads to increased customer organizational performance and economic development.

The **Academic Excellence Department** provides support to instructional staff and students through support of learning management software, distance learning, and the Center for Academic and Professional Excellence. The curriculum staff promotes, supports, and trains others in the development and implementation of competency-based curriculum, integration of critical life skills, assessment of student learning outcomes, and analysis of occupations for developing new programs and improving existing programs. The Early College Opportunities staff work closely with K-12 school districts to transition students from high schools to WCTC and dual credit programs, such as transcribed credit and the Dual Enrollment Academy program.

OFFICE OF THE PRESIDENT'S DIVISION

General Fund	Change from 2018/19					
	2017/18	2018/19		2019/20	Modified Budget	
	Actual	Adopted	Modified	Budget	\$	%
Salaries	\$ 2,215,728	\$ 2,091,130	\$ 2,091,130	\$ 2,113,758	\$ 22,628	1.1%
Benefits	689,496	739,801	739,801	666,401	(73,400)	-9.9%
Operating expenditures	<u>1,545,606</u>	<u>1,927,088</u>	<u>1,927,088</u>	<u>2,188,388</u>	<u>261,300</u>	<u>13.6%</u>
Total expenditures	\$ 4,450,830	\$ 4,758,019	\$ 4,758,019	\$ 4,968,547	\$ 210,528	4.4%



Activities

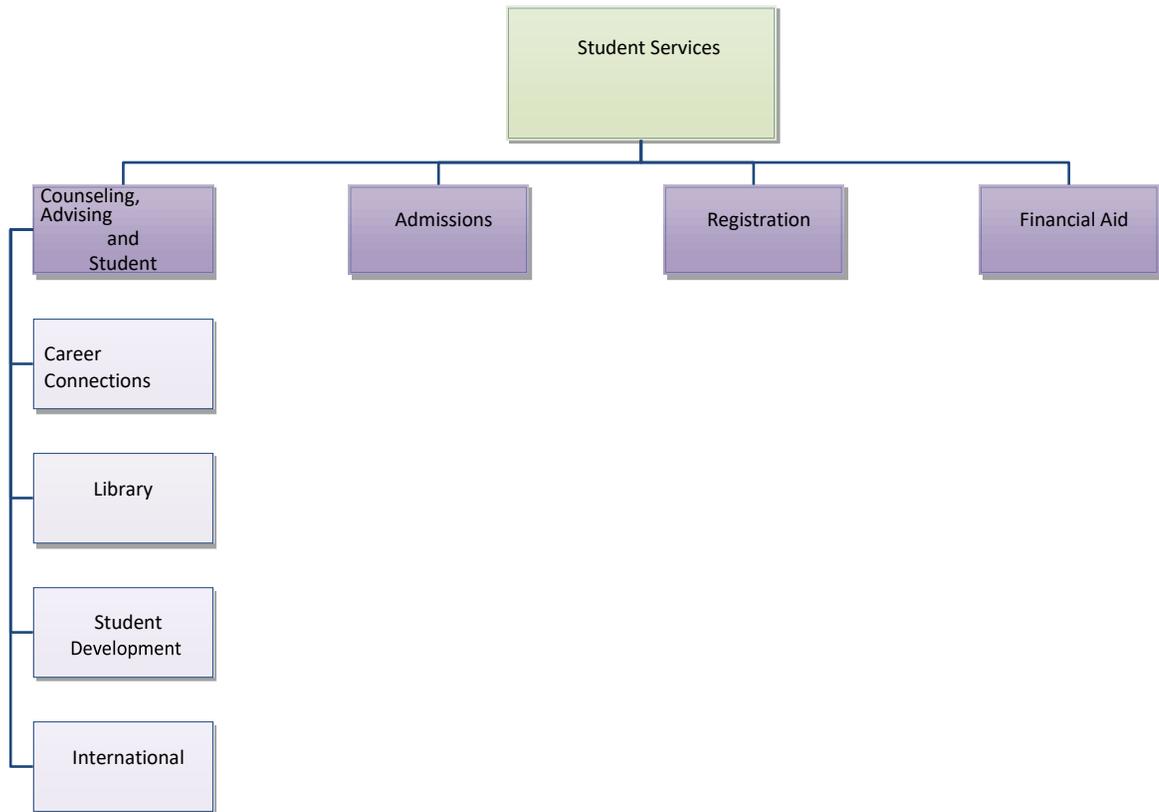
The **Office of the President** provides support for the WTC Board, overall college leadership, and educational programming, legislative activities, and revenue development.

Human Resources Services provides services that include recruitment selection and employment, compensation and benefit programs, administration, employee orientation, training and development, personnel records and position control, faculty credentialing, diversity, affirmative action, risk management, environmental health and safety office, and wellness programs.

The **Center for Quality and Innovation (CQI)** provides coaching and facilitation to staff for the continuous improvement of teaching, learning, and working throughout the college and provides training related to quality improvement processes and tools, including appreciative inquiry, systems thinking, leadership, teambuilding, and student assessment.

STUDENT SERVICES DIVISION

General Fund	Change from 2018/19					
	2017/18	2018/19		2019/20	Modified Budget	
	Actual	Adopted	Modified	Budget	\$	%
Salaries	\$ 4,608,062	\$ 4,723,467	\$ 4,723,467	\$ 4,845,993	\$ 122,526	2.6%
Benefits	1,971,971	2,193,312	2,193,312	2,228,400	35,088	1.6%
Operating expenditures	<u>856,290</u>	<u>1,005,296</u>	<u>1,005,296</u>	<u>1,063,625</u>	<u>58,329</u>	<u>5.8%</u>
Total expenditures	\$ 7,436,323	\$ 7,922,075	\$ 7,922,075	\$ 8,138,018	\$ 215,943	2.7%

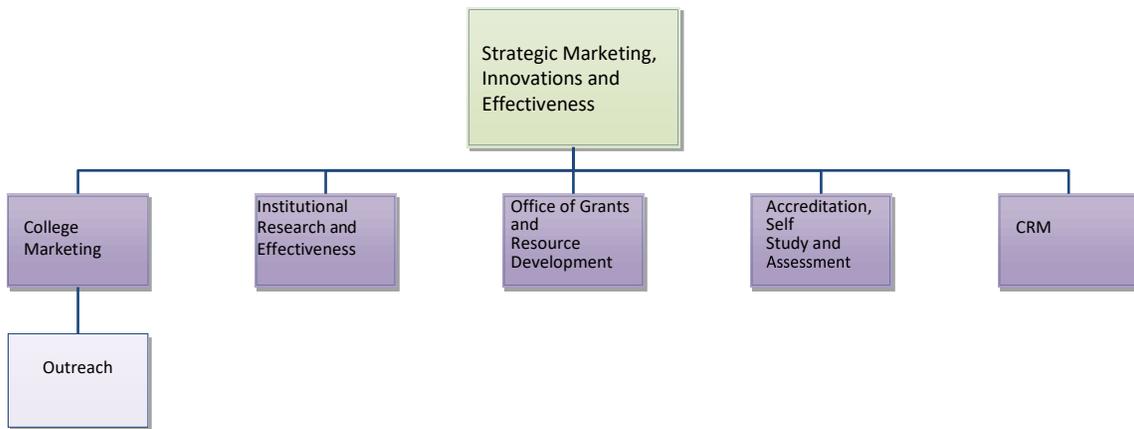


Activities

The **Student Services** Division provides admissions, assessment, career development, job search, registration, student records management, financial aid, counseling, advising, student development, and student accessibility. Other services and activities include international student admission and advising, student government, student activities and organizations, student orientation, leadership development, multicultural student resources, and student conduct. The Library acquires resources that support programs and courses, offers Library orientation and instructional workshops, subscribes to the interlibrary loan (ILL) services and makes referrals to outside resources.

STRATEGIC MARKETING, INNOVATIONS, AND EFFECTIVENESS DIVISION

General Fund	2017/18	2018/19		2019/20	Change from 2018/19	
	Actual	Adopted	Modified	Budget	Modified Budget	
					\$	%
Salaries	\$ 1,748,317	\$ 1,874,309	\$ 1,874,309	\$ 1,897,971	\$ 23,662	1.3%
Benefits	682,088	759,560	759,560	751,872	(7,688)	-1.0%
Operating expenditures	<u>880,735</u>	<u>1,017,815</u>	<u>1,017,815</u>	<u>1,029,809</u>	<u>11,994</u>	<u>1.2%</u>
Total expenditures	\$ 3,311,140	\$ 3,651,684	\$ 3,651,684	\$ 3,679,652	\$ 27,968	0.8%



Activities

The **Strategic Marketing, Planning, and Innovation** Department provides leadership, expertise, and oversight for strategic planning, Higher Learning Commission accreditation, and student assessment.

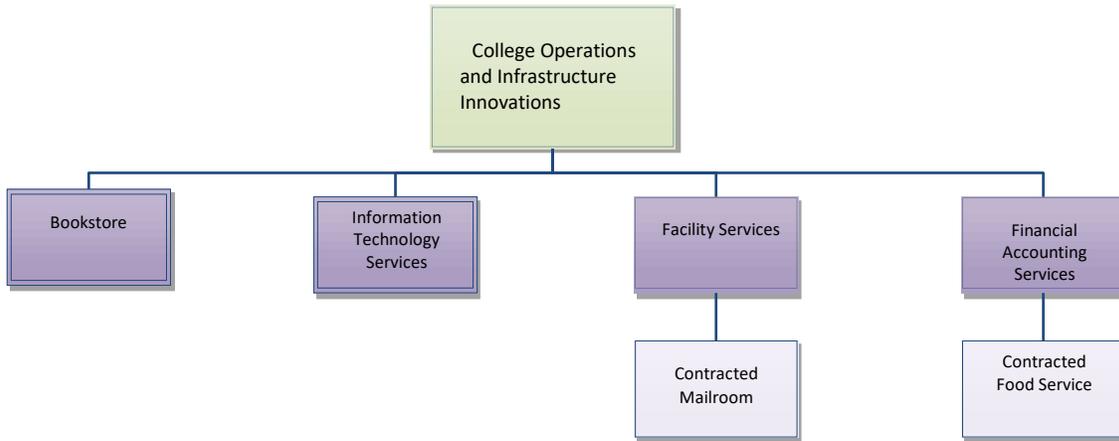
The **Institutional Research and Effectiveness (IRE)** Department provides leadership and expertise in planning, designing and conducting research and developing academic offerings and in ensuring quality by administering and coordinating the college's accreditation and evaluation processes.

The **Office and Grants and Resource Development (OGRD)** provides support to the college community on development of externally funded grants and contracts; pre- and post-grant award administration, identification of funding sources, development of internal and external partnerships, approval and submission of all grant applications, including electronic submissions; grant administration services, including policy and procedure review, federal and state compliance monitoring, subgrant approval and audits, staff training, and project performance reporting; oversight of college grants, contracts, and client reporting systems to comply with WTCS reporting requirements; and grant budget development support.

College Marketing provides marketing, advertising, and communications services designed to promote and foster a positive image and to communicate effectively to WCTC's internal and external stakeholders. It promotes WCTC to potential students, their parents, and the community using a variety of methods, such as open houses and meetings with students at the high schools with the goal of potential recruits becoming WCTC students.

COLLEGE OPERATIONS AND INFRASTRUCTURE INNOVATIONS DIVISION

General Fund	2017/18	2018/19		2019/20	Change from 2018/19	
	Actual	Adopted	Modified	Budget	Modified Budget	
					\$	%
Salaries	\$ 4,193,953	\$ 4,446,429	\$ 4,446,429	\$ 4,481,784	\$ 35,355	0.8%
Benefits	1,865,222	2,696,627	2,696,627	2,515,252	(181,375)	-6.7%
Operating expenditures	<u>8,228,640</u>	<u>9,127,935</u>	<u>9,127,935</u>	<u>9,024,897</u>	<u>(103,038)</u>	<u>-1.1%</u>
Total expenditures	\$ 14,287,815	\$ 16,270,991	\$ 16,270,991	\$ 16,021,933	\$ (249,058)	-1.5%



Activities

Facility Services provides services that include planning, budgeting, operating, and maintaining college facilities; remodeling, renovating, and constructing facilities; facility master planning; campus infrastructure maintenance; custodial services for buildings and grounds; property leasing agent services; outreach campus administration; education center management; Print Shop services; and mailroom services.

Financial Accounting Services (FAS) is responsible for all financial activities and related records of the college, including accounts payable, payroll, grant and financial aid management and billing, budgeting, cash management, debt management, accounting, internal controls, auditing, accounts receivable and collections, capital asset tracking and monitoring, and procurement. This department also provides accounting services to the WCTC Foundation and oversees on-campus food service and vending contracts.

Information Technology Services (ITS) provides college-wide network support for administrative and instructional applications; college-wide telecommunications and voice mail administration; database administration, information systems development, and support for WCTC and the WTCS Banner Consortium; telecommunications support for distance learning; student computing support; WTCS reporting coordination; service desk support for college-wide applications; computer equipment consulting and maintenance; telecommunications equipment consulting and maintenance; Workforce Development Center network and telecommunications systems support; instructional technology consultation; media services, liaison for statewide technology initiatives and agreements; and college-wide software license agreements monitoring.

The **Bookstore** is a retail shop that provides textbooks and other products that students need to be successful at WCTC.

SPECIAL REVENUE FUND

The Special Revenue Fund is used to account for the proceeds and related financial activities of specific revenue sources that are legally restricted to expenditures for specified purposes or where WCTC acts as a trustee or fiscal agent for the funds of others.

Operating

The Operating Fund is used to account for the proceeds and related financial activities of specific revenue sources that are legally restricted to expenditures for specified purposes. The majority of the federal and state grants WCTC receives are recorded in this fund.

Non-Aidable

The Non-Aidable Fund is used to account for assets held in trust by WCTC in a trustee capacity, primarily for student activities, financial aid, and federal and state grants. This fund is also used to account for assets held in trust by WCTC as a fiscal agent, such as student club funds and the Banner Consortium. No budgets are included for those activities where WCTC acts as a fiscal agent only. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operation.

- Student Association
- Financial Aid
- Grantor Agencies

Special Revenue Fund – Operating Budget Summary

	2017/18	2018/19		2019/20	Change from 2018/19	
	Actual	Adopted	Modified	Budget	Modified Budget	
					\$	%
Revenues						
Local government	\$ 1,004,676	\$ 925,470	\$ 925,470	\$ 963,400	\$ 37,930	4.1%
State funds	923,934	908,918	908,918	1,350,800	441,882	48.6%
Program fees	-	-	-	-	-	0.0%
Material fees	2,269	4,000	4,000	5,700	1,700	0.0%
Other student fees	61,698	79,000	79,000	107,800	28,800	0.0%
Institutional	320,957	30,000	30,000	30,000	-	0.0%
Federal funds	1,058,720	811,941	811,941	689,900	(122,041)	-15.0%
Total revenue	\$ 3,372,254	\$ 2,759,329	\$ 2,759,329	\$ 3,147,600	\$ 388,271	14.1%
Expenditures						
Salaries	\$ 2,011,766	\$ -	\$ -	\$ -	\$ -	0.0%
Benefits	631,290	-	-	-	-	0.0%
Operating expenditures	671,693	2,759,329	2,834,329	3,147,600	313,271	11.1%
Total expenditures	\$ 3,314,749	\$ 2,759,329	\$ 2,834,329	\$ 3,147,600	\$ 313,271	11.1%
Net Revenue/(Expenditures)	57,505	-	(75,000)	-		
Other sources/(uses)						
Operating Transfer In/(Out)	\$ -	\$ -	\$ -	\$ -		
Total Resources/(Uses)	\$ 57,505	\$ -	\$ (75,000)	\$ -		
Beginning Fund Balance	498,813	503,389	556,318	426,978		
Ending Fund Balance	\$ 556,318	\$ 503,389	\$ 481,318	\$ 426,978		

The Special Revenue - Operating Fund is used to account for the proceeds and related financial activities of specific revenue sources that are legally restricted to expenditures for specified purposes, mainly state and federal funds.

When preparing this fund, staff submits proposed budgets based on projected grants to be received. The financial summary shown in this section identifies the projected grants to be received. When preparing the expenditure side of the grants, the expenditure budget is placed into a segregated pool account. As the award letters are received for each grant, a budget transfer is done transferring the funds from the segregated pool account to the appropriate expenditure account(s) for each grant.

If a grant is discontinued, WCTC needs to make a decision whether or not to continue with the service. If the service is continued, the activity would be transferred to the General Fund where it will need to be fully funded with tax levy and other revenues in the General Fund.

This fund was budgeted based on the projected grants to be received and calculating the necessary match with the match portion not exceeding the available tax levy. If additional match funds are needed during the year as a result of applying for more grants, WCTC would seek WCTC Board approval to modify its budget and re-appropriate funds from fund balance for the match funds. This would be a one-time transfer.

Based on the fluctuation of which grants may be received and the funding source, there can be wide variations in the amounts budgeted in this fund from one year to another.

Projected grants to be received in FY 20 are:

GRANT	FEDERAL FUNDS	STATE FUNDS	EXTERNAL FUNDING	IN KIND	TUITION & FEES	LEVY FUNDS	TOTAL FUNDS
Carl D Perkins Career and Technical Education (CTEA)							
Strengthening Blended Options Student Success Initiative	83,450	-	-	-	-	-	83,450
Assuring Access & Participation in Non-Tradition	20,870	-	-	-	-	-	20,870
Student Success	312,780	-	-	-	-	193,800	506,580
Waukesha County Career Prep	25,000	-	-	-	-	-	25,000
Supporting Underserved Projects	27,450	-	-	-	-	-	27,450
Adult Education & Family Literacy Act (AEFL)							
Adult Basic Education / GOAL	201,510	-	-	-	-	529,400	730,910
Integrated English Literacy and Civics Education	4,650	-	-	-	-	12,200	16,850
Institutionalized Individuals	14,190	-	-	-	-	37,270	51,460
General Purpose Revenue (GPR)							
Preschool Credential DEA Career Pathways	-	45,620	-	-	-	15,210	60,830
Firefighter & EMT DEA Career Pathways	-	208,030	-	-	-	69,350	277,380
Professional Growth	-	62,340	-	-	-	31,170	93,510
Core Industry Medical Assistant	-	162,350	-	-	-	-	162,350
Developing Markets - Aesthithician	-	129,200	-	-	-	-	129,200
Developing Markets - Supply Chain	-	127,000	-	-	-	-	127,000
Emergency Assistance	-	12,430	-	-	-	-	12,430
Student Support	-	225,000	-	-	-	75,000	300,000
Workforce Advanced Training Grants	-	200,000	-	-	-	-	200,000
Other State							
Motorcycle Safety BRC	-	81,520	-	-	104,700	-	186,220
Motorcycle Safety BRC2	-	560	-	-	4,600	-	5,160
Motorcycle Safety UBBRC	-	1,050	-	-	4,200	-	5,250
Department of Justice TBD	-	12,000	-	-	-	-	12,000
Youth Apprenticeship	-	83,700	-	-	-	-	83,700
Other External Funds							
DMI Risk Management Grant	-	-	30,000	-	-	-	30,000
TOTAL	\$689,900	\$1,350,800	\$30,000	\$0	\$113,500	\$963,400	\$3,147,600

**Special Revenue Fund – Non-Aidable
Budget Summary**

	2017/18		2018/19		2019/20	Change from 2018/19	
	Actual	Adopted	Modified	Budget	Modified Budget		
					\$	%	
Revenues							
Local government	\$ 137,500	\$ 137,500	\$ 137,500	\$ 151,500	\$ 14,000	10.2%	
State funds	1,125,725	1,094,500	1,315,500	1,292,220	(23,280)	-1.8%	
Other student fees	645,708	650,000	650,000	625,000	(25,000)	-3.8%	
Institutional	127,332	15,000	15,000	13,000	(2,000)	-13.3%	
Federal funds	4,970,826	5,789,756	5,789,756	5,007,818	(781,938)	-13.5%	
Total revenue	<u>\$ 7,007,091</u>	<u>\$ 7,686,756</u>	<u>\$ 7,907,756</u>	<u>\$ 7,089,538</u>	<u>\$ (818,218)</u>	<u>-10.3%</u>	
Expenditures							
Salaries	\$ 255,822	\$ 238,729	\$ 238,729	\$ 214,600	\$ (24,129)	-10.1%	
Benefits	42,248	35,304	35,304	30,638	(4,666)	-13.2%	
Operating expenditures	6,650,932	7,437,723	7,658,723	6,864,300	(794,423)	-10.4%	
Total expenditures	<u>\$ 6,949,002</u>	<u>\$ 7,711,756</u>	<u>\$ 7,932,756</u>	<u>\$ 7,109,538</u>	<u>\$ (823,218)</u>	<u>-10.4%</u>	
Net Revenue/(Expenditures)	58,089	(25,000)	(25,000)	(20,000)			
Other sources/(uses)							
Operating Transfer In/(Out)	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000			
Total Resources/(Uses)	<u>\$ 78,089</u>	<u>\$ (5,000)</u>	<u>\$ (5,000)</u>	<u>\$ -</u>			
Beginning Fund Balance	<u>468,707</u>	<u>439,997</u>	<u>546,796</u>	<u>642,240</u>			
Ending Fund Balance	<u>\$ 546,796</u>	<u>\$ 434,997</u>	<u>\$ 541,796</u>	<u>\$ 642,240</u>			

The Special Revenue - Non-Aidable Fund is used to account for assets held by WCTC in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

WCTC acts as a trustee for student government, some financial aid programs, and some federal and state grantor agencies. These are included as part of the adopted budget.

WCTC acts as an agent for the Banner Consortium, Southeast Wisconsin Certification Consortium, Workforce Development Center, and student clubs. These activities are not included in the adopted budget.

**Student Association
Budget Summary**

	2017/18		2018/19		2019/20	Change from 2018/19	
	Actual	Adopted	Modified	Budget	Modified Budget		
					\$	%	
Other student fees	\$ 645,708	\$ 650,000	\$ 650,000	\$ 625,000	\$ (25,000)	-3.8%	
Institutional	19,500	15,000	15,000	13,000	(2,000)	-13.3%	
Total revenue	\$ 665,208	\$ 665,000	\$ 665,000	\$ 638,000	\$ (27,000)	-4.1%	
Salaries	\$ 142,342	\$ 130,529	\$ 130,529	\$ 102,300	\$ (28,229)	-21.6%	
Benefits	41,143	33,504	33,504	28,438	(5,066)	-15.1%	
Operating expenditures	424,258	500,967	500,967	507,262	6,295	1.3%	
Total expenditures	\$ 607,743	\$ 665,000	\$ 665,000	\$ 638,000	\$ (27,000)	-4.1%	

When students register for credit classes, they are charged an activity fee per credit. The activity fee is equal to 6% of the tuition rate rounded to the nearest nickel. This activity fee is collected on behalf of Student Association. The fees are placed into this fund for Student Association to use with the approval of WCTC's management. With the assistance and guidance of staff, Student Association determines how they would like to spend these funds to improve student life on campus. WCTC acts as a trustee of these funds.

Financial Aid Budget Summary

	2017/18		2018/19		2019/20	Change from 2018/19	
	Actual	Adopted	Modified	Budget	Modified Budget		
					\$	%	
Local government	\$ 137,500	\$ 137,500	\$ 137,500	\$ 151,500	\$ 14,000	10.2%	
State funds	975,346	1,094,500	1,094,500	1,092,220	(2,280)	-0.2%	
Institutional	-	-	-	-	-	100.0%	
Federal funds	4,954,492	5,773,500	5,773,500	4,990,000	(783,500)	-13.6%	
Total revenue	\$ 6,067,338	\$ 7,005,500	\$ 7,005,500	\$ 6,233,720	\$ (771,780)	-11.0%	
Salaries	\$ 113,480	\$ 108,200	\$ 108,200	\$ 112,300	\$ 4,100	3.8%	
Benefits	1,105	1,800	1,800	2,200	400	0.0%	
Operating expenditures	5,952,129	6,920,500	6,920,500	6,139,220	(781,280)	-11.3%	
Total expenditures	\$ 6,066,714	\$ 7,030,500	\$ 7,030,500	\$ 6,253,720	\$ (776,780)	-11.0%	

WCTC is a trustee for some financial aid programs such as SEOG, WHEG, Pell, and Federal College Work Study.

WCTC is a fiscal agent for other financial aid programs such as Direct Loans. WCTC does not prepare a budget for those funds where it is fiscal agent. Agency funds use only balance sheet accounts (assets, liabilities, and fund balance). As a result, no budget needs to be established.

Each year the Bookstore transfers \$20,000 of its retained earnings to be used for scholarships for students. These funds are used to meet student needs not met through traditional scholarships, such as the purchase of textbooks. These funds are administered by the Financial Aid Department. In addition, due to underspending some emergency loan funds in prior years, a portion of fund balance has been budgeted so these funds can be used.

Federal College Work Study and SEOG funds have a 25% match requirement and the HEAB Technical Assistance funds have a 50% match requirement. As a result, WCTC uses property tax levy funds for that purpose.

Grantor Agencies Budget Summary

	2017/18		2018/19		2019/20	Change from 2018/19	
	Actual	Adopted	Modified	Budget	Modified Budget		
					\$	%	
State funds	\$ 150,379	\$ -	\$ 221,000	\$ 200,000	\$ (21,000)	0.0%	
Institutional revenues	107,832	-	-	-	-	0.0%	
Federal funds	16,334	16,256	16,256	17,818	1,562	9.6%	
Total revenue	\$ 274,545	\$ 16,256	\$ 237,256	\$ 217,818	\$ (19,438)	-8.2%	
Operating expenditures	\$ 274,545	\$ 16,256	\$ 237,256	\$ 217,818	\$ (19,438)	-8.2%	
Total expenditures	\$ 274,545	\$ 16,256	\$ 237,256	\$ 217,818	\$ (19,438)	-8.2%	

Periodically WCTC is asked to act as a fiscal agent for receipt of state or federal grants where the work is done by some agency other than WCTC. These grant activities are recorded in this fund instead of the Special Revenue – Operating Fund. There can be fluctuations between years as a result.

GRANT	FEDERAL FUNDS	STATE FUNDS	EXTERNAL FUNDING	IN KIND	TUITION & FEES	LEVY FUNDS	TOTAL FUNDS
Career and Technical Education (CTEA)							
Waukesha County Career Prep	\$17,818	\$0	\$0	\$0	\$0	\$0	\$17,818
Youth Apprenticeship	\$0	\$200,000	\$0	\$0	\$0	\$0	\$200,000
TOTAL	\$17,818	\$200,000	\$0	\$0	\$0	\$0	\$217,818

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CAPITAL PROJECTS FUND

The Capital Projects Fund accounts for financial resources used for the acquisition or construction of capital assets and remodeling other than those financed by Proprietary Funds.

WCTC has two components that make up its Capital Projects Fund. They are:

- Capital projects budget (new construction, building remodeling, site improvements)
- Capital equipment budget

Capital Projects Fund Budget Summary

	2017/18		2018/19		2019/20	Change from 2018/19	
	Actual	Adopted	Modified	Budget	Modified Budget	\$	%
Local Government	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
State	66,447	-	-	-	-	-	0.0%
Institutional	568,411	255,000	2,603,100	380,000	(2,223,100)	-85.4%	
Federal	10,000	-	-	-	-	-	0.0%
Total revenue	\$ 794,858	\$ 255,000	\$ 2,603,100	\$ 380,000	\$ (2,223,100)	-85.4%	
Capital equipment	\$ 2,994,616	\$ 4,574,159	\$ 4,922,259	\$ 6,375,309	\$ 1,453,050	29.5%	
Capital projects	5,354,977	7,895,000	10,545,000	6,340,000	(4,205,000)	-39.9%	
Total expenditures	\$ 8,349,593	\$ 12,469,159	\$ 15,467,259	\$ 12,715,309	\$ (2,751,950)	-17.8%	

WCTC issued \$7,750,000 in general obligation promissory notes to offset fiscal year 2018/19 capital costs. For fiscal year 2019/20, WCTC plans to issue \$7,750,000 of general obligation promissory notes. WCTC will use \$4,464,159 of fund balance to cover the remaining costs. These funds have accumulated for this purpose.

In late FY 13, WCTC modified its post-employment benefits, which resulted in reducing operational costs approximately \$5 million. Because of this change, WCTC has been utilizing some of the operational funds to help meet its capital needs without issuing additional debt.

The Wisconsin Technical College's capitalization threshold had been at an asset cost of \$500 with a useful life greater than 12 months. Effective 2017/18, the capitalization threshold increased to an asset cost of \$5,000. This created a shift of expenditures to the General Fund that had previously been in the Capital Fund.

Definitions

Capital equipment is defined as furniture or equipment with a value of \$5,000 or more and a useful life greater than 12 months. Capital equipment is capitalized as an asset in the Capital Projects Fund of WCTC.

Capital projects consist of the following and are defined by the Wisconsin Technical College System (WTCS) Board as:

- **New construction** – Adding additional square footage to an existing building or constructing a new building.
- **Land purchases** – Purchase of additional land for WCTC.
- **Building improvements** – This consists of the following:
 - ✓ **Infrastructure** – Improvements made to a building to extend the useful life (i.e. roof replacement) of that building.
 - ✓ **Retrofitting** – Changing the configuration of a room or building to extend the useful life of the asset and to meet the changing needs of WCTC and its students.
- **Site improvements** – Improvements made to the land (i.e. roads, sidewalks, and underground piping) to extend the useful life of the assets.

Statutory limitations

The following statutory limits apply:

- New construction, building additions, and land purchases are limited to no more than \$1,500,000 in expenditures every two years without passing a referendum. New construction, building additions, and land purchases also require approval by the WTCS Board.
- Debt issues for site improvements are limited to \$1,500,000 per issue unless approved through a referendum.
- Debt issues for building improvements are limited to \$1,500,000 per issue unless approved through a referendum.

Capital budgeting – planning policy

WCTC has a capital planning process that consists of a Facility Master Plan, equipment replacement schedules, and identification of new capital equipment needs in future years. These plans are reviewed and updated annually, concurrent with the Strategic Plan, budgeting process, and Academic Master Plan to ensure alignment of all plans and processes.

Below is a schedule of planned capital spending and the year of planned implementation. All amounts are in millions.

	2020	2021	2022	2023	2024	2025
Master facility plan (MFP)	4.965	5.250	5.400	5.250	3.850	2.450
Classroom/facility renovations	0.530	0.500	0.500	0.500	0.500	0.500
Infrastructure projects	0.845	0.850	0.850	0.900	0.900	0.950
Equipment	4.243	3.700	3.800	3.900	3.800	3.800
Technology purchases	2.032	1.700	1.700	1.800	1.800	1.800
Other capital equip/IT	0.100	0.100	0.100	0.100	0.100	0.100
Total	12.715	12.100	12.350	12.450	10.950	9.600

Funding (in millions) for these projected expenditures is expected to come from the following sources:

	2020	2021	2022	2023	2024	2025
General obligation promissory notes	7.750	7.750	7.750	7.750	7.750	7.750
Investment earnings	0.175	0.100	0.100	0.100	0.100	0.100
Other revenues	0.105	0.105	0.105	0.105	0.105	0.105
External funding/grants	0.000	0.000	0.000	0.000	0.000	0.000
Donations (cash/in-kind)	0.100	0.100	0.100	0.100	0.100	0.100
Use of fund balance	4.585	4.045	4.295	4.395	2.895	1.545
Total	12.715	12.100	12.350	12.450	10.950	9.600

Not included in the above schedules for future years are capital purchases relating to any federal or state grants, which may or may not be received in a particular fiscal year. These are generally small in nature and are to start up or expand an academic program and revenue equals expenditures.

In recent years, WCTC has transferred some excess fund balance from the General Fund to the Capital Projects Fund to help fund capital projects and related capital costs that are needed now rather than in the future. By doing this, WCTC has been able to limit its debt borrowing to \$7.75 million per year, has not needed to increase the debt service levy amount. WCTC is utilizing these funds over a number of years to help fund its capital needs.

Funding of capital projects and equipment

WCTC issues general obligation promissory notes to provide funds for capital equipment and capital projects. The proceeds of these notes are recorded in the Capital Projects Fund and the payment of the principal and interest is recorded in the Debt Service Fund. WCTC may also receive grant funds to cover the cost of some capital equipment items. These grants are recorded in this fund. Any investment earnings from the proceeds of the debt issuance are also recorded in this fund.

Operating impacts

Capital equipment and technology – Operating impacts are generally minimal, if any. Operating impacts may consist of maintenance agreements, utility costs, supplies, fuel, staffing, etc. Many of the capital equipment purchases are replacements and the operating costs are already built into the base of the budget so new additional funds are not necessary.

The operating impact is shown on the following pages with the related capital expenditure.

New construction – New construction will always result in an impact to operational costs. However, sometimes these costs are minimized at the time of construction due to the following situations:

- Previously leased space to conduct the program prior to adding the new space; the leased space costs will be eliminated once the new space is available.
- Positions have already been created to conduct the program in the leased space.
- Utility costs will be added for the new construction.

Building and site improvements – Operating impacts are generally minimal, if any. WCTC tries to maintain its facilities and land in good shape in order to keep repairs at a minimum. These improvements

may result in a reduction of repair and maintenance costs and/or energy savings. Since many of these remodeling projects are to repurpose a space, there generally are no operating impacts.

Capital Expenditures Budget Summary

Type of Expenditure	Amount
Capital projects	
• Master Facility Plan	\$4,965,000
• Facility Infrastructure Projects	845,000
• Classroom and facility Renovations	530,000
Capital equipment	
• Equipment - Learning	2,855,994
• Equipment – Non-Learning	555,215
• Equipment Infrastructure	832,000
• IT Infrastructure	531,000
• Master Facility Plan Technology	920,000
• Technology – Learning	581,100
• Other capital equipment/IT	100,000
Total Capital Expenditures	\$12,715,309
Funding for Capital Expenditures	Amount
Debt Issuance	\$7,750,000
Investment Earnings	175,000
Donations	100,000
Motorcycle Fees	30,000
Equipment Sales	75,000
Fund balance	4,585,309
Total Funding	\$12,715,309

Fiscal Year 2020 Capital Projects Summary

The following Master Facility Plan projects are budgeted in the **Capital Projects Fund**.

Project	Description	Capital Project Costs	IT Costs
EVOC Track	Resurfacing of current EVOC track and adjoining roadway	600,000	
Parking Lot expansion (lots 23-24)	Expansion of parking space for T building	300,000	
Gym Space Renovation	Conversion of gymnasium to educational center	850,000	850,000
Welcome Center Renovation	Renovation of existing main entrance to create a welcome center for students	750,000	50,000
Enclose Atrium space	Renovation of existing Atrium to provide greater energy efficiency	200,000	
Exercise Room Conversion	Move exercise space to new location	300,000	
Mothers Rooms	Creation of mothers rooms to serve the G and Q buildings	250,000	
Classrooms (S building)	Convert lab into two large classrooms	400,000	
Surgical Technician Classrooms	Expansion of current classroom space to create additional surgical suites	250,000	
L-Building Fire suppression	Installation of new fire suppression system in server room	200,000	
Computer Lab Renovations	Creation of PC lab in G building and renovation of existing S building computer lab	300,000	20,000
Workforce Development Center Renovations	Renovation of existing building for Workforce Development Center	500,000	
Architectural and Environmental fees	Costs associated with current and future projects	65,000	
		\$ 4,965,000	\$ 920,000

Future Years' Proposed Capital Projects

2020/21	
Infrastructure	850,000
Construct new classroom/simulator building by lots 50-51-phase III EVOC	1,500,000
Medical Assistant H-216	450,000
Add individual restroom and mothers room in the H-Bldg	250,000
Convert Workforce into Police Training Center	500,000
Install wet sprinkler system in Workforce Bldg	200,000
Convert S-235 into furniture storage room	50,000
Convert H-212C into two additional HPS spaces	300,000
Remodel C-021 (Welcome Center II)	500,000
Enclose RTA entrance	150,000
Convert pole barns into heated educational spaces	500,000
Total	5,250,000
2021/22	
Infrastructure	850,000
Remodel Shop areas in Industrial Bldg	1,500,000
Electrical Infrastructure upgrade - phase III	750,000
Add Individual restroom and mothers room in the E-Bldg	250,000
Remove tiered seating in Lecture Halls - create Innovation Center	1,000,000
Install sprinkler system in the H-Bldg	300,000
Create two new computer labs in L-130	550,000
Convert S-201 into Kitchen/bath Interior Design lab/S-201 office staff to S-220	200,000
Total	5,400,000
2022/23	
Infrastructure	900,000
Remove the Fire Training tower	100,000
Rebuild the Burn Building	500,000
Build new Burn structure - phase I	1,500,000
Add Individual restroom and mothers room in the L-Bldg	250,000
Purchase the Firing Range building, continue to lease, or end lease and return to previous conditions	1,500,000
Renovate/raze Steele House	250,000
Parking lot 1	250,000
Total	5,250,000
2023/24	
Infrastructure	900,000
Raze the burn building after new Fire Training structure is built	150,000
Electrical Infrastructure upgrade - phase IV	1,000,000
Renovate I-155 office complex	500,000
Renovate I-203 office complex	500,000
Individual restrooms and mothers room by C-198	300,000
Remodel A-010 into chocolate lab - if not room still needs work	250,000
Remodel A-016 into Brewery lab - if not room still needs work	250,000
Total	3,850,000
2024/25	
Infrastructure	950,000
Expand the Burn structure - phase II	1,500,000
Total	2,450,000

Fiscal Year 2019/20 Capital Projects Timeline

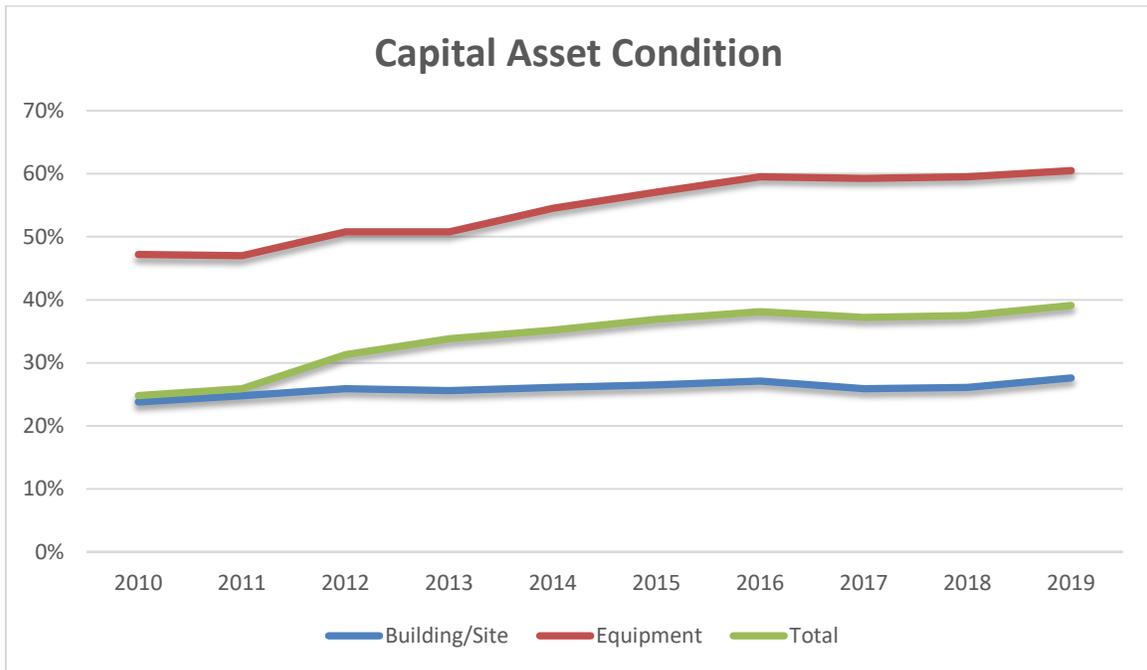
Description	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Aug 20
Resurface existing EVOC track														
Parking lot expansion lots 23-24														
Training grounds asphalt														
L/ A building drainage														
Landscaping														
Concrete repair														
Asphalt repair														
Vehicle Training facility gate renovation														
S-bldg meeting space / exercise room renovation														
C building Welcome Center / Atrium renovation														
Mothers room/individual restrooms - G/Q bldg														
S204 / S212 Classroom renovation														
H-204/206 Surg Tech														
L-Bldg fire suppression installation														
G155 Computer lab renovation														
G120 carpeting replacement														
B014 electrical/data upgrade (call center room)														
L117 Computer lab renovation														
E207 / E216 renovation														
Flooring replacement														
Campus Painting														
Window/door replacements														
Tuckpointing/sealing														
Lower B Marketing lab renovation (B005/095/097)														
Lower E corridor paint/door replacement														
I144 classroom upgrade														
Fire apparatus bay epoxy floor														
I-Bldg roof repairs over I-155														
Emergency power network rooms														
Redundant data / Carroll University														
Waukesha - Workforce renovations														
WK loading dock update														
FY 21 Architect Fees														
FY 21 Environmental Fees														
Color Key:														
Planning process														
Projects requiring State board approval														
Construction phase														
Construction bids														
WCTC Board construction approval														
WCTC Board Resolution approval														
WCTC Board Presentation														
State Board approval														
Village Plan commission														

CAPITAL SPENDING RATIOS

These indicators help determine whether or not WCTC is spending enough in capital so that its physical assets can meet the needs of the college and its students and other customers.

- The Capital Asset Condition Ratio looks at accumulated depreciation in comparison to capital asset values.
- The Replacement Cost Ratio, also known as the Capital Spend Ratio, looks at replacement cost in comparison to original cost.
- The Annual Required Asset Replacement Spend calculation looks at the annual depreciation amount times the Capital Spend Ratio to determine how much the college should be spending annually for capital. This calculation would then be compared to actual spend levels.

Fiscal Year	Capital Asset Condition			Replacement Cost Ratio		Annual Required Asset Replacement Spend	
	Building/ Site	Equipment	Total	Building/ Site	Equipment	Building/ Site	Equipment
2010	23.8%	47.2%	24.8%	2.37	2.04	\$3,052,958	\$4,753,388
2011	24.8%	47.0%	25.9%	2.43	1.94	\$3,169,233	\$5,165,494
2012	25.9%	50.8%	31.3%	2.24	1.94	\$2,924,071	\$5,153,885
2013	25.6%	50.8%	33.8%	2.27	2.15	\$3,017,420	\$4,734,114
2014	26.1%	54.5%	35.2%	2.15	1.75	\$2,965,113	\$4,489,016
2015	26.5%	57.1%	36.9%	2.15	1.71	\$3,019,349	\$4,627,398
2016	27.1%	59.5%	38.1%	2.08	1.65	\$3,619,313	\$4,396,794
2017	25.9%	59.3%	37.2%	1.98	1.58	\$3,057,499	\$5,063,142
2018	26.1%	59.5%	37.5%	1.88	1.49	\$3,240,616	\$4,271,498
2019	27.6%	60.5%	39.1%	1.95	1.50	\$3,615,331	\$3,644,864



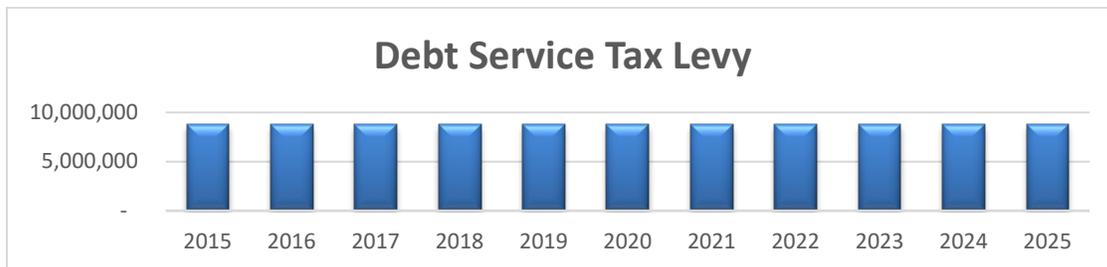
DEBT SERVICE FUND

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

Debt Service Fund Budget Summary

	Change from 2018/19					
	2017/18	2018/19		2019/20	Modified Budget	
	Actual	Adopted	Modified	Budget	\$	%
Revenues						
Local government	\$ 8,792,794	\$ 8,792,794	\$ 8,792,794	\$ 8,792,794	\$ -	0.0%
Investment income	75,474	75,000	75,000	100,000	25,000	33.3%
Total revenue	\$ 8,868,268	\$ 8,867,794	\$ 8,867,794	\$ 8,892,794	\$ 25,000	0.3%
Expenditures						
Principal	\$ 8,390,000	\$ 8,260,000	\$ 8,260,000	\$ 8,310,000	\$ 50,000	0.6%
Interest	360,905	490,115	490,115	495,760	5,645	1.2%
Other expenditures	100,000	117,679	117,679	87,034	(30,645)	-26.0%
Total expenditures	\$ 8,850,905	\$ 8,867,794	\$ 8,867,794	\$ 8,892,794	\$ 25,000	0.3%
Net Revenue/(Expendi	17,363	-	-	-		
Other sources/(uses)						
Operating Transfer In/	\$ -	\$ -	\$ -	\$ -		
Total Resources/(Uses)	\$ 17,363	\$ -	\$ -	\$ -		
Beginning Fund Balanc	611,973	608,824	629,336	756,001		
Ending Fund Balance	\$ 629,336	\$ 608,824	\$ 629,336	\$ 756,001		

WCTC has scheduled its debt service repayments in order to keep a stable or decreasing tax levy in the Debt Service Fund. Based on WCTC's current debt levels, its planned future borrowings, and the amount of sinking funds currently available, WCTC will keep the amount of property tax levy needed to repay its debt the same in fiscal year 2019/20 as in 2018/19. Based on its current borrowing plans, the debt service levy is projected to remain flat for the next few years as shown in the graph below.



Debt service policy

WCTC issues general obligation promissory notes to pay for capital projects (new construction, remodeling, and site improvements) and capital equipment purchases only. WCTC structures its debt to maintain a stable tax levy within the Debt Service Fund. WCTC looks to repay its debt within three to seven years for capital equipment borrowings and five to ten years for capital project borrowings.

What is a capital purchase?

Prior to July 1, 2017, equipment with a value of \$500 and a life of greater than 12 months was capital. Effective July 1, 2017, equipment with a value of \$5,000 and a life greater than 12 months is capital. Capital projects consist of new construction, building remodeling, site improvements, land purchases, and land improvements. A capitalization threshold of \$100,000 has been set for internally generated software and \$15,000 for capital projects. The Wisconsin Technical College System has set these capitalization limits.

All purchases meeting the definition of capital are budgeted in the Capital Projects Fund unless they relate to an Enterprise Fund. The college capitalizes these assets and records depreciation in its annual audited financial statement in compliance with GASB 34 and 35 accounting regulations.

Restrictions on borrowing and capital projects

For each general obligation bond or promissory note issued without a referendum, WCTC cannot:

- Issue more than \$1,500,000 per issuance for building improvements.
- Issue more than \$1,500,000 per issuance for site improvements.
- Issue more than \$1,500,000 for new construction or land purchases within a two-year period per campus location with campus location defined by the Wisconsin Technical College System.

The Wisconsin Technical College System Board must approve all new construction projects and major building remodeling projects prior to any issuance of general obligation bonds or promissory notes, regardless of a referendum.

There is no limit on the amount of capital equipment that can be included in a borrowing; however WCTC borrows \$5,000,000 or less per calendar year in order to maintain the College's status as a small issuer.

Because of the above limitations, it is necessary for WCTC structure multiple debt issues in each fiscal year.

Financial accountability

WCTC is fiscally strong and has been able to maintain a Aaa bond rating from Moody's Investor Service since 1994, because of its fiscal policies, its sound financial position, its long-range plans, and low tax levy.

Legal debt margin

Per Wisconsin state statute 67.03(1), WCTC's aggregate indebtedness may not exceed 5% of the equalized value of the taxable property located in WCTC's taxing district and its bonded indebtedness may not exceed 2% of equalized valuation. The maximum indebtedness of WCTC for FY 20 will be \$26,860,000 compared to the 5% limit, based on a projected 2.45% change in equalized valuation, of approximately \$2,804,841,391. WCTC is currently utilizing less than 1.0% of its maximum total indebtedness potential. WCTC does not have any bonded debt outstanding.

Below is the calculation for the legal debt limit the college must comply with.

Gross total debt includes general obligation promissory notes and bonds, which are included in WCTC's general obligation indebtedness.

Total general obligation indebtedness may not exceed 5% of equalized valuation. For FY 20, the projected computation of legal debt margin is as follows:

FY 19 Equalized Valuation		\$56,491,051,260
Projected Change in Valuation		X 102.45%
FY 20 Projected Equalized Valuation		<u>57,877,776,000</u>
Debt Limit Percent		X 5%
Debt Limit		<u>2,804,841,391</u>
Gross Indebtedness Applicable to Debt Limit	\$26,860,000	
Less Projected Assets Available	<u>756,001</u>	
Total Amount of Debt Applicable to Debt Limit		<u>26,103,999</u>
Legal Debt Margin		\$ 2,867,784,801

Additionally, total bonded debt, which is a component of general obligation debt, may not exceed 2% of equalized valuation. For FY 20, the computation of legal debt margin is as follows:

FY 20 Projected Equalized Valuation		\$57,877,776,000
Debt Limit Percent		X 2%
Debt Limit		<u>1,157,555,520</u>
Gross Indebtedness Applicable to Debt Limit	\$0	
Less Projected Assets Available	<u>0</u>	
Total Amount of Debt Applicable to Debt Limit		<u>0</u>
Legal Debt Margin		\$ 1,157,555,520

Current year debt status

For FY 19 WCTC borrowed \$7,750,000 for building improvements and capital equipment, which matches the amount it planned to borrow.

Budget year debt planning

WCTC plans on borrowing \$7,750,000 in general obligation promissory notes to pay for capital projects and capital equipment in FY 20. These capital projects are part of WCTC's Facility Master Plan.

The debt repayment schedules are structured to fit into the existing debt structure in order to keep a stable rate in the property tax levy requirements for the Debt Service Fund. Equalized valuations of **property are projected to increase 2.45%**. As a result, the owners should see **a decrease** in their property taxes for the debt service portion of their property taxes for FY 20 on an equalized valuation basis for the same priced house. The debt service portion of the levy amount will remain unchanged for FY 20.

Long-term debt planning

WCTC anticipates the need to issue the following amounts of general obligation promissory notes over the next seven years:

2019/20	7,750,000
2020/21	7,750,000
2021/22	7,750,000
2022/23	7,750,000
2023/24	7,750,000
2024/25	7,750,000
2025/26	7,750,000
Total	\$54,250,000

Long-term debt schedule as of June 30, 2019

Issuance Description	Total Outstanding
General obligation promissory notes (\$1,050,000) issued May 2, 2013, to finance FY 13 building remodeling over 7 years at 1.00% interest with UMB Bank N.A.	160,000
General obligation promissory notes (\$4,750,000) issued September 4, 2013, to finance FY 14 building remodeling (\$1,500,000) and capital equipment (\$3,250,000) over 7 years at 1.255% – 2% interest with BMO Capital Markets:	515,000
General obligation promissory notes (\$1,500,000) issued to finance FY 15 building remodeling (\$1,300,000) and capital equipment (\$200,000) over 6 years at 0.75% - 1.4% interest with Bankers' Bank:	310,000
General obligation promissory notes (\$5,900,000) issued to finance FY 16 building remodeling (\$1,200,000) and capital equipment (\$4,700,000) over 5 years at 1.00% - 2.00% interest with BMO Capital Markets:	1,000,000
General obligation promissory notes (\$1,850,000) issued to finance FY 16 building remodeling (\$950,000) and capital equipment (\$900,000) over 4 years at 1.00% - 2.00% interest with Fidelity Capital Markets:	485,000
General obligation promissory notes (\$5,600,000) issued to finance FY 17 building remodeling (\$1,500,000) and capital equipment (\$4,100,000) over 5 years at 1.00% - 1.50% interest with BOK Financial Securities, Inc.:	2,340,000
General obligation promissory notes (\$2,150,000) issued to finance FY 17 building remodeling (\$1,500,000) and capital equipment (\$650,000) over 4 years at 1.50% - 2.00% interest with Bankers' Bank:	1,105,000
General obligation promissory notes (\$3,850,000) issued to finance FY 18 building improvements (\$500,000) and capital equipment (\$3,350,000) over 5 years at 1.50% to 1.75% interest with BOK Financial Securities, Inc.:	2,530,000
General obligation promissory notes (\$2,400,000) issued to finance FY 18 building (\$1,500,000) and site improvements (\$900,000) over 5 years at 2.00 – 2.50% interest with Piper Jaffray:	1,950,000
General obligation promissory notes (\$1,500,000) issued to finance FY 18 building improvements over 5 years at 2.00% to 2.25% interest with BOK Financial Services, Inc.:	1,220,000

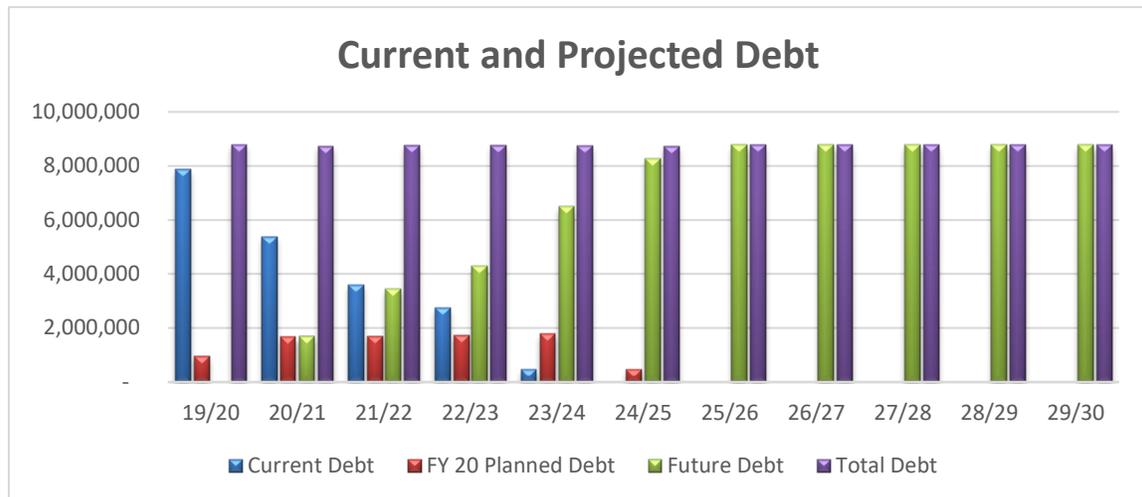
General obligation promissory notes (\$5,600,000) issued to finance FY 19 building remodeling (\$1,500,000) and capital equipment (\$4,100,000) over 5 years at 2.00% - 3.00% interest with Hutchinson, Shockey, Erley & Co.:	5,345,000
General obligation promissory notes (\$2,150,000) issued to finance FY 19 building remodeling (\$1,500,000) and construction of the second phase of the EVOC track (\$650,000) over 5 years at 2.25% - 2.50% interest with Hutchinson, Shockey, Erley & Co.:	<u>2,150,000</u>
Current Debt Totals	\$ 19,110,000

Projected 2019/20 general obligation promissory notes to be issued

Issuance Description	Total Outstanding
General obligation promissory notes (\$4,790,000) issued to finance FY 20 building remodeling, site improvements, and capital equipment over 5 years at 2.5% interest	4,790,000
General obligation promissory notes (\$2,960,000) issued to finance FY 20 capital equipment and site improvements over 5 years at 2.5%	<u>2,940,000</u>
Projected 2019/20 Debt Totals	\$ 7,730,000

Long-term debt summary as of June 30, 2020 (includes debt to be issued between now and June 30, 2020 as shown above)

	Principal	Interest	Total
2019/20	8,310,000	495,760	8,805,760
2020/21	6,605,000	442,400	7,047,400
2021/22	4,985,000	304,563	5,289,563
2022/23	4,265,000	180,150	4,445,150
2023/24	2,135,000	67,375	2,202,375
2024/25	540,000	14,000	554,000
Total	\$ 26,840,000	\$ 1,504,248	\$ 28,344,248



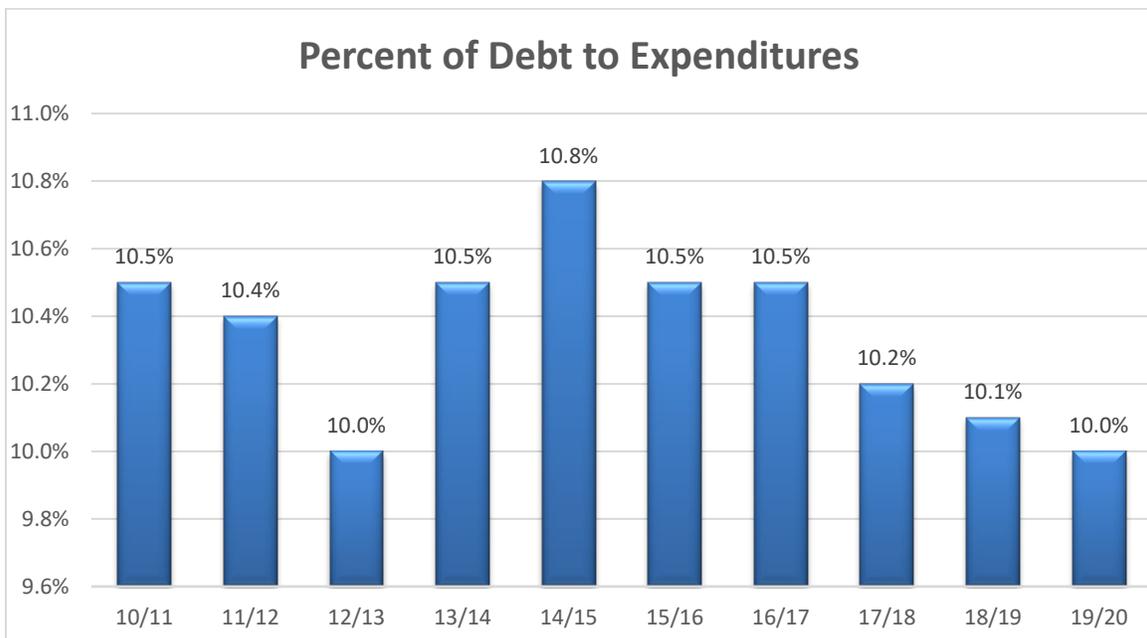
RATIO OF ANNUAL DEBT SERVICE TO TOTAL GOVERNMENTAL EXPENDITURES

HISTORICAL COMPARISONS

(Amounts in Thousands)

Debt service includes principal and interest payments on general debt obligations of WCTC that were issued to pay for capital expenditures. Debt service payments are compared to governmental operating expenditures, which include the General Fund and Special Revenue – Operating Funds, in order to assess the amount of risk WCTC is undertaking. As a fixed cost, debt service can reduce expenditure flexibility. To mitigate this, WCTC strives to keep the ratio of debt service to governmental operating expenditures as low as possible, but going too low shows WCTC would not be keeping its facilities and equipment up to date. WCTC’s debt service has remained stable in proportion to increases in expenditures.

Year	Total Debt		Total	Total Governmental Operating Expenditures	Ratio of Debt Service to Operating Expenditures	
	Principal	Interest & Related Charges			Bonded Debt Service	Total Debt Service
10/11	\$8,010	\$1,105	\$9,115	\$86,980	0.0%	10.5%
11/12	\$8,080	\$919	\$8,999	\$86,340	0.0%	10.4%
12/13	\$8,255	\$769	\$9,024	\$90,263	0.0%	10.0%
13/14	\$8,000	\$611	\$8,611	\$81,962	0.0%	10.5%
14/15	\$9,060	\$537	\$9,597	\$88,838	0.0%	10.8%
15/16	\$8,695	\$484	\$9,179	\$87,723	0.0%	10.5%
16/17	\$8,370	\$458	\$8,828	\$83,728	0.0%	10.5%
17/18	\$8,390	\$461	\$8,851	\$83,217	0.0%	10.6%
18/19 est	\$8,320	\$505	\$8,825	\$86,856	0.0%	10.2%
19/20 est	\$8,310	\$583	\$8,893	\$88,664	0.0%	10.0%



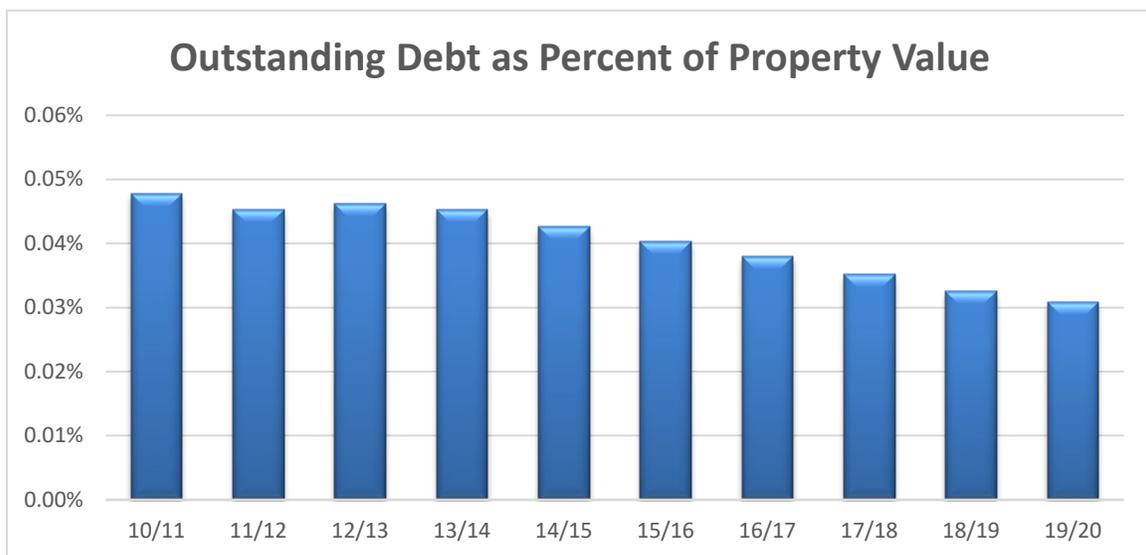
RATIO OF NET DEBT TO EQUALIZED VALUATION, PER CAPITA, AND COMPARISON OF LEGAL DEBT MARGIN

HISTORICAL COMPARISONS (Amounts in Thousands except Per Capita)

Year	Population	Equalized Valuation	Gross Total Debt Amount	Debt Service Fund Assets Available	Net Total Debt		
					Amount	Ratio to Equalized Valuation	Per Capita
10/11	397,682	\$50,612,540	\$25,610	\$1,395	\$24,215	0.05%	\$61
11/12	404,507	\$49,890,024	\$23,860	\$1,282	\$22,578	0.05%	\$56
12/13	405,194	\$48,001,095	\$23,445	\$1,264	\$22,181	0.05%	\$55
13/14	405,794	\$47,450,464	\$23,195	\$1,598	\$21,597	0.05%	\$53
14/15	407,150	\$49,372,912	\$21,885	\$855	\$21,030	0.04%	\$52
15/16	408,359	\$50,592,374	\$20,940	\$559	\$20,381	0.04%	\$50
16/17	410,919	\$52,151,418	\$20,320	\$612	\$19,708	0.04%	\$48
17/18	412,747	\$54,199,834	\$19,680	\$629	\$19,051	0.04%	\$46
18/19 est	413,300	\$56,491,051	\$19,110	\$756	\$18,354	0.04%	\$44
19/20 est	415,000	\$57,877,776	\$18,550	\$756	\$17,794	0.03%	\$43

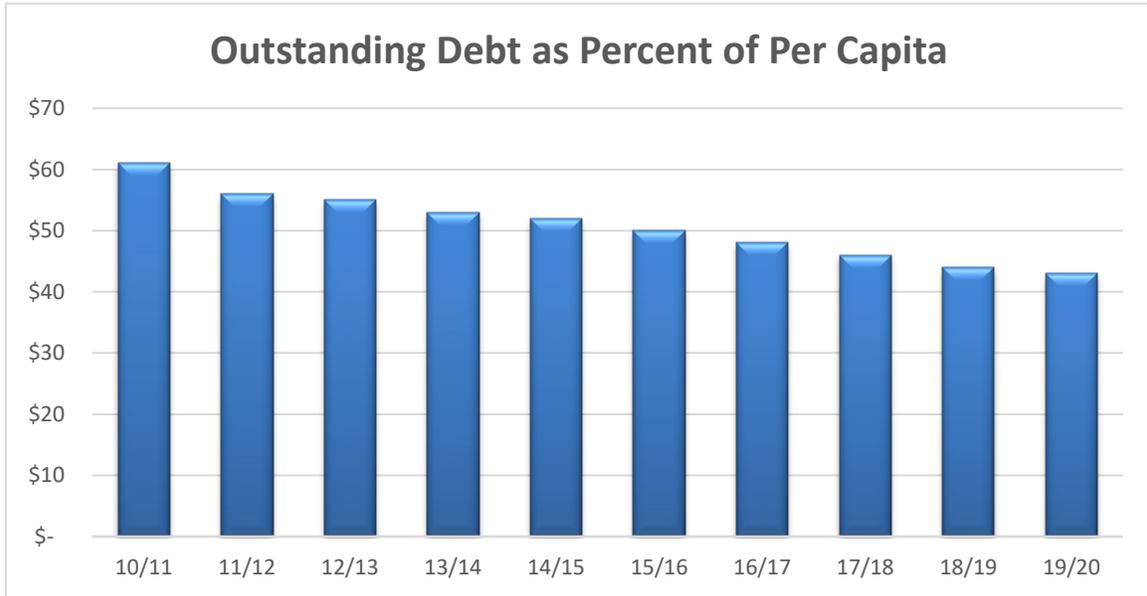
Source—Population and equalized valuation received from Wisconsin Department of Revenue

Outstanding debt is defined as the remaining principal on general obligation promissory notes or bonds, which WCTC has pledged its full faith and credit and unlimited taxing power to repay. With the property tax as the major revenue source, long-term debt is analyzed by looking at the debt service as a percent of equalized valuation. By statute, WCTC is restricted to 5% of the value of all property in the district for total debt and 2% of the value of all property in the district for bonded debt. At this point in time, WCTC is well below both of these restrictions with outstanding debt being less than 1/10th of a percent of value.



Per Capita

Dividing outstanding debt by the current population is another indicator of the burden on the community of the general obligation debt that has been issued. The lower the per capita amount, the less the burden is on the taxpayer. If the debt per capita is too low, it would show WCTC is not keeping up its facilities and equipment and this ratio would need to be monitored.



COMPUTATION OF DIRECT AND OVERLAPPING DEBT

For the Year Ended June 30, 2018

JURISDICTION	Net Debt Outstanding	Percentage Applicable to WCTC	Amount Applicable to WCTC
DIRECT DEBT			
WCTC	\$ 19,680,000	100 %	\$ 19,680,000
TOTAL DIRECT DEBT			\$ 19,680,000
OVERLAPPING DEBT			
County of			
Dodge	22,825,000	2	456,500
Jefferson	14,054,365	10	1,405,437
Racine	193,799,899	2	3,875,998
Waukesha	73,880,258	99	73,141,455
Total All Counties			\$ 78,879,390
City of			
Brookfield	72,568,111	100	72,568,111
Delafield	14,620,970	100	14,620,970
Muskego	48,603,232	100	48,603,232
New Berlin	46,802,028	93	43,525,886
Oconomowoc	10,883,898	100	10,883,898
Pewaukee	9,613,136	100	9,613,136
Waukesha	230,397,758	100	230,397,758
Total All Cities			\$ 430,212,991
Town of			
Ashippun	262,549	68	178,533
Brookfield	1,551,965	100	1,551,965
Cold Spring	-	1	-
Concord	148,927	31	46,167
Delafield	3,395,410	100	3,395,410
Eagle	686,900	100	686,900
Genesee	1,635,888	100	1,635,888
Ixonia	2,126,701	72	1,531,225
Lebanon	112,506	4	4,500
Lisbon	12,095,455	100	12,095,455
Merton	683,300	100	683,300
Mukwonago	4,248,072	100	4,248,072
Norway	282,138	58	163,640
Oconomowoc	8,802,192	100	8,802,192
Ottawa	54,941	100	54,941
Palmyra	-	98	-
Sullivan	381,599	47	179,352
Vernon	1,695,843	100	1,695,843
Waukesha	-	100	-
Total All Towns			\$ 36,953,383

JURISDICTION	Net Debt Outstanding	Percentage Applicable to WCTC	Amount Applicable to WCTC
Village of			
Big Bend	\$ 4,870,000	100 %	\$ 4,870,000
Butler	2,925,706	100	2,925,706
Chenequa	-	100	-
Dousman	6,856,016	100	6,856,016
Eagle	138,839	100	138,839
Elm Grove	6,341,674	100	6,341,674
Hartland	18,562,540	100	18,562,540
Lac La Belle - Jefferson County	9,145	100	9,145
Lac La Belle - Waukesha County	1,882,029	100	1,882,029
Lannon	1,600,753	100	1,600,753
Menomonee Falls	98,187,109	100	98,187,109
Merton	2,580,844	100	2,580,844
Mukwonago	25,342,026	100	25,342,026
Nashotah	377,522	100	377,522
North Prairie	157,262	100	157,262
Oconomowoc Lake	503,234	100	503,234
Palmyra	1,728,512	100	1,728,512
Pewaukee	10,013,175	100	10,013,175
Summit	12,218,917	100	12,218,917
Sussex	49,295,569	100	49,295,569
Wales	6,157,574	100	6,157,574
Total All Villages			\$ 249,748,446
School district of			
Arrowhead	4,022,611	100	4,022,611
Elmbrook	54,705,000	100	54,705,000
Hamilton	59,945,000	100	59,945,000
Kettle Moraine	40,710,000	100	40,710,000
Menomonee Falls	48,129,963	100	48,129,963
Mukwonago	41,959,465	100	41,959,465
Muskego – Norway	49,245,000	100	49,245,000
New Berlin	45,072,986	100	45,072,986
Oconomowoc	93,570,000	100	93,570,000
Palmyra-Eagle	14,230,000	100	14,230,000
Pewaukee	24,087,000	100	24,087,000
Waukesha	3,115,000	100	3,115,000
Total All School Districts			\$ 478,792,025
TOTAL OVERLAPPING DEBT			\$ 1,274,586,235
TOTAL DIRECT AND OVERLAPPING DEBT			\$ 1,294,266,235

WCTC's boundaries comprise the boundaries of twelve K-12 school districts and the towns, villages, cities, and county property that are contained within those school districts. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses located within WCTC's boundaries. This process recognizes that, when considering WCTC's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. This does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping government. The percentage of overlapping debt applicable to WCTC is the equalized property value of property of the overlapping government located within WCTC's boundaries as a percentage of total equalized value of all property for the overlapping government.

PROPRIETARY FUNDS

Proprietary Funds are used to account for ongoing activities, which are similar to those often found in the private sector. The measurement focus is based on the determination of income. These funds are maintained on the accrual basis of accounting. Two types of Proprietary Funds exist. They are:

- Internal Service Fund
- Enterprise Fund

Internal Service Fund

The Internal Service Fund is used to account for the financing and related financial activities of goods and services provided by one department of WCTC to another department(s) of WCTC or to other governmental units on a cost-reimbursement basis. WCTC is self-insured for dental insurance coverage. Because of this, it utilizes an Internal Service Fund to track this activity.

Internal Service Fund Budget Summary

	2017/18 Actual	2018/19		2019/20 Budget	Change from 2018/19 Modified Budget	
		Adopted	Modified		\$	%
Sales	\$ 526,276	\$ 1,057,000	\$ 1,057,000	\$ 1,072,000	\$ 15,000	1.4%
Federal	-	-	-	-	-	100.0%
Total revenue	\$ 526,276	\$ 1,057,000	\$ 1,057,000	\$ 1,072,000	\$ 15,000	1.4%
Salary	\$ 32,680	\$ 33,207	\$ 33,207	\$ 34,408	\$ 1,201	100.0%
Benefits	15,132	15,807	15,807	16,264	457	100.0%
Operating expenses	35,080	40,000	40,000	40,000	-	0.0%
Cost of goods sold	1,793,721	1,042,000	1,042,000	1,042,000	-	0.0%
Total expenditures	\$ 1,876,613	\$ 1,131,014	\$ 1,131,014	\$ 1,132,672	\$ 1,658	0.1%

Effective June 1, 2002, WCTC became self-insured for health and dental and created an Internal Service Fund to track this activity. Effective July 1, 2015, WCTC joined the Wisconsin Technical Colleges Employee Benefit Consortium for health insurance. This change left self-funded dental insurance as the only remaining internal service fund activity.

Enterprise Funds

The Enterprise Funds are used to record revenues and expenses related to rendering services to students, faculty, staff, and the community. These funds are intended to be self-supporting and are operated in a manner similar to private business where the intent is that all costs, including depreciation expense, of providing goods and services to students and other aforementioned parties is recovered, primarily through user charges. These services complement the educational and general objectives of WCTC.

- Child Development Center
- Bookstore
- Classic Room Restaurant
- Customer Assistance Auto Shop
- Dental Hygiene Clinic
- Style and Class Salon
- Indoor Firing Range and Training Center
- Student Accident Insurance

Enterprise Fund Budget Summary

	2017/18		2018/19		2019/20		Change from 2018/19	
	Actual	Adopted	Modified	Budget	Modified Budget			
						\$	%	
Sales	\$ 3,708,128	\$ 4,517,710	\$ 4,517,710	\$ 4,385,445	\$ (132,265)	-2.9%		
Federal	42,329	50,000	50,000	40,000	(10,000)	100.0%		
Total revenue	\$ 3,750,457	\$ 4,567,710	\$ 4,567,710	\$ 4,425,445	\$ (142,265)	-3.1%		
Salaries	\$ 1,010,099	\$ 956,643	\$ 956,643	\$ 976,050	\$ 19,407	2.0%		
Benefits	305,165	313,330	313,330	323,289	9,959	3.2%		
Cost of goods sold	2,325,902	2,662,903	2,662,903	2,735,194	72,291	2.7%		
Operating expenditure	327,226	640,010	640,010	287,310	(352,700)	-55.1%		
Total expenditures	\$ 3,968,392	\$ 4,572,886	\$ 4,572,886	\$ 4,321,843	\$ (251,043)	-5.5%		

This budget is built on projected activity levels. The Bookstore has exceeded its planned retained earnings target and has been transferring funds annually to other enterprise funds that do not cover their costs and to other funds for scholarship purposes. In fiscal year 2019/20 the Bookstore plans on transferring \$20,000 for student scholarships and \$74,725 to assist other enterprise funds.

Totals presented for 2017/18 actual and the 2018/19 adopted and modified budget include activity for the Auto Body fund. This program, and the related enterprise was suspended May 2018 and the related fund will be closed at the end of fiscal year 2018/19.

Child Development Center Budget Summary

	Change from 2018/19						
	2017/18	2018/19		2019/20	Modified Budget		
	Actual	Adopted	Modified	Budget	\$	%	
Sales	\$ 604,096	\$ 579,000	\$ 579,000	\$ 649,285	\$ 70,285	12.1%	
Federal	42,329	50,000	50,000	40,000	(10,000)	100.0%	
Total revenue	\$ 646,425	\$ 629,000	\$ 629,000	\$ 689,285	\$ 60,285	9.6%	
Salaries	\$ 488,205	\$ 465,005	\$ 465,005	\$ 485,537	\$ 20,532	4.4%	
Benefits	147,990	158,296	158,296	174,319	16,023	10.1%	
Cost of goods sold	36,257	39,353	39,353	39,434	81	0.2%	
Operating expenditure	6,756	6,650	6,650	7,010	360	5.4%	
Total expenditures	\$ 679,208	\$ 669,304	\$ 669,304	\$ 706,300	\$ 36,996	5.5%	

The Child Development Center is a childcare center operated by WCTC in order to give students in the Early Childhood Program on-the-job experience in a childcare setting and to give WCTC students a place to leave their children when they are in class. Students and staff may enroll their children in the Center. This childcare center is also open to the public, if there are openings. Staff at the Center constantly look for ways to improve the services and staffing patterns in order to break even. The Center has received the YoungStar accreditation for a number of years.

The Center sets its rates to be affordable for WCTC students, but at the same time keeps in mind rates of other child care centers to avoid unfairly competing with private industry. Unlike many childcare centers, students are allowed to use the Center for the hours they are in class rather than the entire day. This creates staffing challenges since there are peaks and valleys throughout the day in the number of children at the Center.

The Center is not always able to cover its own expenses every year. Funds from the Bookstore's retained earnings have been transferred in to offset the shortfalls, when needed. In fiscal year 2017/18 the Bookstore transferred \$32,612, which was less than the \$40,304 planned due to greater than expected revenues. For fiscal year 2019/20, a transfer of \$17,015 from the Bookstore is planned.

Bookstore Budget Summary

	Change from 2018/19					
	2017/18	2018/19		2019/20	Modified Budget	
	Actual	Adopted	Modified	Budget	\$	%
Sales	\$ 2,723,844	\$ 3,512,700	\$ 3,512,700	\$ 3,334,700	\$ (178,000)	-5.1%
Total revenue	\$ 2,723,844	\$ 3,512,700	\$ 3,512,700	\$ 3,334,700	\$ (178,000)	-5.1%
Salaries	\$ 307,215	\$ 352,100	\$ 352,100	\$ 355,038	\$ 2,938	0.8%
Benefits	112,874	145,023	145,023	135,635	(9,388)	-6.5%
Cost of goods sold	2,183,333	2,474,000	2,474,000	2,549,700	75,700	3.1%
Operating expenditure	172,979	441,000	441,000	116,000	(325,000)	-73.7%
Total expenditures	\$ 2,776,401	\$ 3,412,123	\$ 3,412,123	\$ 3,156,373	\$ (255,750)	-7.5%

The Bookstore is available to students, staff, and others who desire to purchase books for classes, supplies and other items available from the Bookstore. The Bookstore budget was developed with a projected profit of \$178,327.

In March 2017, the Bookstore received approval to become an Apple store retailer beginning fall 2017. Staffing includes a Bookstore Technician position. With increased sales expected from Apple products and related accessories, the fiscal year 2017/18 budget was increased accordingly. In spring 2018, the Bookstore sought approval to become an Apple Service provider and continues to be working toward attaining this designation.

WCTC determined an appropriate level of retained earnings for the Bookstore is between \$250,000 and \$500,000 plus an amount to cover net capital assets. As of June 30, 2018, the Bookstore had retained earnings of \$255,159, net of capital. Over the past few years, WCTC had implemented its plan to use excess fund balance to cover losses in other enterprise funds and to transfer an annual amount to provide financial assistance to students in need.

- In fiscal year 2017/18, WCTC transferred \$196,615 to other funds of which \$176,615 was to other enterprise funds – Child Development Center and Indoor Firing Range and Training Facility to offset shortfalls.
- In fiscal year 2018/19, WCTC planned to transfer \$84,753 to other funds of which \$64,753 was to other enterprise funds – Child Development Center and Indoor Firing Range and Training Facility to offset projected shortfalls. Current projections show that the Bookstore will probably need to transfer closer to \$95,315 of which \$75,315 will be to other enterprise funds.
- In fiscal year 2019/20, WCTC plans to transfer \$94,725 to other funds of which \$74,725 are to other enterprise funds.

Funds transferred to non-Enterprise Funds will be used to provide scholarships to help meet student needs.

Classic Room Restaurant Budget Summary

	2017/18		2018/19		2019/20 Budget	Change from 2018/19 Modified Budget	
	Actual		Adopted	Modified		\$	%
Sales	\$ 46,858	\$	\$ 38,010	\$ 38,010	\$ 40,060	\$ 2,050	5.4%
Total revenue	\$ 46,858	\$	\$ 38,010	\$ 38,010	\$ 40,060	\$ 2,050	5.4%
Salaries	\$ 10,035	\$	-	-	\$ -		
Benefits	5,046		-	-	\$ -		
Cost of goods sold	21,439		31,550	31,550	\$ 32,060	\$ 510	1.6%
Operating expenditure	7,581		6,460	6,460	8,000	1,540	23.8%
Total expenditures	\$ 44,101	\$	\$ 38,010	\$ 38,010	\$ 40,060	\$ 2,050	5.4%

The Classic Room is a restaurant-type operation, which allows students in the Hospitality and Culinary Arts programs to get on-the-job experience running a food service operation. During the semester, the Classic Room is open a few days per week for lunch and dinner for staff, students, and the public to enjoy a fine-dining meal prepared by students to give the students an opportunity to improve their skills through hands-on-learning.

The Classic Café is also open for a quick deli-type meal that gives the students another opportunity to practice their skills as a barista.

Excess food made through the learning process is sold to staff, students, and others on campus through the Food Outlet Store in order to generate revenues to offset the cost of the materials used to produce the foods made by students.

Dental Hygiene Clinic Budget Summary

	2017/18		2018/19		2019/20	Change from 2018/19	
	Actual	Adopted	Modified	Budget	Modified Budget	\$	%
Sales	\$ 15,799	\$ 17,000	\$ 17,000	\$ 17,000	\$ -	-	0.0%
Total revenue	\$ 15,799	\$ 17,000	\$ 17,000	\$ 17,000	\$ -	-	0.0%
Salaries	\$ 7,090	\$ -	\$ -	\$ -			
Benefits	3,425	-	-	-			
Cost of goods sold	1,935	15,500	15,500	15,500	\$ -	-	0.0%
Operating expenditure	1,485	1,500	1,500	1,500	-	-	0.0%
Total expenditures	\$ 13,935	\$ 17,000	\$ 17,000	\$ 17,000	\$ -	-	0.0%

The Dental Hygiene Clinic provides students on-the-job experience providing dental care to customers of the clinic. The clinic provides another opportunity for the students to meet the requirement of a clinical experience as part of their program.

Customer Assistance Auto Shop Budget Summary

	2017/18		2018/19		2019/20		Change from 2018/19	
	Actual		Adopted	Modified	Budget		Modified Budget	
							\$	%
Sales	\$ 9,649	\$	20,000	\$ 20,000	\$ 15,000	\$	(5,000)	-25.0%
Total revenue	\$ 9,649	\$	20,000	\$ 20,000	\$ 15,000	\$	(5,000)	-25.0%
Cost of goods sold	\$ 8,288	\$	18,500	\$ 18,500	\$ 13,500	\$	(5,000)	-27.0%
Operating expenditure	1,486		1,500	1,500	1,500		-	0.0%
Total expenditures	\$ 9,774	\$	20,000	\$ 20,000	\$ 15,000	\$	(5,000)	-25.0%

The Customer Assistance operation provides students on-the-job experience repairing customer cars that have been brought in to the Customer Assistance Auto Shop.

Style and Class Salon Budget Summary

	Change from 2018/19						
	2017/18	2018/19		2019/20	Modified Budget		
	Actual	Adopted	Modified	Budget	\$	%	
Sales	\$ 76,760	\$ 75,000	\$ 75,000	\$ 81,400	\$ 6,400	100.0%	
Total revenue	\$ 76,760	\$ 75,000	\$ 75,000	\$ 81,400	\$ 6,400	100.0%	
Salaries	\$ 12,014	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	100.0%	
Benefis	7,384	3,500	3,500	3,500	-	100.0%	
Cost of goods sold	50,128	59,000	59,000	65,000	6,000	100.0%	
Operating expenditu	2,427	2,500	2,500	2,900	400	100.0%	
Total expenditures	\$ 71,953	\$ 75,000	\$ 75,000	\$ 81,400	\$ 6,400	100.0%	

Students in the Cosmetology program are required to have hands-on experience with various salon services provided. During fiscal year 2018/19 WCTC launched a Master Aesthetician program, which will require students to have hands on experience with related services provided. Beginning with the 2019/20 budget The Style and Class Salon provides the students an opportunity to gain this necessary on-the-job experience for both the Cosmetology and Aesthetician programs.

Student Accident Insurance Budget Summary

	2017/18		2018/19		2019/20 Budget	Change from 2018/19 Modified Budget	
	Actual	Adopted	Modified	\$		%	
	Sales	\$ 72,913	\$ 85,000	\$ 85,000		\$ 85,000	\$ -
Total revenue	\$ 72,913	\$ 85,000	\$ 85,000	\$ 85,000	\$ -	100.0%	
Operating expenditures	\$ 72,913	\$ 85,000	\$ 85,000	\$ 85,000	\$ -	100.0%	
Total expenditures	\$ 72,913	\$ 85,000	\$ 85,000	\$ 85,000	\$ -	100.0%	

Through the Wisconsin Technical College System's insurance company, Districts Mutual Insurance, students taking credit courses are able to obtain student accident insurance coverage at minimal cost per semester. The WTCS State Office has identified this coverage is to be processed as an Enterprise Fund activity.

Indoor Firing Range and Training Facility Budget Summary

	Change from 2018/19						
	2017/18	2018/19		2019/20	Modified Budget		
	Actual	Adopted	Modified	Budget	\$	%	
Sales	\$ 152,763	\$ 191,000	\$ 191,000	\$ 163,000	\$ (28,000)	100.0%	
Total revenue	\$ 152,763	\$ 191,000	\$ 191,000	\$ 163,000	\$ (28,000)	100.0%	
Salaries	\$ 185,540	\$ 129,538	\$ 129,538	\$ 125,475	\$ (4,063)	100.0%	
Benefis	28,446	6,511	6,511	9,835	3,324	100.0%	
Cost of goods sold	21,010	25,000	25,000	20,000	(5,000)	100.0%	
Operating expenditu	61,599	54,400	54,400	65,400	11,000	100.0%	
Total expenditures	\$ 296,595	\$ 215,449	\$ 215,449	\$ 220,710	\$ 5,261	100.0%	

In April 2013, WCTC leased a warehouse for an indoor firing range and training center, which opened February 2014. This range gives WCTC an opportunity to enhance the training it provides to law enforcement agencies throughout the district to better meet their training needs and to keep their skills current.

Since the current training needs of law enforcement does not utilize the facility 100% of the time, the range is open to the public during certain hours to generate revenues to help offset costs. Customers using the center will be required to have a background check prior to any use and to abide by the rules established by WCTC for this center. This public use will also allow law enforcement personnel additional opportunities to practice their skills. This Enterprise Fund was established to track the activities of the public use portion of the range.

The Range has experienced losses each year it has been opened. Annually the Bookstore has transferred funds to the Range to offset the loss. In fiscal year 2017/18, the Bookstore transferred \$143,832 and is expecting to transfer a \$51,000 this year. The fiscal year 2018/19 budget estimated the loss at \$24,450.

Due to staff vacancies, some changes were made at the Range, which is expected to reduce staffing and operational costs in fiscal year 2018/19 that reduced the projected shortfall as noted above. The Bookstore's budget includes a transfer to the Range in Fiscal year 2019/20 of \$57,710.

FIDUCIARY FUND

The Fiduciary Fund is used to report assets held in a trustee or agency capacity for others and which, therefore, cannot be used to support WCTC's own programs.

Other Post-Employment Benefits (OPEB) Trust Fund

The OPEB Trust Fund is used to record the transactions of the OPEB Trust that was established for post-employment benefit assets. WCTC has placed assets into this irrevocable trust to be used for the purpose of post-employment benefits for employees and retirees who have earned those benefits and will receive the benefits in a future year. A budget is not required for this trust, however, for internal purposes, WCTC has created a budget. **Please note that this fund is not part of the legally adopted budget for WCTC.**

OPEB Trust Budget Summary

	2017/18	2018/19		2019/20	Change from 2018/19	
	Actual	Adopted	Modified	Budget	Modified Budget	
					\$	%
Institutional Revenue	\$ 1,497,082	\$ 1,400,000	\$ 1,400,000	\$ 2,250,000	\$ 850,000	60.7%
Total revenue	\$ 1,497,082	\$ 1,400,000	\$ 1,400,000	\$ 2,250,000	\$ 850,000	60.7%
Operating Costs	\$ 5,345,206	\$ 3,430,000	\$ 3,430,000	\$ 4,015,000	\$ 585,000	17.1%
Total expenditures	\$ 5,345,206	\$ 3,430,000	\$ 3,430,000	\$ 4,015,000	\$ 585,000	17.1%

This budget is for information purposes only. The state does not require this fund to be part of WCTC's adopted budget.

During fiscal year 2006/07, WCTC created an irrevocable OPEB (Other Post-Employment Benefits) Trust in order to begin funding its post-employment benefits by placing \$21.5 million dollars into the trust from its fund balance.

In fiscal year 2007/08, WCTC implemented GASB 43/45, which required governmental entities to recognize this liability on its financial statements. The only way to reduce the liability was to either pay the benefit out on behalf of retirees or place assets into an irrevocable OPEB Trust.

Since that time and until fully funded, WCTC placed an amount equivalent to the annual required contribution (ARC) or higher into the trust each year. The trust pays the post-employment benefit costs for retirees when they become due.

As of June 30, 2017, WCTC was fully funded with 106% of planned expenditures placed in the trust based on healthcare claims experience plus a reduction in eligible members.

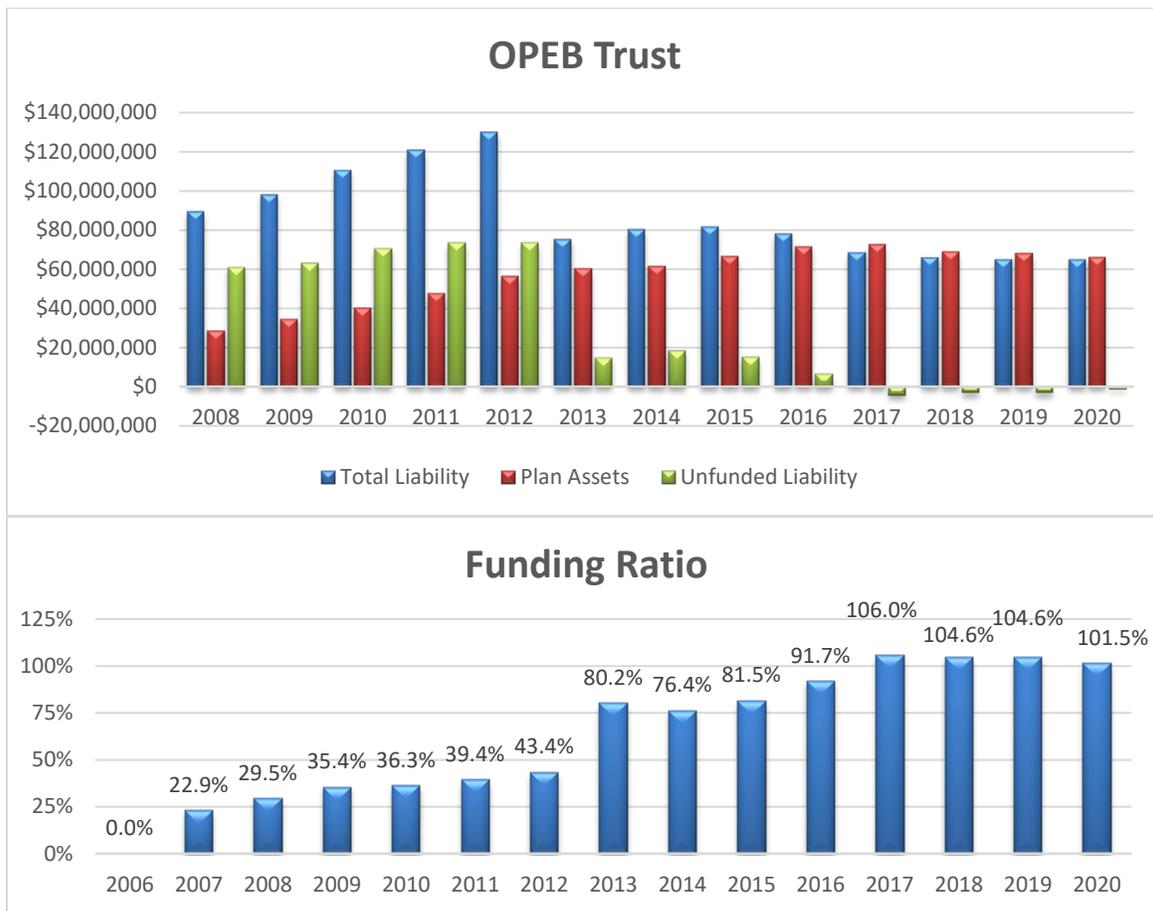
Due to this trust being fully funded, WCTC did not place any additional funds into the trust in fiscal year 2018/19. Likewise, no additional funds are budgeted to be placed into this trust for fiscal year 2019/20. The plan status will be monitored annually to determine if additional funds need to be added to the trust in any future year.

Other Post-Employment Benefit Liability Status

WCTC has been very proactive in funding its liabilities. Below is information about WCTC's post-employment benefits liability and how quickly it became fully funded.

Fiscal Year	Total Liability	Plan Assets	Unfunded Liability
2008	89,430,527	28,367,939	61,062,588
2009	97,896,026	34,681,028	63,214,998
2010	110,418,346	40,041,887	70,376,459
2011	120,961,664	47,625,611	73,336,053
2012	129,726,932	56,315,619	73,411,313
2013	75,189,563	60,328,346	14,861,217
2014	80,102,451	61,163,399	18,243,282
2015	81,855,502	66,703,989	15,151,513
2016	78,182,383	71,677,999	6,504,384
2017	68,513,729	72,647,482	(4,133,753)
2018	65,794,021	68,799,358	(3,005,337)
2019 est	65,000,000	68,000,000	(3,000,000)
2020 est	65,000,000	66,000,000	(1,000,000)

*Major changes to eligibility were made in FY 13, significantly decreasing the liability.



DEGREES/DIPLOMAS

Our offerings cover a wide spectrum in post-secondary education from adult basic education to associate degree programs and many areas in between. We offer the following programs:

Associate Degree of Applied Science

Accounting	Human Services Associate
Administrative Professional	Information Technology – Computer Support Specialist
Architectural Drafting/Construction Technology	Information Technology – Database Specialist
Automation Systems Technology	Information Technology – Network Security Specialist
Automotive Technology	Information Technology – Network Specialist
Automotive Technology – GM ASEP	Information Technology – Web and Software Developer
Baking and Pastry Management	Interior Design
Business Management	Leadership Development
Criminal Justice Studies	Manufacturing Engineering Technology
Culinary Management	Marketing
Dental Hygienist	Mechanical Design Technology
Diesel Equipment Technology	Mechanical Engineering Technology
Early Childhood Education	Metal Fabrication/Welding Advanced
Electrical Engineering Technology	Nursing
Electronics Technology	Paramedic Technician
Fire Medic	Quality Management
Fire Protection Technician	Real Estate
Foundations of Teacher Education	Surgical Technology
Global Business	Technical Studies – Journeyworker
Graphic Design	Web and Digital Media Design
Health Information Technology	
Hospitality Management	
Human Resources	

Technical Diplomas

Advanced EMT	Food Service Production
Auto Collision Repair and Refinishing Technician	Industrial Maintenance Technician
Baking and Pastry Production	Language Interpreter for Health Services
Building Trades – Carpentry	Machine Tool Operation
Central Service Technician	Medical Assistant
Cosmetology	Medical Coding Specialist
Criminal Justice – Law Enforcement Academy (not available to general public)	Metal Fabrication/Welding
Dental Assistant	Nursing Assistant
EMS Leadership & Management	Office Technology Assistant
Emergency Medical Technician	Phlebotomy Technician
Facilities Maintenance	Practical Nursing
Fire Service Certification (not available to general public)	Refrigeration, Air Conditioning, and Heating
	Tool and Die Making
	Truck Driving

Apprenticeships

ABC Electrician	Maintenance Mechanic/Millwright
Concrete Finishing - ABC	Maintenance Technician
Industrial Electrician	Mechatronics
Industrial Manufacturing Technician	Plumbing – ABC
Injection Mold Setup (Plastic)	Tool and Die
Machinist	Welder/Fabricator

Embedded Technical Diploma

Auto Maintenance Technician
Automotive Maintenance and Light Repair
CNC Set-up Technician
Desktop Support Technician
Hospitality Specialist
Human Resources Professional

Import/Export Specialist
IT Software Development Specialist
Network Enterprise Administrator
Organizational Leadership
Paramedic Technician
Welding Technician

WCTC Technical Certificates

Accounting in Healthcare
Automation 1
Automation 2
Automation 3
Automation 4 Industrial PLC
Automation 5 Control and Interface
Baking/Pastry
CAE2Y Cyber Security
Change Management
Child Care Administrator Credential
Cisco – CCNA
CNC Operator
Communication
Compensation and Benefits Specialist
Computerized Accounting Specialist
Customer Service Assistant – Level I
Customer Service Assistant – Level II
Cyber Security Specialist
Developmental Disabilities
Digital Photography
Digital Production/DTP
Enterprise Support Technician
Entrepreneurship
Excellence in Leadership
Facilities Maintenance I
Facilities Maintenance 2
FCAW/Fabricator
General Clerical Assistant
Global Business Communication
Global Marketing
Global Supply Chain Management
Global Trade Finance
GMAW/Fabricator
Healthcare Lean Sigma
Inclusion

Industrial Laser Operator
Infant Toddler Credential
Instructional Strategies
Introduction to Health Career
IT Network Support Specialist
IT Security Administrator
IT Service Desk Technician
IT Support Technician
Java Programming
Lean Enterprise
Management of Supply Chain Effectiveness
Maintenance Technician Level 1
Maintenance Technician Level 2
Maintenance Technician Level 3
Marketing Leadership and Innovation
Marketing Management
Marketing Media
Mechatronics for Electron Technician
Mechatronics for Mechanical Design
Mortgage Lending
Nail Technician
Office Leadership
Office Lean Specialist
Preschool Credential
Property Assessment
Property Management
Refrigeration Service
Six Sigma Black Belt
Six Sigma Green Belt
Social Media Marketing
Speaking Emphasis Communication
Storage and Visualization Administrator
Web Design
Writing Emphasis Communication
Youth Care Counselor

Dual Enrollment Programs

Automation Systems (Robotics)
Hospitality Specialist
IT Systems Specialist

Tool and Die
Welding Fabrication

Shared Programming (originating college shown after program)

Bio-Medical Electronics (Milwaukee Area Technical College)

Physical Therapist Assistant (Blackhawk Technical College)

Radiography (Milwaukee Area Technical College)

Students enjoy state-of-art equipment and hands-on experience.



ENROLLMENT STATISTICS – Students Attending WCTC

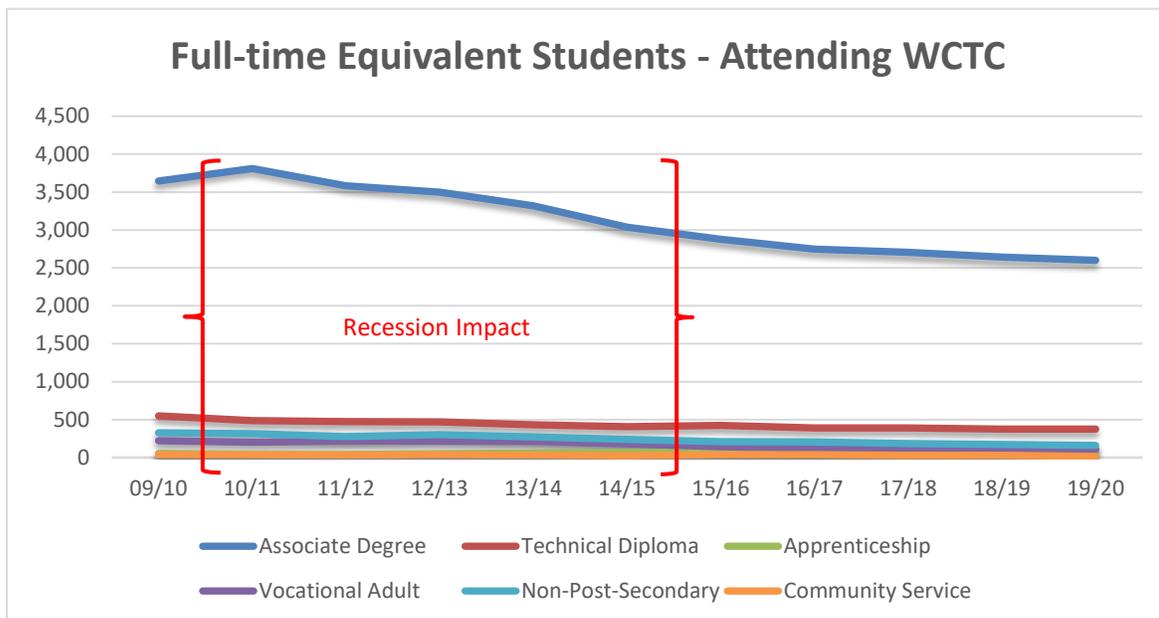
Students Served

Year	Associate Degree	Technical Diploma	Apprentice	Vocational Adult	Non-Post-Secondary	Community Service	Total
09/10	8,336	2,156	345	11,500	2,009	1,436	25,782
10/11	8,446	1,669	272	10,113	1,880	1,564	23,944
11/12	8,183	1,719	227	10,448	1,677	1,237	23,491
12/13	8,359	1,601	262	9,934	1,690	1,587	23,433
13/14	7,816	1,514	279	10,067	1,529	1,551	22,756
14/15	6,994	1,520	346	10,044	1,278	1,004	21,186
15/16	6,450	1,351	371	8,094	1,179	1,761	19,206
16/17	6,321	1,201	419	6,904	1,260	1,938	18,043
17/18	6,056	1,171	482	6,579	1,067	1,536	16,891
18/19 est	6,130	1,145	565	6,200	1,050	1,450	16,540
19/20 est	6,150	1,150	575	6,500	1,050	700	16,125

Full-time Equivalent Students

Year	Associate Degree	Technical Diploma	Apprentice	Vocational Adult	Non-Post-Secondary	Community Service	Total
09/10	3,646	549	53	222	327	37	4,834
10/11	3,810	487	42	202	314	38	4,893
11/12	3,582	473	39	219	277	34	4,625
12/13	3,500	469	50	215	304	37	4,575
13/14	3,319	432	58	213	274	34	4,330
14/15	3,038	408	68	182	239	25	3,960
15/16	2,877	423	72	141	209	38	3,760
16/17	2,747	389	82	116	204	37	3,575
17/18	2,707	390	92	116	185	31	3,521
18/19 est	2,641	375	109	100	170	29	3,424
19/20 est	2,600	375	110	110	160	15	3,370

A full-time equivalent (FTE) is equal to 30 student credits. This chart shows only those credits taken by students at WCTC and does not include dual credits taken by high school students. This method of calculating student FTEs is used in the calculation of state aids.



ENROLLMENT STATISTICS – Includes Dual Enrollment

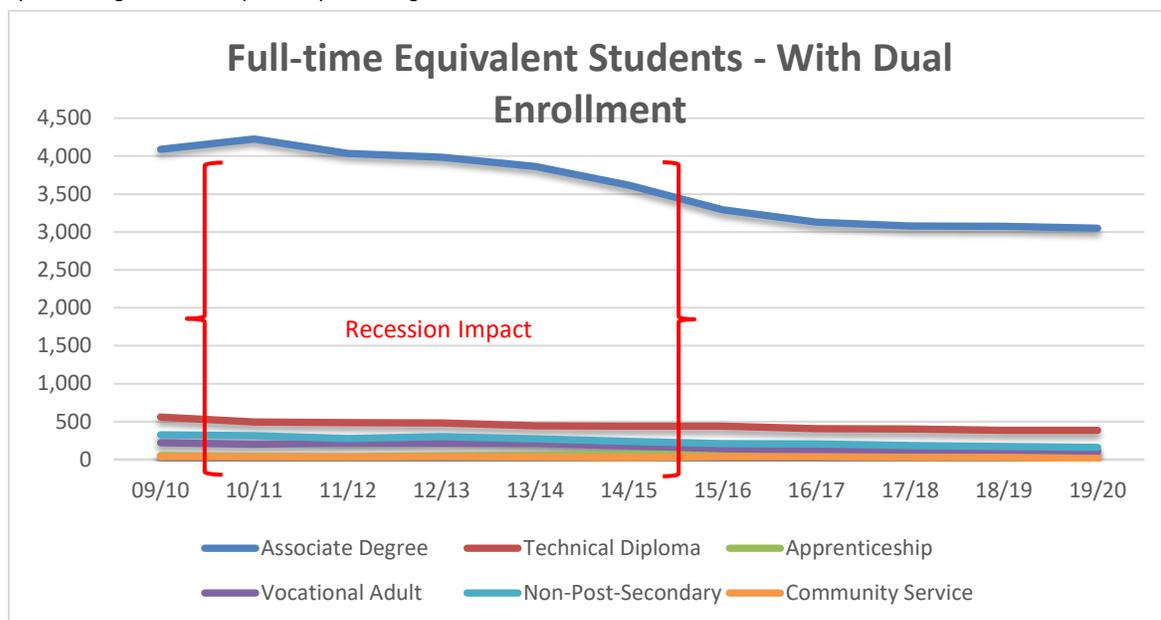
Students Served

Year	Associate Degree	Technical Diploma	Apprentice	Vocational Adult	Non-Post-Secondary	Community Service	Transcripted Credit	Total
09/10	8,336	2,156	345	11,500	2,009	1,436	3,895	29,677
10/11	8,446	1,669	272	10,113	1,880	1,564	3,744	27,689
11/12	8,183	1,719	227	10,448	1,677	1,237	4,053	27,546
12/13	8,359	1,601	262	9,934	1,690	1,587	4,320	27,752
13/14	7,816	1,514	279	10,067	1,529	1,551	4,723	27,480
14/15	6,994	1,520	346	10,044	1,278	1,004	4,933	26,153
15/16	6,450	1,351	371	8,094	1,179	1,761	3,536	22,742
16/17	6,321	1,201	419	6,904	1,260	1,938	3,258	21,301
17/18	6,056	1,171	482	6,579	1,167	1,536	3,207	20,098
18/19 est	6,130	1,145	565	6,200	1,050	1,450	3,610	20,150
19/20 est	6,150	1,150	575	6,500	1,050	700	3,700	19,825

Full-time Equivalent Students

Year	Associate Degree	Technical Diploma	Apprentice	Vocational Adult	Non-Post-Secondary	Community Service	Total
09/10	4,088	560	53	222	326	37	5,287
10/11	4,226	495	42	202	314	38	5,319
11/12	4,036	485	39	219	277	35	5,090
12/13	3,985	482	50	215	304	37	5,073
13/14	3,863	444	58	213	274	34	4,885
14/15	3,618	429	68	182	239	25	4,561
15/16	3,293	441	72	142	209	38	4,195
16/17	3,128	406	82	116	204	37	3,973
17/18	3,081	401	92	116	185	31	3,907
18/19 est	3,075	385	109	100	170	29	3,868
19/20 est	3,050	385	110	110	160	15	3,830

A full-time equivalent (FTE) is equal to 30 student credits. Effective July 1, 2015, the state included transcripted credit/dual enrollment counts in FTEs. The FTE table above has been restated to reflect the impact of this change. The Associate Degree and Technical Diploma categories were impacted by this change.

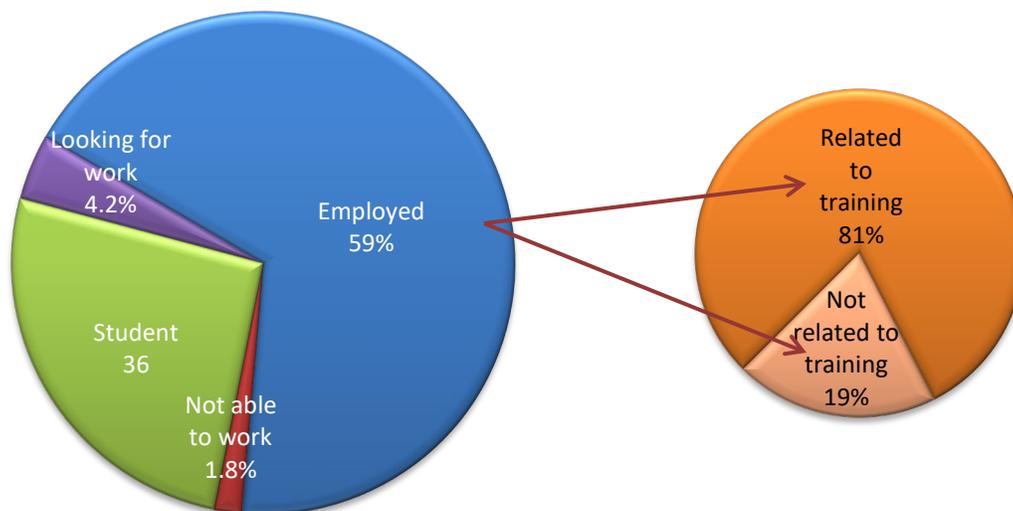


PROGRAM GRADUATES FOLLOW-UP STATISTICS

Year	Number of Degrees Awarded	Number of Follow-Up Respondents	Percent Employed In Related Occupations	Median Annual Salary	Percent Residing In District	Percent Employed In District	Percent Employed in Milwaukee Metro Area
07/08	1,439	852	75%	\$33,254	65%	63%	91%
08/09	1,483	706	73%	\$33,254	69%	59%	89%
09/10	1,690	859	73%	\$33,254	71%	58%	89%
10/11	1,863	859	73%	\$32,444	70%	61%	91%
11/12	1,810	912	79%	\$33,000	68%	57%	89%
12/13	1,786	825	76%	\$36,450	69%	56%	90%
13/14	1,814	1,044	79%	\$37,440	67%	56%	88%
14/15	1,894	1,142	80%	\$36,372	68%	51%	88%
15/16	1,918	895	83%	\$38,508	66%	53%	87%
16/17	2,136*	982	80%	\$42,088	65%	58%	87%
17/18	2,039	939	81%	\$42,000	68%	55%	89%

*Statistics are based on a survey of WCTC's graduates conducted approximately six months after graduation, therefore, 18/19 statistics are not available; 17/18 data is still in draft mode. Statistics include graduates of WCTC's post-secondary, vocational, and technical programs. This data does not reflect the activities of students who complete only portions of their program.

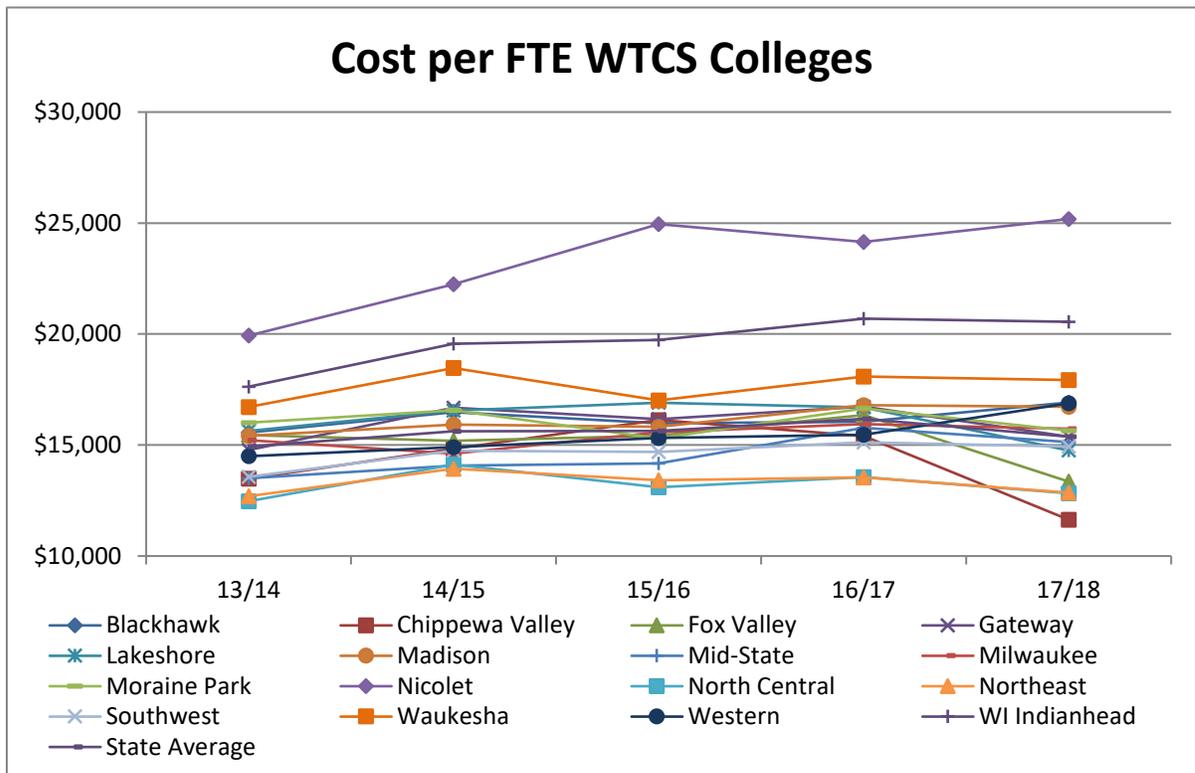
2017/18 Job Placement



COST PER FTE WTCS COLLEGES

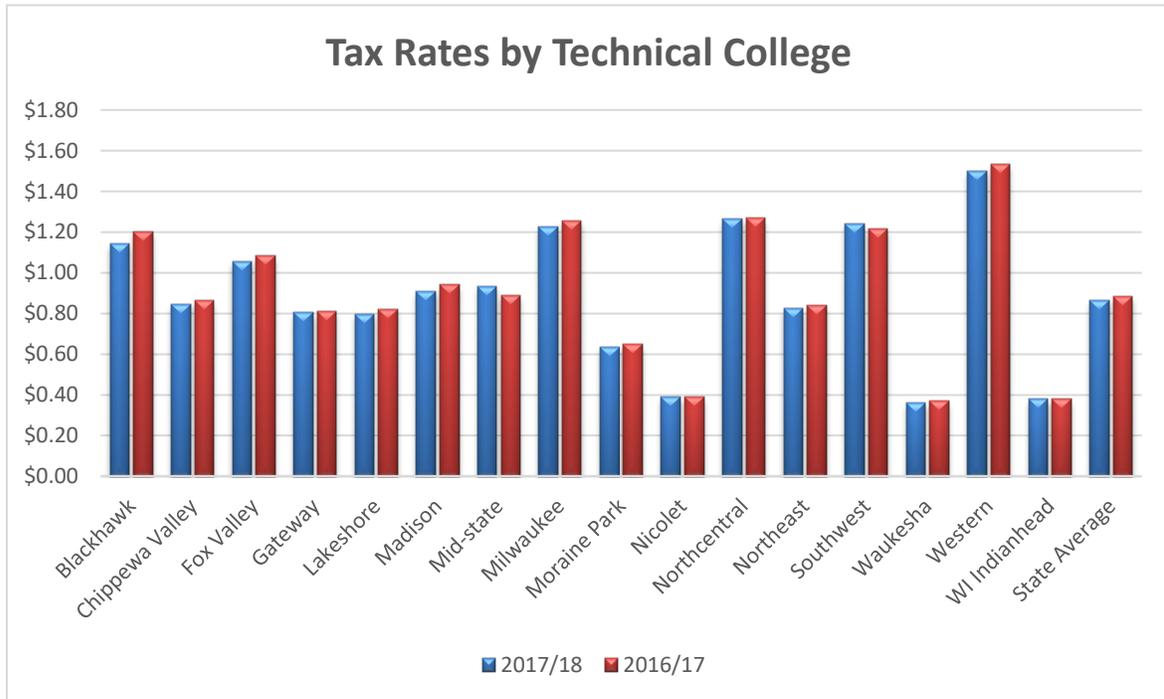
College	2013/14	2014/15	2015/16	2016/17	2017/18	Percent Change from 2016/17	Percent Change from 2013/14
Blackhawk	\$15,563	\$16,486	\$15,983	\$16,048	\$16,916	5.4%	8.7%
Chippewa Valley	\$13,481	\$14,839	\$16,128	\$15,401	\$11,638	(2.4%)	(13.7%)
Fox Valley	\$15,451	\$15,191	\$15,425	\$16,351	\$13,353	(18.3%)	(13.6%)
Gateway	\$14,776	\$16,684	\$16,158	\$16,731	\$15,374	(8.1%)	4.0%
Lakeshore	\$15,633	\$16,545	\$16,905	\$16,695	\$14,756	(11.6%)	(5.6%)
Madison Area	\$15,415	\$15,923	\$15,818	\$16,796	\$16,723	(0.43%)	8.5%
Mid-State	\$13,503	\$14,068	\$14,171	\$15,777	\$15,136	(4.1%)	12.1%
Milwaukee Area	\$15,218	\$14,611	\$15,573	\$15,942	\$15,734	(1.3%)	3.4%
Moraine Park	\$16,004	\$16,571	\$15,297	\$16,648	\$15,645	(6.0%)	(2.2%)
Nicolet	\$19,930	\$22,243	\$24,954	\$24,145	\$25,183	4.3%	23.8%
North Central	\$12,470	\$14,123	\$13,092	\$13,557	\$12,821	(5.4%)	2.8%
Northeast	\$12,696	\$13,936	\$13,413	\$13,543	\$12,848	(5.1%)	1.2%
Southwest	\$13,570	\$14,741	\$14,683	\$15,123	\$14,926	(1.3%)	10.0%
Waukesha Area	\$16,714	\$18,469	\$17,015	\$18,079	\$17,927	(0.8%)	7.2%
Western	\$14,496	\$14,900	\$15,316	\$15,457	\$16,880	9.2%	16.4%
Wisconsin Indianhead	\$17,628	\$19,569	\$19,733	\$20,693	\$20,547	(0.7%)	16.5%
Statewide Average	\$14,927	\$15,618	\$15,634	\$16,181	\$15,381	(4.9%)	3.0%

NOTE: Cost per FTE is a function of aidable operational costs (from General Fund and Special Revenue Fund – Operating only) divided by aidable FTE's



TAX RATE COMPARISONS

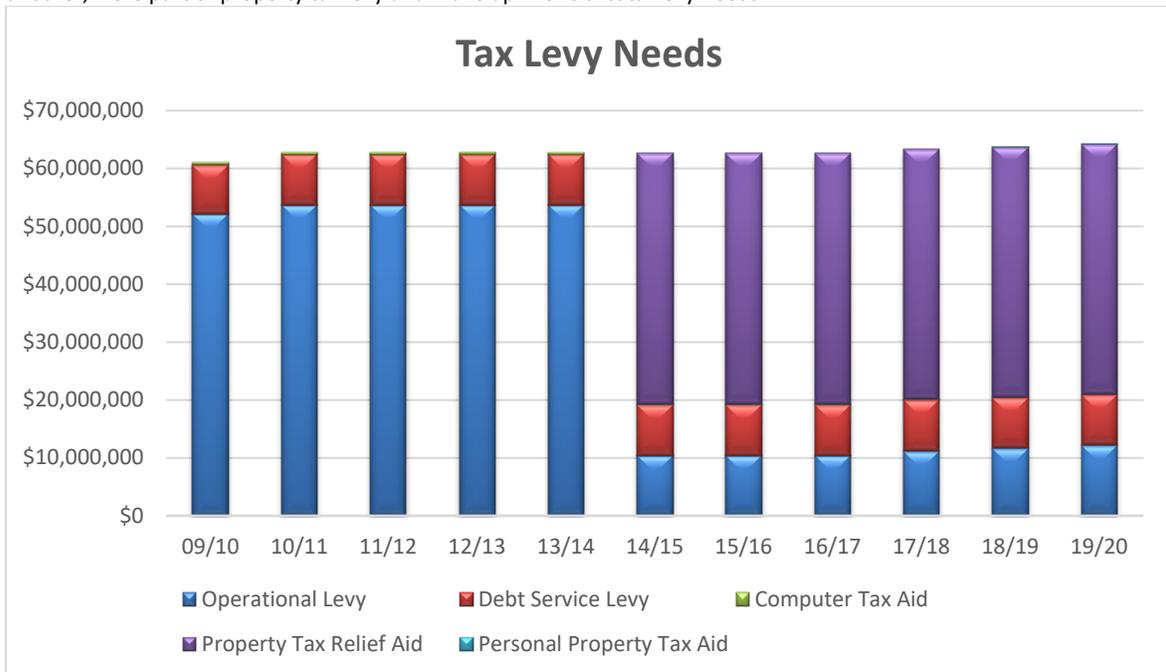
College	2018/19 Tax Rates				2017/18 Tax Rates			
	Operating Mill Rate	Debt Mill Rate	Total Mill Rate	Rank	Operating Mill Rate	Debt Mill Rate	Total Mill Rate	Rank
Blackhawk	0.54260	0.60033	1.14293	12	0.56412	0.63863	1.20275	12
Chippewa Valley	0.57142	0.27504	0.84646	8	0.57510	0.28810	0.86320	8
Fox Valley	0.61891	0.43737	1.05628	11	0.62753	0.45682	1.08435	11
Gateway	0.50793	0.29640	0.80433	6	0.52039	0.29148	0.81187	5
Lakeshore	0.46405	0.33364	0.79769	5	0.48384	0.33894	0.82278	6
Madison	0.50348	0.40612	0.90960	9	0.51343	0.42836	0.94179	10
Mid-state	0.50640	0.42699	0.93339	10	0.51110	0.37668	0.88778	9
Milwaukee	0.65076	0.57481	1.22557	13	0.66053	0.59688	1.25741	14
Moraine Park	0.42945	0.20626	0.63571	4	0.43178	0.21752	0.64930	4
Nicolet	0.22912	0.16042	0.38954	3	0.22651	0.16355	0.39006	3
Northcentral	0.63237	0.63005	1.26242	15	0.64225	0.62620	1.26845	15
Northeast	0.38209	0.44234	0.82443	7	0.38132	0.45678	0.83810	7
Southwest	0.61086	0.63132	1.24218	14	0.61391	0.60434	1.21825	13
Waukesha	0.20638	0.15565	0.36203	1	0.20632	0.16223	0.36855	1
Western	0.59096	0.90642	1.49738	16	0.60258	0.92943	1.53201	16
WI Indianhead	0.17543	0.20479	0.38022	2	0.17263	0.20754	0.38017	2
State Average	0.47013	0.39489	0.86502		0.47627	0.40608	0.88235	



SCHEDULE OF BUDGETARY LEVY NEEDS

Year	Operational Tax Levy	Debt Service Tax Levy	State Aid In Lieu of Computer Taxes	Property Tax Relief Aid	State Aid in Lieu of Personal Property Tax	Total Needs
10/11	\$53,638,255	\$8,792,794	\$457,850	\$0	\$0	\$62,888,899
11/12	\$53,638,255	\$8,792,794	\$434,987	\$0	\$0	\$62,866,036
12/13	\$53,638,255	\$8,792,794	\$390,114	\$0	\$0	\$62,821,163
13/14	\$53,638,255	\$8,792,794	\$374,577	\$0	\$0	\$62,805,626
14/15	\$10,418,941	\$8,792,794	\$102,932	\$43,219,314	\$0	\$62,533,981
15/16	\$10,418,941	\$8,792,794	\$102,665	\$43,219,314	\$0	\$62,533,714
16/17	\$10,418,941	\$8,792,794	\$108,626	\$43,219,314	\$0	\$62,539,675
17/18	\$11,182,407	\$8,792,794	\$110,223	\$43,219,314	\$0	\$63,304,738
18/19	\$11,658,767	\$8,792,794	\$0	\$43,219,314	\$138,768	\$63,809,643
19/20	\$12,160,697	\$8,792,794	\$0	\$43,219,314	\$138,768	\$64,311,573

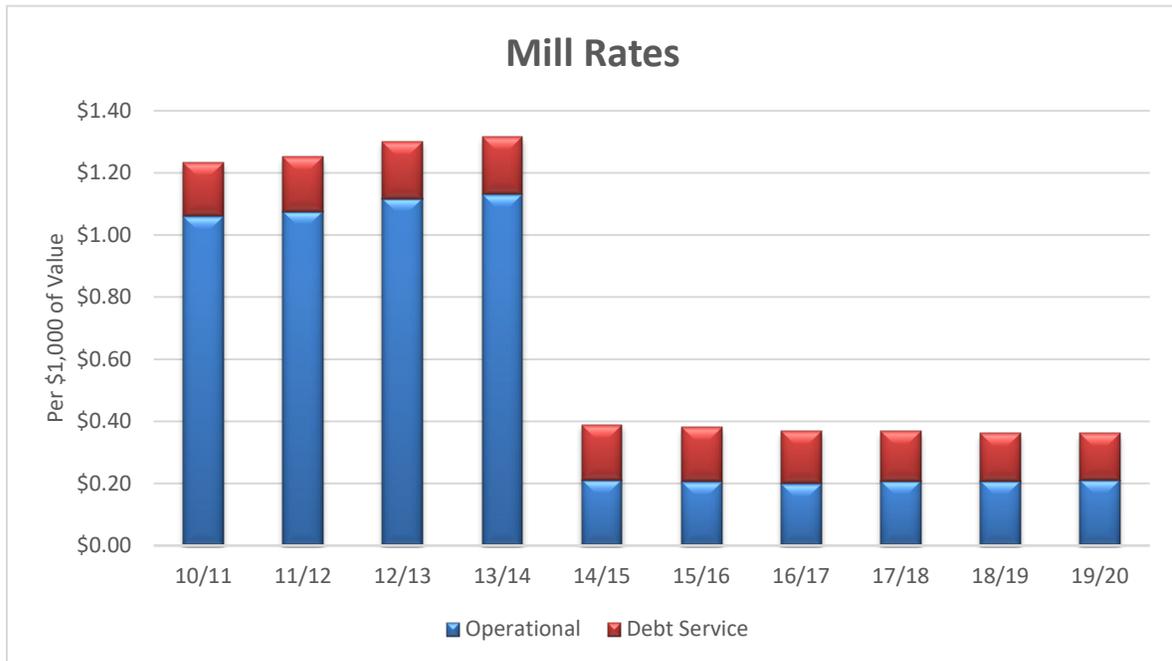
For the 2014 property tax bills, the State Legislature replaced \$406 million of property tax levy with state funds in the form of property tax relief aid. Because of this shift, the state no longer pays state aids in lieu of computer taxes on this portion. Effective 2018, personal property tax will be replaced with state aids. All amounts in blue, at one time or another, were part of property tax levy and make up WCTC's 'total levy needs'.



SCHEDULE OF EQUALIZED VALUATIONS, TAX LEVIES, AND MILL RATES

Year	Equalized Valuation	Tax Levies		Mill Rates Per \$1,000 of Property Value		
		Operational	Debt Service	Operational	Debt Service	Total
2010/11	\$50,612,539,561	\$53,638,255	\$8,792,794	\$1.05978	\$0.17373	\$1.23351
2011/12	\$49,890,023,774	\$53,638,255	\$8,792,794	\$1.07513	\$0.17624	\$1.25137
2012/13	\$48,001,095,149	\$53,638,255	\$8,792,794	\$1.11743	\$0.18318	\$1.30061
2013/14	\$47,450,463,938	\$53,638,255	\$8,792,794	\$1.13041	\$0.18530	\$1.31571
2014/15	\$49,372,912,220	\$10,418,941	\$8,792,794	\$0.21102	\$0.17809	\$0.38911
2015/16	\$50,592,374,084	\$10,418,941	\$8,792,794	\$0.20594	\$0.17380	\$0.37974
2016/17	\$52,151,418,030	\$10,418,941	\$8,792,794	\$0.19978	\$0.16860	\$0.36838
2017/18	\$54,199,833,643	\$11,182,407	\$8,792,794	\$0.20632	\$0.16223	\$0.36855
2018/19	\$56,491,051,260	\$11,658,767	\$8,792,794	\$0.20638	\$0.15565	\$0.36203
2019/20 est	\$57,877,776,639	\$12,160,697	\$8,792,794	\$0.21011	\$0.15192	\$0.36203

FY 19 operational levy amount may be adjusted based on final amount for personal property tax relief aid as shown on the prior page. The total of the two funding sources will remain the same. Mill rate increase was due to decline in property values as a result of the recession.



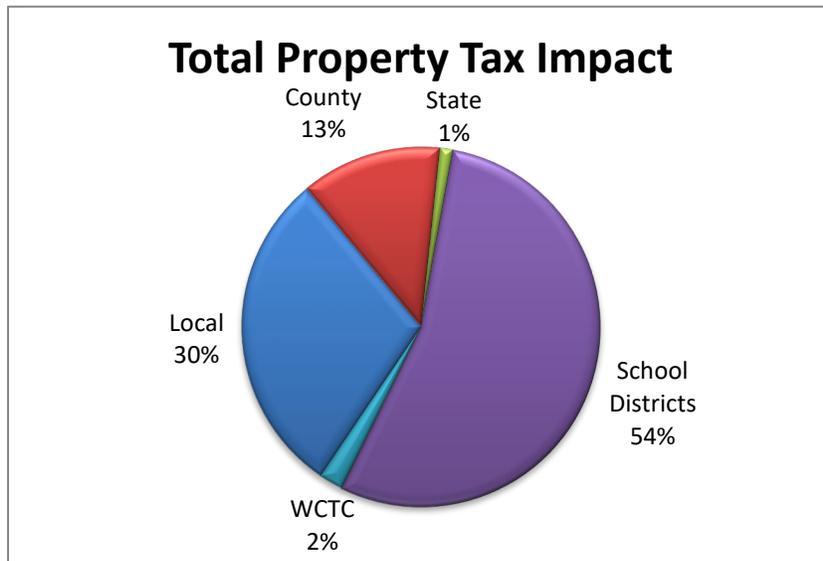
**PROPERTY TAX RATES – DIRECT AND OVERLAPPING
GOVERNMENTS - HISTORICAL COMPARISONS**
(Per \$1,000 of Equalized Value of Taxable Property)

Year	WCTC			Other School Districts	Local	County	State	Gross Total	State Tax Relief	Net Total
	Operational	Debt Service	Total							
07/08	\$0.92	\$0.17	\$1.09	\$8.59	\$4.39	\$1.99	\$0.20	\$16.26	(\$1.57)	\$14.69
08/09	\$0.95	\$0.16	\$1.11	\$8.79	\$4.44	\$2.02	\$0.20	\$16.56	(\$1.70)	\$14.86
09/10	\$1.00	\$0.16	\$1.16	\$9.57	\$4.80	\$2.14	\$0.20	\$17.87	(\$1.74)	\$16.13
10/11	\$1.06	\$0.17	\$1.23	\$10.00	\$4.87	\$2.22	\$0.20	\$18.52	(\$1.76)	\$16.76
11/12	\$1.07	\$0.18	\$1.25	\$9.88	\$4.95	\$2.27	\$0.20	\$18.55	(\$1.77)	\$16.78
12/13	\$1.12	\$0.18	\$1.30	\$10.27	\$5.24	\$2.36	\$0.20	\$19.37	(\$1.82)	\$17.55
13/14	\$1.13	\$0.19	\$1.32	\$10.19	\$5.31	\$2.38	\$0.20	\$19.40	(\$1.81)	\$17.59
14/15	\$0.21	\$0.18	\$0.39	\$10.00	\$5.22	\$2.35	\$0.20	\$18.16	(\$1.74)	\$16.42
15/16	\$0.21	\$0.17	\$0.38	\$10.18	\$5.05	\$2.37	\$0.20	\$18.18	(\$1.96)	\$16.22
16/17	\$0.20	\$0.17	\$0.37	\$9.63	\$5.21	\$2.25	\$0.20	\$17.66	(\$1.82)	\$15.84
17/18	\$0.21	\$0.16	\$0.37	\$9.29	\$5.04	\$2.17	\$0.20	\$17.07	(\$1.91)	\$15.16

Source—Wisconsin Department of Revenue Division of State and Local Finance Bureau of Local Financial Assistance. The rates shown represent Waukesha County composite tax rates based on full equalized values.

Local includes cities, towns, villages, and other special taxing districts (i.e. sewer districts).

FY 19 data is not available at this time.



PRINCIPAL TAXPAYERS

Employer*	Type of Business	Number of Employees
Kohl's Department Stores	Retail/Headquarters	5,722
Pro Health Care	Health Services	4,719
Froedtert Community Memorial Hospital	Health Services	3,554
Quad Graphics, Inc.	Printing/Headquarters	3,423
Roundy's Distribution	Food Wholesale/Retail	2,953
General Electrical Healthcare (a)	Medical Equipment/Training	2,893
Aurora Health Care	Health Services	2,635
Waukesha School District	Education	1,640
Wal-Mart Corporation	Retail	1,597
Target Corporation	Retail/Distribution Center	1,559

Source—Waukesha County Department of Administration, 2018 employer inquiry updates

*Does not include locations outside of Waukesha County

(a) Includes GE Power/Water and Capital Operations

Estimated total employment in Waukesha County is 243,483 – Top ten employers represents 13% of that total.

Taxpayer	Type of Business	2017 Equalized Valuation
Brookfield Square*	Retail	\$229,826,700
The Corners of Brookfield	Retail/Residential	\$166,326,300
Kohl's Department Stores	Retail/Headquarters	\$157,903,300
Individual	Mixed Use Real Estate	\$138,219,200
Pro Health Care	Health Care	\$130,841,700
Aurora Health Care	Health Care	\$130,561,718
Wimmer Brothers	Rental Properties/Construction	\$122,179,300
Target Corporation	Retail/Distribution Center	\$108,957,500
Pabst Farms	Mixed Use Real Estate	\$103,971,000
Wal-Mart Corporation	Retail	\$103,266,400

Source—Waukesha County Department of Administration—Waukesha County Tax System, March 2018

Assessed valuation does not include parcels under \$500,000 in valuation

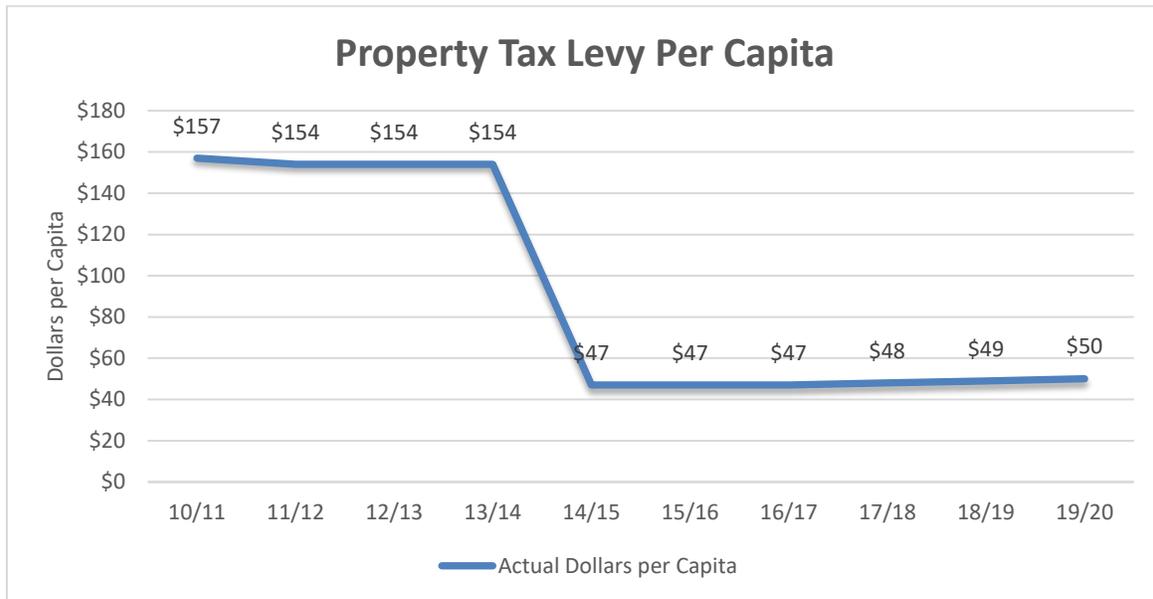
*Includes CBL, Sears, Boston Store, and JC Penney

Total Waukesha County valuation with TID in is \$54,158,131,600 – This represents 2.57% of the total.

PROPERTY TAX LEVY PER CAPITA

Property taxes per capita reflect changes relative to changes in population.

Year	Property Tax Levy	Population	Property Tax levy per Capita
2010/11	\$62,431,049	397,682	\$157
2011/12	\$62,431,049	404,507	\$154
2012/13	\$62,431,049	405,194	\$154
2013/14	\$62,431,049	405,794	\$154
2014/15	\$19,211,735	407,150	\$47
2015/16	\$19,211,735	408,359	\$47
2016/17	\$19,211,735	410,919	\$47
2017/18	\$19,975,201	412,747	\$48
2018/19	\$20,451,561	413,300	\$49
2019/20	\$20,953,491	415,000	\$50



OPERATIONAL MILL RATE VS. LEVY CAP

Wisconsin statutes limit the technical colleges' operational levy amount to the growth in net new construction effective 2013/14. Prior to that, the operational mill rate could not be more than \$1.50 per \$1,000 of equalized valuation. This chart and graph shows where WCTC's operational mill rate is in relation to the levy limit.

Year	WCTC's Operational Mill Rate	Operational Mill Rate Cap
2010/11	\$1.05978	\$1.50000
2011/12	\$1.07513	\$1.50000
2012/13	\$1.11743	\$1.50000
2013/14	\$1.13041	\$1.13853
2014/15	\$0.21102	\$0.22770
2015/16	\$0.20594	\$0.22240
2016/17	\$0.19978	\$0.21652
2017/18	\$0.20632	\$0.21043
2018/19	\$0.20638	\$0.21292
2019/20 est	\$0.21011	\$0.22443

*Effective FY 14, \$1.50 levy cap has been removed and **levy amount** can only increase by percent of net new construction. One-half of one percent carryover of unused levy from the prior year is allowed. The above rates do not factor in allowable carryover provision.

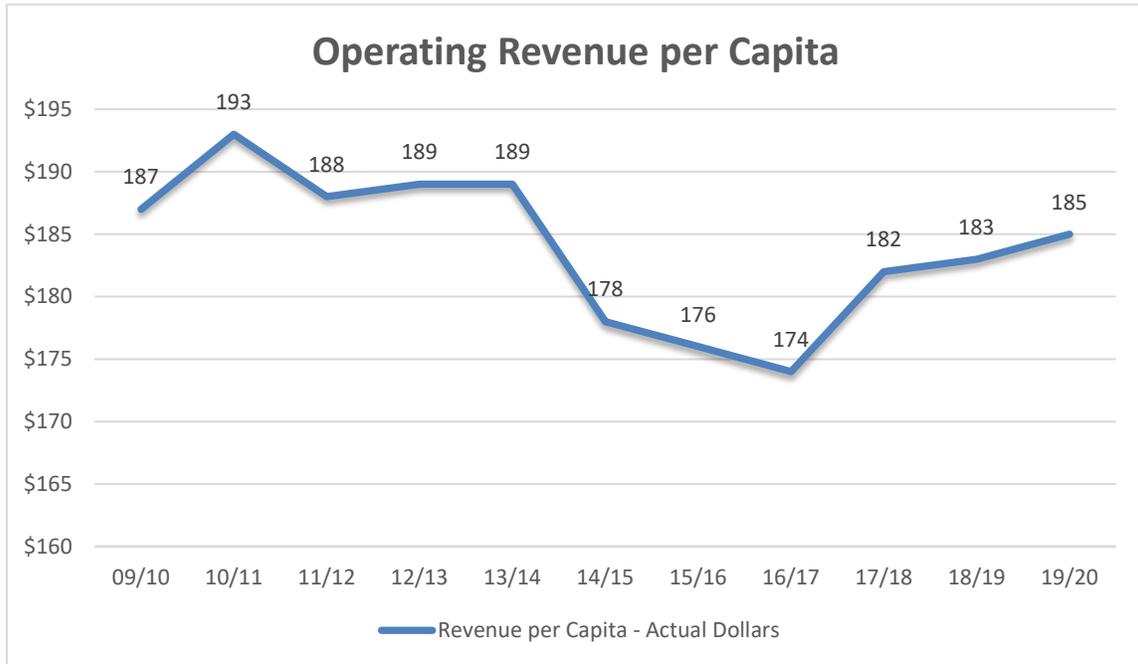


OPERATING REVENUE PER CAPITA

Operating revenue per capita reflect how much revenue is received per population to offset operational costs of WCTC in the General Fund. This trend information should be analyzed in conjunction with operating expenditures per capita before decisions can be made on the fiscal health of WCTC.

Year	Operating Revenue	Population	Operating Revenue per Capita
2009/10	\$74,205,261	396,963	\$187
2010/11	\$76,867,384	397,682	\$193
2011/12	\$75,886,673	404,507	\$188
2012/13	\$76,629,792	405,194	\$189
2013/14	\$76,794,517	405,794	\$189
2014/15	\$72,565,150	407,150	\$178
2015/16	\$72,164,521	408,359	\$176
2016/17	\$71,703,088	410,919	\$174
2017/18	\$75,109,305	412,747	\$182
2018/19 est	\$75,823,527	413,300	\$183
2019/20 est	\$76,923,707	415,000	\$185

WCTC's enrollments are highly correlated with unemployment. WCTC experienced record enrollments during the peak of the recession and enrollments have declined as the unemployment rate goes down.

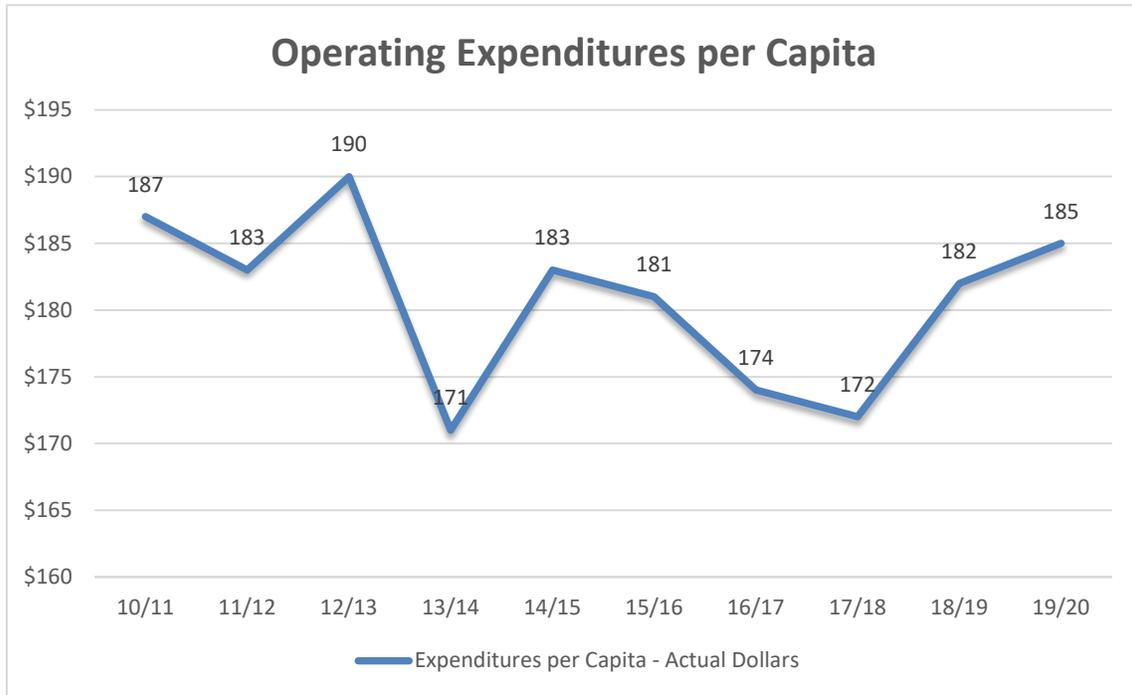


OPERATING EXPENDITURES PER CAPITA

Operating expenditures per capita reflect how much is spent per population for operational costs in the General Fund by WCTC. This trend information should be analyzed in conjunction with operating revenue per capita before decisions can be made on the fiscal health of WCTC.

Year	Operating Expenditures	Population	Operating Expenditures per Capita
2010/11	\$74,193,783	397,682	\$187
2011/12	\$73,851,155	404,507	\$183
2012/13	\$76,989,421*	405,194	\$190
2013/14	\$69,288,462	405,794	\$171
2014/15	\$74,548,579	407,150	\$183
2015/16	\$73,828,243	408,359	\$181
2016/17	\$71,518,889	410,919	\$174
2017/18	\$71,050,806	412,747	\$172
2018/19 est	\$75,217,400	413,300	\$182
2019/20 est	\$76,623,707	415,000	\$185

*In FY 13 WCTC modified its post-employment benefits, which resulted in a one-time increase in expenditures in FY 13 in order to reduce the overall post-employment liability by \$54 million.

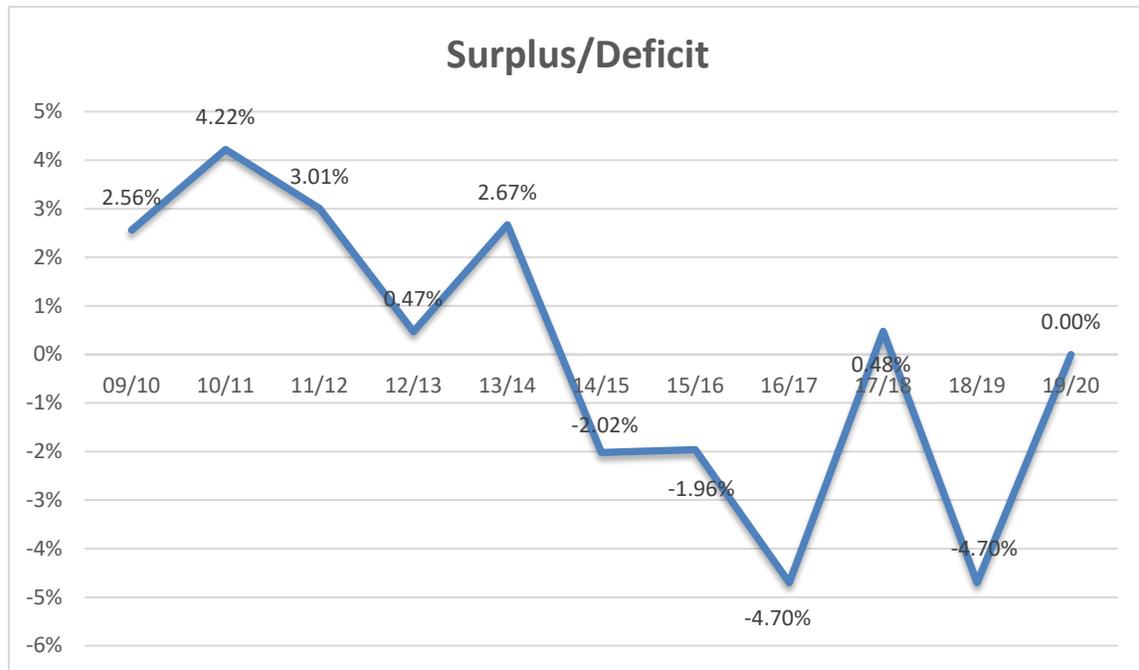


OPERATING SURPLUS/DEFICIT TO OPERATING REVENUES

This indicator compares the net operating surplus or deficit at the end of the year in the General Fund to total General Fund revenues. This is a measure the credit rating agencies use to determine the credit worthiness of WCTC. When the fund balance for the General Fund is where WCTC desires it to be, the change between years should be close to zero. When the change is positive, WCTC will utilize the excess funds in the next fiscal year for one-time purposes, resulting in deficits showing in the subsequent year.

Year	Operating Surplus/ Deficit	Operating Revenues
2010/11	\$3,245,101	\$76,867,384
2011/12	\$2,282,018	\$75,886,673
2012/13	\$361,871	\$76,629,792
2013/14	\$2,052,555	\$76,794,517
2014/15	(\$1,471,188)	\$72,565,150
2015/16	(\$1,417,222)	\$72,164,521
2016/17	(\$3,370,773)	\$71,703,088
2017/18	\$358,499	\$75,109,305
2018/19 est	(\$3,563,873)	\$75,823,527
2019/20 est	\$0	\$76,623,707

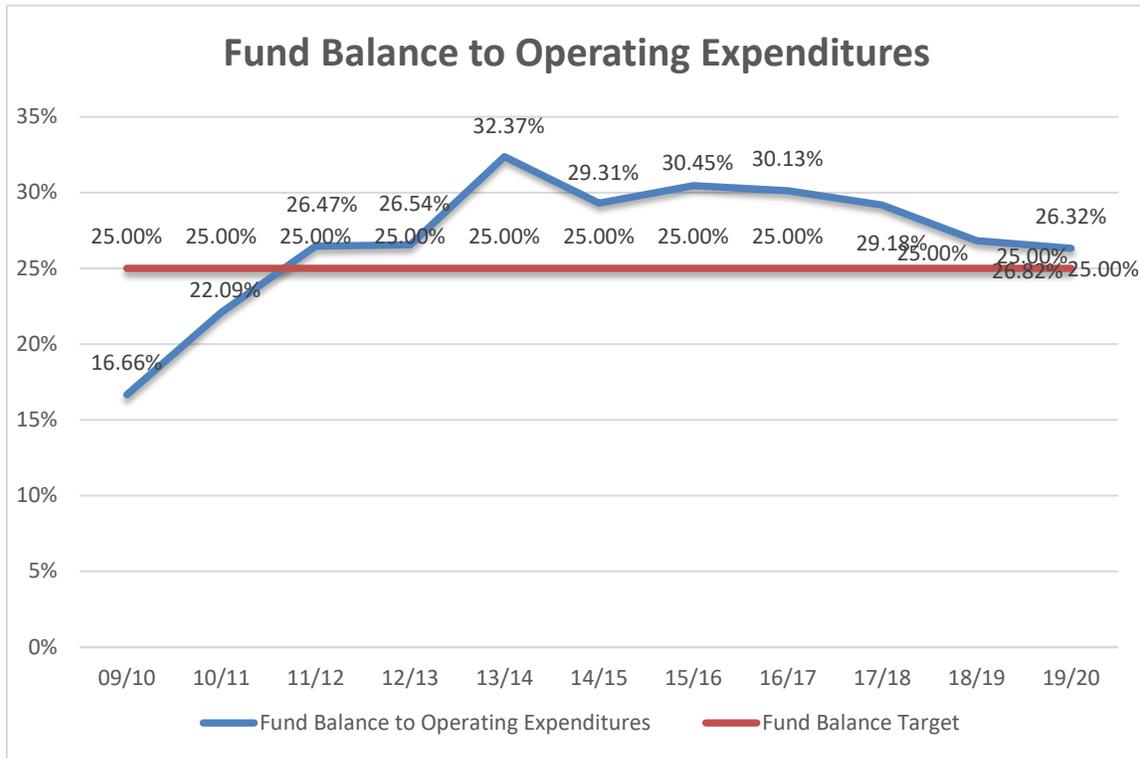
In 2013/14 through 2019/20, WCTC has exceeded its 25% fund balance target for the General Fund. Because of this, it reappropriated the excess funds in the following years to use for one-time payments to fund additional capital and/or reduce its unfunded post-employment benefits liability. The deficit each year was less than planned.



FUND BALANCE TO OPERATING EXPENDITURES

This indicator compares the portion of fund balance available for cash flow purposes to the total expenditures in the General Fund. This analysis looks at the ratio based on actual expenditures as of June 30. WCTC's policy is based on the next year's budgeted expenditures. This portion of WCTC's General Fund is the portion titled Designated for Operations or Designated for Subsequent Year(s). This indicator measures WCTC's ability to withstand financial emergencies and meets its cash flow needs. The current goal is to have a balance equal to 25% of operating costs, which WCTC has been exceeding in recent years.

Year	Unreserved Fund Balance	Operating Expenditures
2010/11	\$16,392,802	\$74,193,783
2011/12	\$19,551,936	\$73,851,155
2012/13	\$20,433,387	\$76,989,421
2013/14	\$22,426,900	\$69,288,462
2014/15	\$21,851,320	\$74,548,579
2015/16	\$22,483,841	\$73,828,243
2016/17	\$21,550,857	\$71,518,889
2017/18	\$21,901,384	\$75,050,806
2018/19 est	\$20,171,166	\$75,217,400
2019/20 est	\$20,171,166	\$76,623,707



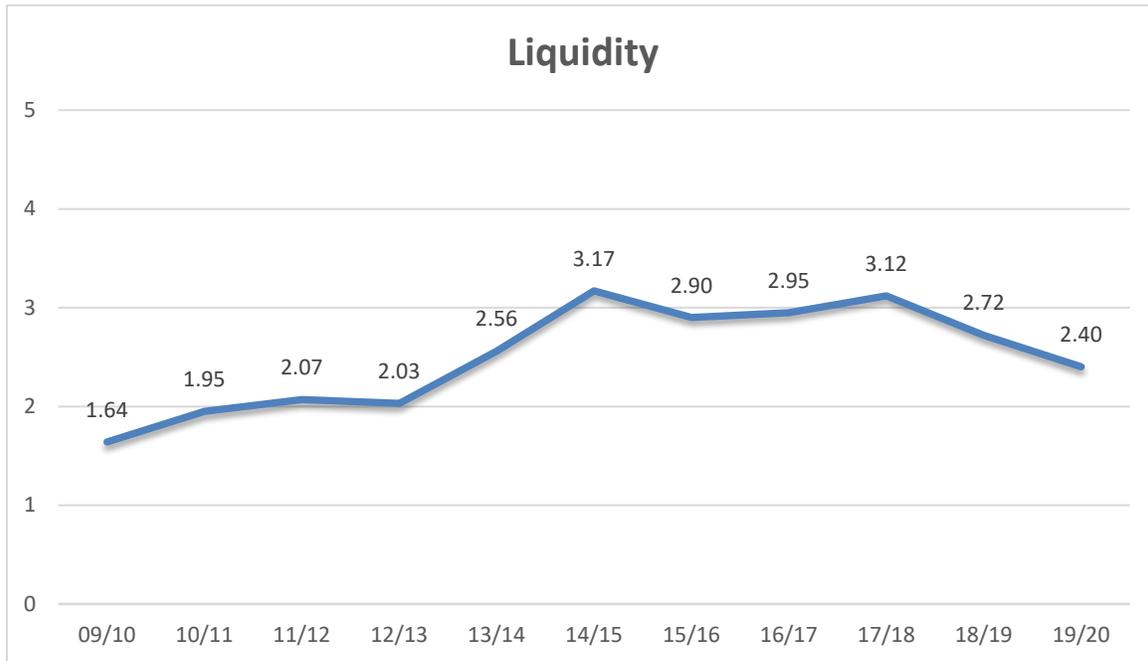
LIQUIDITY

This indicator measures the ability to pay debts when they come due. This indicator compares total cash and investments on a budgetary basis to total liabilities on a budgetary basis.

Year	Cash and Investments	Total Liabilities
2010/11	\$31,089,133	\$15,917,468
2011/12	\$36,466,697	\$17,655,239
2012/13	\$35,407,643	\$17,475,992
2013/14	\$43,317,941	\$16,948,429
2014/15	\$51,926,462	\$16,356,056
2015/16	\$46,558,711	\$16,038,386
2016/17	\$45,700,588	\$15,480,367
2017/18	\$50,191,360	\$16,097,253
2018/19 est	\$42,071,644	\$15,476,482
2019/20 est	\$37,544,265	\$15,615,084

WCTC built up its Designated for Operations account as it drew down its Reserve for Post-employment Benefits account in order to maintain adequate liquidity. For FY 12 to FY 17 WCTC did exceed its fund balance target of 25% and utilized this excess in FY 13 through FY 18 for one-time expenditures.

Effective FY 15, Act 20 replaced tax levy with state aids with this payment received in February instead of spread across multiple months thus improving the liquidity ratio as of June 30.



2018 EQUALIZED VALUATION FOR 2018/19 BUDGET

	2018 Equalized Valuation	Percent Of Total	2018/19 Tax Levy
Waukesha County			
Town of:			
Brookfield	\$ 1,048,532,600	1.856103890%	\$379,602.22
Delafield	1,614,368,500	2.857742003%	584,452.85
Eagle	492,444,100	0.871720545%	178,280.46
Genesee	1,032,862,300	1.828364452%	373,929.07
Lisbon	1,241,417,700	2.197547527%	449,432.77
Merton	1,648,886,600	2.918845664%	596,949.50
Mukwonago	949,579,000	1.680937031%	343,777.86
Oconomowoc	1,612,182,700	2.853972718%	583,661.52
Ottawa	581,533,900	1.029426585%	210,533.81
Vernon	971,205,200	1.719219555%	351,607.24
Waukesha	1,039,082,800	1.839375931%	376,181.09
Village of:			
Big Bend	177,465,300	0.314147632%	64,248.09
Butler	257,936,700	0.456597451%	93,381.31
Chenequa	473,914,100	0.838918890%	171,572.01
Dousman	197,746,900	0.350049956%	71,590.68
Eagle	179,811,200	0.318424239%	65,122.73
Elm Grove	1,132,773,400	2.005226270%	410,100.07
Hartland	1,309,559,200	2.318171057%	474,102.17
LacLaBelle	114,287,700	0.202311158%	41,375.79
Lannon	131,100,700	0.232073394%	47,462.63
Menomonee Falls	4,717,722,100	8.351273334%	1,707,965.76
Merton	446,378,000	0.790174709%	161,603.06
Mukwonago	808,128,400	1.430542328%	292,568.24
Nashotah	191,662,000	0.339278515%	69,387.75
North Prairie	239,350,100	0.423695603%	86,652.36
Oconomowoc Lake	349,687,300	0.619013618%	126,597.95
Pewaukee	995,957,600	1.763036052%	360,568.39
Summit	1,007,109,300	1.782776701%	364,605.66
Sussex	1,344,526,200	2.380069356%	486,761.34
Wales	379,454,800	0.671707804%	137,374.73
City of:			
Brookfield	7,136,298,600	12.632617806%	2,583,567.52
Delafield	1,452,476,600	2.571162277%	525,842.82
Muskego	2,993,157,400	5.298462913%	1,083,618.38
New Berlin	5,079,242,167	8.991233220%	1,838,847.55
Oconomowoc	2,200,396,300	3.895123654%	796,613.59
Pewaukee	3,192,028,300	5.650502564%	1,155,615.98
Waukesha	6,129,657,700	10.850670262%	2,219,131.46

	2018 Equalized Valuation	Percent Of Total	2018/19 Tax Levy
Dodge County			
Town of:			
Ashippun	\$ 193,951,412	0.343331214%	\$ 70,216.59
Lebanon	4,497,030	0.007960606%	1,628.07
Jefferson County			
Town of:			
Cold Spring	131,365	0.000232541%	47.56
Concord	59,402,977	0.105154667%	21,505.77
Ixonía	400,927,288	0.709718228%	145,148.46
Palmyra	203,791,245	0.360749606%	73,778.93
Sullivan	93,473,265	0.165465614%	33,840.30
Village of:			
LacLaBelle	414,100	0.000733036%	149.92
Palmyra	117,436,900	0.207885846%	42,515.90
Racine County			
Town of:			
Norway	547,032,211	0.968351976%	198,043.10
Total	\$56,491,051,260	100.000000000%	\$20,451,561.00

FINANCIAL PROJECTIONS

General Fund					
	2018/19	2019/20	2020/21	2021/22	2022/23
Tax levy	10,714,797	11,048,797	11,548,797	12,048,797	12,548,797
Other revenues	65,800,544	65,574,910	65,574,910	65,574,910	65,574,910
Total revenues	76,515,341	76,623,707	77,123,707	77,623,707	78,123,707
Transfers In	-	-	-	-	-
Total funds available	76,515,341	76,623,707	77,123,707	77,623,707	78,123,707
Expenditures	76,515,341	76,623,707	77,123,707	77,623,707	78,123,707
Net needs	-	-	-	-	-
One time transfer from					
Fund Balance	-	-	-	-	-
Increased levy needs	-	-	-	-	-

Assumptions

- WCTC has been experiencing enrollment declines. For 2019/20, a 1% decline in Full-Time Equivalent (FTE) student enrollment has been budgeted. Stabilization of enrollment is estimated for 2020/21 with the implementation of a new academic calendar which includes compressed 8 week semesters.
- Since fiscal year 2017/18, the WCTC Board has increased the operational levy a portion of the allowable levy limit based on net new construction within the district boundaries. The Board sets the tax levy amount and strives to keep increases low.
- WCTC will continue to make hard decisions necessary to provide a quality budget that will continue to move the college forward, yet stay within its limited revenues. This means adding or expanding instructional programs, reducing or suspending programs when appropriate, and looking at new and innovative ways of doing this to transform and move the college forward. It also means making sure the right staff are in the right positions at the right time, and relying on data to make decisions.

Capital Projects Fund					
	2018/19	2019/20	2020/21	2021/22	2022/23
Other revenue	2,605,017	380,000	305,000	305,000	305,000
Debt proceeds	7,750,000	7,750,000	7,750,000	7,750,000	7,750,000
Total revenues	10,355,017	8,130,000	8,055,000	8,055,000	8,055,000
Expenditures	14,631,500	12,715,309	12,100,000	12,350,000	12,450,000
Net needs	(4,276,483)	(4,585,309)	(4,045,000)	(4,295,000)	(4,395,000)
Planned use of fund balance	4,276,483	4,585,309	4,045,000	4,295,000	4,395,000
Funding shortfall	-	-	-	-	-

Assumptions

- Annually, if the college exceeds its fund balance target in the General Fund, some of the excess funds will be transferred to this fund to further help fund capital needs.
- Capital spending will be limited to available resources. WCTC plans on issuing \$7.75 million of debt per year with the remaining funding coming from other sources, such as planned use of fund balance and investment earnings.

Debt Service Fund					
	2018/19	2019/20	2020/21	2021/22	2022/23
Tax levy	8,792,794	8,792,794	8,792,794	8,792,794	8,792,794
Other revenue	75,000	100,000	100,000	100,000	100,000
Total revenues	8,867,794	8,892,794	8,892,794	8,892,794	8,892,794
Expenditures	8,867,794	8,892,794	8,892,794	8,892,794	8,892,794
Net needs	-	-	-	-	-
Planned use of fund balance	-	-	-	-	-
Funding shortfall	-	-	-	-	-

Assumptions

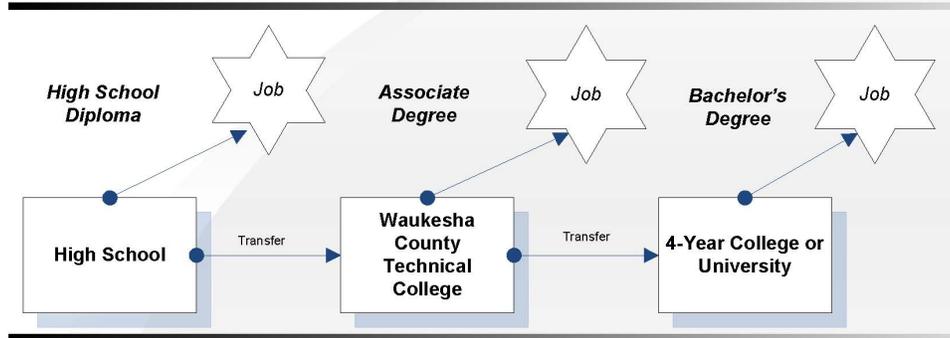
- WCTC will maintain a stable debt service levy amount and capital expenditures will be based on available resources.

GLOSSARY

2+2 program: A transfer articulation agreement between an area high school and WCTC whereby the student receives college credit while at high school and then attends WCTC for two years and receives his/her associate degree or an agreement between WCTC and a four-year college or university whereby the student attends WCTC for two years and the four-year college for an additional two years and earns his/her bachelor's degree.

2+2+2 program: A transfer articulation agreement between an area high school, WCTC, and a four-year college or university whereby the student receives college credit while at high school, attends WCTC for two years, and attends a four-year college, with junior standing, for two years and earns his/her bachelor's degree.

2+2+2 Programs



38.14 contracts: Wisconsin state statute 38.14 allows the college to contract with business and industry to provide customized training to meet the company's training needs.

AAS: Associate of applied science

ABE: Adult Basic Education

ACA: Affordable Care Act

ACT: American college testing

ADA: Americans with Disability Act

AEFL: Adult Education/Family Literacy Act

Agency fund: An agency fund is used to record resources received, held and disbursed as custodial or fiscal agent for others rather than as an owner. Revenues and expenditures of agency funds are not institutional revenues and expenditures and should be reported separately.

AODA: Alcohol and other drug abuse

Appropriations: An authorization, granted by a legislative body (i.e. WCTC Board), to make expenditures and to incur obligations for specified purposes. WCTC controls expenditures at the functional level within a fund.

AQIP: Academic quality improvement project

Articulation agreement: An agreement between WCTC and a four-year college or university that identifies the credit transferability rules between the two institutions.

ASSET: ASSET is an assessment tool used by the Admission's Department to help assess whether the student needs any remedial training before taking program courses.

Assets: Property and resources owned or held that have monetary value.

ATC: Advanced technical certificate

ATC: Applied technology center

Auxiliary services: The expenditure function used to record costs for all activities of a commercial enterprise or of a proprietary nature such as the bookstore, childcare, and Classic Room operations.

Balance sheet: A statement that discloses the assets, liabilities, reserves, and equities of a fund or account group at a specific date to exhibit financial position.

Banner: The College's integrated information system.

Benefits: Compensation in addition to regular salary or wages provided to an employee. This includes health insurance, life insurance, dental insurance, Social Security, Wisconsin Retirement System pension plan, and disability insurance.

Blended Options: Short, manageable segments of a program that meet once per week to accommodate students' work and family schedules that lead to a credential. The format offers technology-proficient students who have prior academic and work experience the chance to earn an Associate of Applied Science degree in two years or less while maintaining their current work and family life.

Bond: A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specified rate.

Bond rating: A level of risk assigned to general obligation promissory notes assessed by Moody's Investor Service or one of the other rating agencies. The higher the rating, the less risky the notes are. WCTC has a Aaa bond rating from Moody's Investor Service, which represents the lowest risk it is possible to obtain. The higher the rating, the lower the risk, the lower the interest rate charged on bonds issued.

Bonded debt: The portion of outstanding indebtedness that includes general obligation bonds that are backed by approved, irrevocable future tax levies for debt service. General obligation promissory notes are not included in the calculation of bonded debt.

Budget: A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them.

Budgetary control: The control or management of a governmental unit in accordance with an approved budget for the purpose of keeping expenditures within the limitations of authorization. WCTC controls at the function level within a fund.

CAFR: Comprehensive Annual Financial Report

CAPE: Center for Academic Performance Excellence - This is a place where instructors can go to get resources and practice on new technology that can be used in the classroom.

CAPP: Curriculum advising and program planning

CBO: Community-based organization

CBRF: Community-based residential facility

Classic Room: In order to properly train the hospitality and culinary arts students in the proper way to operate a restaurant, WCTC created its own restaurant called the Classic Room. During the semester, the students will cook the entrees on that day's menu and serve them to the patrons who have made reservations for that day.

CLS: Critical life skills

CNA: Certified nursing assistant

COMPASS: COMPASS is an assessment tool used by the Admission's Department to help assess whether the student needs any remedial training before taking program courses.

Contingency funds: Assets or other resources set aside to provide for unforeseen expenditures or for anticipated expenditures of uncertain amounts.

College: Waukesha County Technical College

Co-op: Co-op is similar to an internship for a four-year college. This is an opportunity for students to work in a business setting in their field of study while earning college credit. The employer evaluates the student in this setting and provides feedback.

CTC: Corporate Training Center, previously known as Center for Business Performance Solutions

DACUM: Developing a curriculum.

Debt: An obligation resulting from borrowing money. Debts of school systems include bonds, time warrants, notes, and floating debt.

Debt limit: The maximum amount of gross or net debt legally permitted.

Debt service: Expenditures for the retirement of debt as well as the interest payment on that debt.

Deficiency: A general term indicating the amount by which actual levels of activities fall short of budget or expectation. The term should not be used without qualification.

Deficit: The excess of expenditures/uses over revenues/resources.

Designated for subsequent year(s): A portion of this year’s unreserved fund balance to provide for the excess of expenditure and other financial uses over revenues and other financial sources budgeted in the next year(s).

District: Waukesha County Technical College

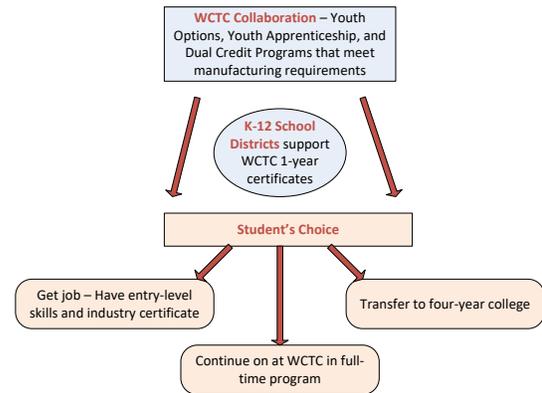
DMI: Districts Mutual Insurance – This is the insurance company formed by the 16 technical colleges in order to reduce overall property and casualty insurance costs for the colleges.

DNR: Wisconsin Department of Natural Resources

DOA: Wisconsin Department of Administration

DOR: Wisconsin Department of Revenue

Dual Enrollment Academy: Allows high school students to be dual enrolled at the high school and WCTC in their senior year whereby the student earns high school credit and a WCTC one-year certificate in the area of study and can graduate with both at the same time.



EMS: Emergency Medical Services

EMT: Emergency Medical Technician

Encumbrances: Obligations in the form of purchase orders, contracts, or salary commitments that is chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid or when an actual liability is established.

Equalized valuation: The full value of the taxable property in a district as determined by the Wisconsin Department of Revenue. Full value less the value of tax incremental financing districts (TIF) is used for allocation of tax levy to municipalities in a taxing district.

Equity: The excess of assets over liabilities generally referred to as fund balance.

ESL: English as a second language

FAM: Financial Accounting Manual

FAFSA: Free application for federal student aid

Financial Accounting Manual: Accounting regulations that technical colleges within Wisconsin must follow.

Fiscal year: A twelve-month period to which the annual operating budget applies and at the end of which a governmental unit determines its financial position and the results of its operations. WCTC uses a July 1 to June 30 fiscal year.

FTE: Full-time equivalent

Function: A group of related activities aimed at accomplishing a major service or activity for which a governmental unit is responsible, such as instruction or student services.

Fund: An independent fiscal and accounting entity with a self-balancing set of accounts, including assets, liabilities, and fund balances, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Fund balance: The excess of assets over liabilities. They may be:

- **Reserved:** A portion of fund balance that is not available for other expenditures and is legally segregated for a specific future use.

- **Unreserved:**
 - ✓ **Designated:** A portion of fund balance established to indicate tentative plans for financial resource utilization in a future period. Such plans are subject to change and may never be legally authorized or result in expenditures such as designation for operations and for subsequently budgeted expenditures.

 - ✓ **Undesignated:** The remainder of fund balance that is neither reserved nor designated. By statute, WCTC cannot have any unreserved and undesignated reserves.

GAAP: Generally accepted accounting principles

GED: General Education Diploma

GPR: General-purpose revenues

HEAB: Higher Education Accreditation Board

HLC: Higher Learning Commission of North Central Accreditation

HSED: High School Equivalency Degree

HVAC: Heating, ventilation and air conditioning

IROC: Instructor Responsibility Under Open Campus

K – 12: Kindergarten through twelfth grade

Levy: The total amount of taxes or special assessments imposed by a governmental unit.

Liabilities: Debt or other legal obligations arising out of transactions for goods or services received in the past, which are owed but not necessarily due.

Learning Place: The Learning Place is a lab where students can go to receive remedial training to assist them in basic education type courses, such as reading and math, so that they can be successful in their program courses.

LPN: Licensed Practical Nurse

Mill rate: Tax rate (taxation) in mills (\$.001) per dollar of valuation. Mill rates are usually expressed in mills per \$1,000 of valuation. WCTC has two components to its mill rate—operation and debt service. By statute, the operational component cannot exceed the increase in net new construction.

MSOE: Milwaukee School of Engineering

Obligations: Amounts which a governmental unit may be required to legally meet out of its resources, including both liabilities and unliquidated encumbrances.

Operating budget: Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending, and service delivery activities of a government are controlled. State laws generally require annual operating budgets. Even when not required by law, annual operating budgets are essential for sound financial management and should be adopted by every government.

Operating transfers: All interfund (between fund) transfers other than residual equity transfers (e.g. legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended).

Other financing sources: Funds received from general long-term debt proceeds, transfers in, and reserves re-appropriated from fund balance. Such amounts are classified separately from revenues.

Other financing uses: Funds used for operating transfers out. Such amounts are classified separately from expenditures.

Overlapping debt: The proportionate share of the debts of local governments located wholly or in part within the limits of the reporting government, which must be borne by property within each government.

Portal: A web-based information interface that provides secure and customizable access based on a user's identity.

Pro forma balance sheet: A statement that projects the college's balance sheet for a future period.

QRP: Quality review process

Reserve: An account used to earmark a specific portion of fund balance to indicate that it is not available for other expenditures, but is designated for a specific purpose.

Retained earnings: An equity account reflecting the accumulated earnings of a proprietary (enterprise) fund.

RN: Registered nurse

SLE : Student Learning Evidence

SOA : Student Outcomes Assessment

Special populations: Includes the following customer base: academically disadvantaged, economically disadvantaged, single parents, displaced homemakers, students with disabilities, limited English proficient, and non-traditional students.

State aid: Funds made available by the legislature for distribution to each technical college based on a prescribed formula of distribution to offset some of the college's operational expenses.

Statements: Presentation of financial data that shows the financial position and the results of financial operations of a fund, a group of accounts, or an entire entity for a particular accounting period.

Statute: A written law enacted by a duly organized and constituted legislative body.

Student Assistance Program: This program assists students recovering from alcohol or other drug abuse, are experiencing problems with someone else's abuse, or have other personal problems they need assistance with.

Student Outcomes Assessment: This is a system of assessing student's program pre, post, and during their time at WCTC.

TABE: Tests of adult basic education

Tax incremental financing district (TIF): Property within a municipality whose incremental growth in equalized valuation is excluded from the equalized valuation calculation when determining the amount of taxes to assess a municipality. Special statutes govern the creation of TIF districts.

Tax rate: The amount of tax stated in terms of the unit of the tax base (mill rates).

Tax rate limit: The maximum rate at which a governmental unit may levy a tax.

Taxes: Compulsory charges levied by a governmental unit for the purpose of financing services performed for the common benefit.

TBD: To be determined

UW: University of Wisconsin

WCTC: Waukesha County Technical College, Waukesha County Area Technical College District

WFDC: Workforce Development Center

WIA: Workforce Investment Act

WIDS: Worldwide instructional design system

WISPALS: Wisconsin project for automated libraries

WTCS: Wisconsin Technical College System