GATEWAY
TECHNICAL COLLEGE

2018 Comprehensive Annual Financial Report

(with Independent Auditors' Report)

For the Fiscal Years Ended June 30, 2018 and 2017

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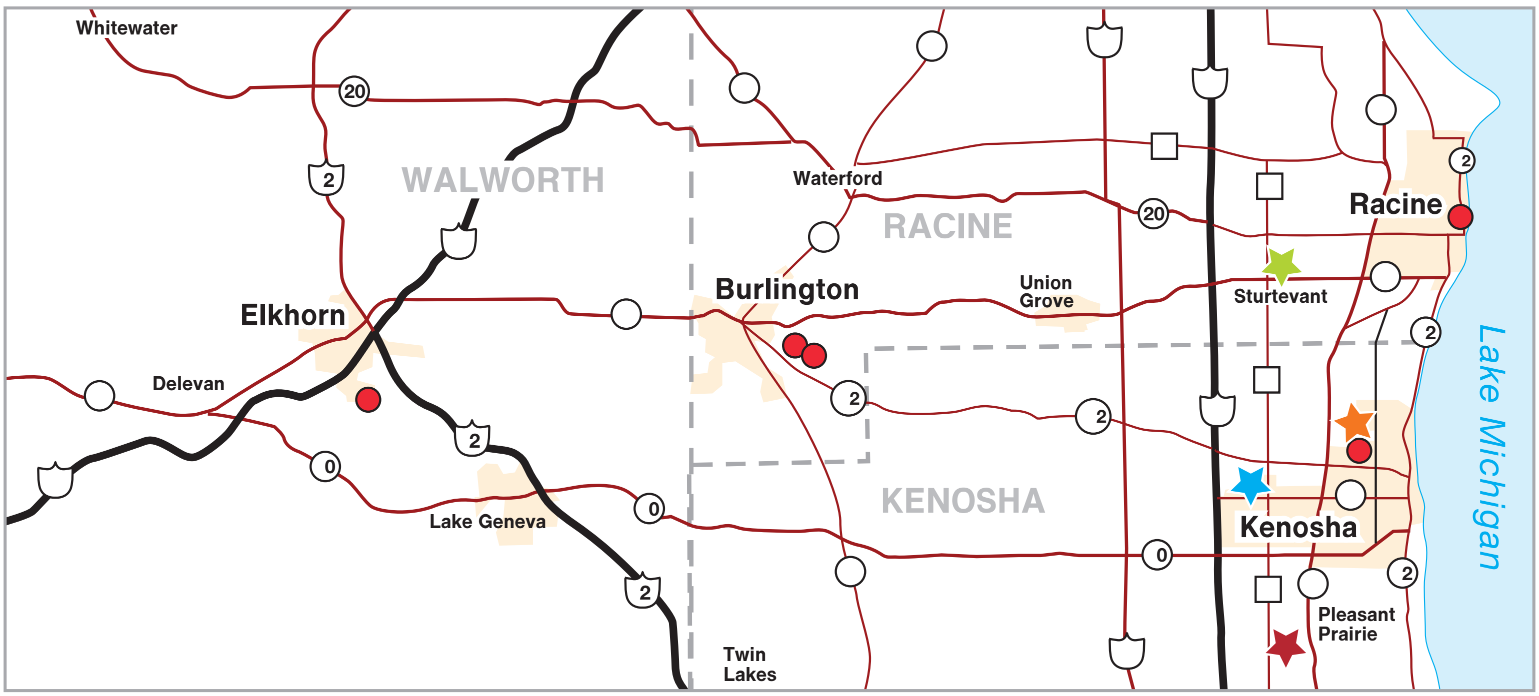
Gateway Technical College

Gateway Technical College



GATEWAY TECHNICAL COLLEGE DISTRICT

Racine/Kenosha/Elkhorn, Wisconsin

Comprehensive Annual Financial Report
For the Fiscal Years Ended June 30, 2018 and 2017
(With Independent Auditors' Report)

Official Issuing Report:

William Whyte
Sr. Vice President of Operations

Report Prepared By:

Sharon Johnson, CPA, Controller
Christopher Ziarko, CPA, Director of Accounting

Assisted By:
Business Office staff
Marketing & Communications staff
Human Resources staff
Institutional Effectiveness staff

District Office: 3520 30th Avenue, Kenosha, WI 53144

GATEWAY TECHNICAL COLLEGE DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Years Ended June 30, 2018 and 2017

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Introductory Section

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Bryan D. Albrecht, Ed.D.
President and CEO

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Burlington, WI 53105-3623
262.767.5200

ELKHORN CAMPUS
400 County Road H
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HERO (HEALTH AND EMERGENCY RESPONSE OCCUPATIONS) CENTER
380 McCanna Pkwy.
Burlington, WI 53105-3622
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HORIZON CENTER FOR TRANSPORTATION TECHNOLOGY
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SC JOHNSON iMET (iNTEGRATED MANUFACTURING & ENGINEERING TECHNOLOGY) CENTER
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2320 Renaissance Blvd.
Sturtevant, WI 53177-1763
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INSPIRE CENTER
3520 - 30th Avenue
Kenosha, WI 53144-1690
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KENOSHA CAMPUS
3520 - 30th Avenue
Kenosha, WI 53144-1690
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November 2, 2018

To the Citizens and Board of Directors, and College Community of Gateway Technical College District:

The Comprehensive Annual Financial Report (CAFR) of Gateway Technical College District (the District or Gateway) for the fiscal years ended June 30, 2018 and June 30, 2017 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

This report is consistent with legal reporting requirements of the State of Wisconsin, and in our opinion was prepared in conformity with generally accepted accounting principles. In addition to meeting legal reporting requirements, this report is intended to present a comprehensive summary of the significant financial data of the District in a readable format to meet the varying needs of the District's citizens, taxpayers, students, employees, financial institutions, intergovernmental agencies, and the Wisconsin Technical College System (WTCS).

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

Gateway – Environment

Gateway Technical College District is one of 16 technical colleges in the Wisconsin Technical College System, providing quality workforce training and educational instruction which has been meeting the needs of area students, employers and the communities for more than 100 years.

Gateway's longstanding history has enabled it to become the outstanding institution it is today. In 1911, Gateway became the nation's first publicly funded continuation school (Racine Continuation School). In 1971 the district was established when the Kenosha/Walworth County and Racine County districts merged to form our name predecessor – Gateway Technical Institute. Gateway is a fully accredited two-year technical college that provides cutting-edge career education and technical training in Kenosha, Racine, and Walworth counties.

Gateway remains firm in its commitment to provide a quality education to all students to positively impact their lives, and to also impact the communities in which it serves. Gateway consistently strives to seek innovative ways to institute more flexible methods of education delivery, develop community and business partnerships as well as incorporate green career initiatives. Gateway continues to distinguish itself as one of the top technical colleges in the nation.

In short, we make life-changing educational opportunities a reality.

In addition to three full-service campuses in Kenosha, Racine and Elkhorn, Gateway operates a center in Burlington and four advanced technology centers: Lakeview Advanced Technology Center in Pleasant Prairie, the Center for Bioscience and Information Technology in Kenosha, the SC Johnson Integrated Manufacturing and Engineering Technology Center in Sturtevant and the Horizon Center for Transportation Technology in Kenosha. Gateway also owns and operates the public radio station WGTD-FM 91.1 at the Kenosha Campus.

Gateway serves more than 17,000 students, mainly from the counties of Kenosha, Racine and Walworth and remains an educational leader that aggressively ensures it delivers graduates who have learned real-world technical skills that get them hired.

The college is led by a board of trustees, administration, staff, and faculty who are committed to excellence and meeting the communities' needs.

Gateway Technical College Governance

Gateway Technical College is governed by a nine-member Board of Trustees, which is appointed by a committee comprised of the chairpersons of each of the three county boards—Kenosha, Racine, and Walworth. During fiscal year 2017-18, the Board of Trustees, with Administration, developed, approved, and are conducting business according to the following Ends Policies and Mission, Vision, and Values statements.

Board Ends Policy

The tri-county community benefits from affordable higher education that allows residents to develop knowledge and skills for family-supporting careers that contribute to the growth and sustainability of the local economy at a cost commensurate with the value of services provided.

1. Students demonstrate the knowledge and skills and self-confidence required for employability, career advancement, a global perspective, and lifelong learning.
2. Businesses benefit from a well-trained, educated workforce and access to customized business and workforce solutions that support a positive business climate.
3. Taxpayers receive a positive return on investment from Gateway's impact on the local tax base, property values, and overall economic development as well as the contributions of graduates to the tri-county community.
4. Families are strengthened by the prosperity of their graduates, reduced unemployment or underemployment, and the availability of local jobs for family members.
5. Educational partners, locally, nationally, and internationally, connect their students to Gateway's well-developed career pathways courses, facilities, and educational resources.

Mission: We deliver industry-focused education that is flexible, accessible, and affordable for our diverse community.

Vision: We make life-changing educational opportunities a reality.

Values: At Gateway Technical College, we value:

- Diversity of individuals and perspectives
- Positive climate for working and learning
- Innovation and risk-taking
- Honest and ethical behavior
- Quality and excellence in education

Vision and Strategic Direction

The commitment to excellence and innovation is guided by Vision 3.2.1, established under the leadership of Gateway President and CEO, Dr. Bryan D. Albrecht. Vision 3.2.1 is the strategic direction that will guide Gateway Technical College faculty, staff, and administration through 2018.

Five key strategic directions lead Vision 3.2.1:

- Students will experience educational excellence and academic success.
- Gateway will empower students to attain credentials and find employment in their career field.
- Employees will work together in a college culture of innovation and opportunity.
- Gateway will strategically align programs and services with changing industry needs.
- Gateway will be valued as the community's college and a place of opportunity for all.

In the coming year, the Gateway Board and Administration will be working to refine the college's strategic direction as we look to the future and all the opportunities it affords to effect the lives of our students and our community. The new strategic plan will cover the upcoming three fiscal years.

Significant Accomplishments and Recognitions

The U.S. Department of Education named Gateway as a 2018 U.S. Department of Education Green Ribbon Schools Postsecondary Sustainability Awardee. Gateway was nominated by the University of Wisconsin System as the post-secondary institution to represent the state, and was one of only six nationally to receive the designation.

Gateway received the 2018 Military Friendly School award for the seventh straight year. This award is given by Victory Media to the top 15 percent of colleges providing quality services and initiatives to embrace America's military service members, veterans, and their spouses to ensure their success as students.

Gateway Technical College was again named one of the top places to work among large employers in southeastern Wisconsin, according to the Milwaukee Journal-Sentinel's Top 100 Workplaces 2017 list. This is the eighth year of the survey, and Gateway was named among the top in that category for seven of those years, twice in the top 10.

Economic Condition & Development

Wisconsin's economy is running strong. The U.S. Bureau of Labor Statistics' unemployment and employment estimates showed Wisconsin's not-seasonally adjusted June 2018 unemployment rate at 3.4 percent, lower than the national rate of 4.2 percent. For the same time period, the unemployment rate in Kenosha County was 4.0 percent, Racine County 4.1 percent and Walworth County 3.3 percent. Those rates compare to June 2017 numbers of 4.3 percent in Kenosha County, 4.4 percent in Racine County, and 3.5 percent in Walworth County.

The economy of Gateway's three-county district of Walworth, Racine and Kenosha continues to run strong, too, with companies either moving into the district or expanding.

Our area workforce, location, educational opportunities and infrastructure combined with our region's strong manufacturing base attract new companies. Through its ability to provide flexible and solid training, Gateway continues to be recognized as one of the reasons in which companies are drawn to the community and the district strives to quickly build strong partnerships with these new businesses. One such new development, Foxconn, has garnered national notice, and Gateway is a major training partner for this development.

Through its responsiveness to business needs as well as providing well-trained graduates ready to enter the workforce, Gateway Technical College has remained a generator for the area's economic engine. The college continues to make its mark to benefit area companies in expansion growth as well, kickstarting new ways to bolster the economy through programs and education that has been recognized locally, and statewide, as well as nationally.

The improving economy does, however, present challenges to enrollment at Gateway. As the economy improves, enrollments tend to decline as potential students are choosing to enter the workforce rather than spending time and effort toward a degree or skills to gain them a job. Gateway has expanded its course offerings to meet the increasing need from industry in a number of areas, as well as seeking to expand its SC Johnson iMET Center and update its facilities to meet the technologically advanced Industrial Internet of Things training. The college also continues its multi-year, in-depth strategic enrollment plan that seeks to use data to help recruit and retain students as well as help them to reach their educational goals.

In the spring of 2017, the college accepted its first round of Gateway Promise scholarship program applicants. The program focuses on helping those who desire to receive an education in the district do so tuition-free but, also impacts enrollment. In 2018, seven of the original applicants graduated and new enrollment in the promise program remained strong with applicants enrolling in 34 different programs.

Gateway understands that our strength is in our shared goal of commitment to our students, community and staff and will rise to new challenges by developing forward thinking initiatives that will also contribute to their development.

Major Initiatives and Accomplishments

The commitment to excellence and innovation is a guiding force for Gateway Technical College faculty, staff, and administration. Following is a representative list of some of the major initiatives and accomplishments for the 2017-18 fiscal year.

- Gateway continued its work to assist area entrepreneurs through its Business and Workforce Solutions division. The college provided two such efforts through a business competition for entrepreneurs of area businesses who competed for seed grants by making a 4-minute pitch to a panel of judges made up of area business leaders.
- Gateway Technical College honored three area residents who have been selected as this year's Dr. Martin Luther King Humanitarians, individuals recognized for their contributions to society their school, business or profession, as well as their dedication to volunteerism or philanthropic life's work.
- Gateway recognized 947 prospective candidates for graduation from all semesters of the fiscal year during the May commencement ceremony.
- Gateway Technical College Foundation awarded more than $200,000 in scholarships to more than 260 students helping them to fulfill their career and educational goals.

Leadership of a Model College

In fiscal year 2017-18, Gateway demonstrated its leadership in the community and on a national level in a variety of ways to include the following:

- A seminar held by Gateway gave area high school instructors the training to become Snap-on certified technicians, which will help them provide training to their students to successfully enter their chosen career or college program. The session, held at the college's Horizon Center for Transportation Technology in Kenosha, provided nationally certified instruction on the Snap-on MODIS integrated diagnostic system scanner and lab scope.
- Gateway hosted the NC3 national leadership dinner. At that event, several Gateway instructors were honored as NC3 Master Instructors.
- Gateway Technical College students, staff and business partners in its Automotive Technology program were featured in the national video "The Drive to Succeed" released by Working Nation. The short video focuses on the strong partnerships Gateway has forged with Snap-on Incorporated.
- Gateway Technical College president Bryan Albrecht was named the 2017 Distinguished Citizen by the Three Harbors Council of the Boy Scouts of America.
- Gateway's Learning Innovation Division was awarded the DMI Risk Impact Award for its work in the area of risk management with a focus of cyber risk mitigations.
- Gateway participated in the CTE National Signing Day. Gateway had about 212 students from high schools in all three of the districts making up the Gateway District participate by signing a letter of intent to come to Gateway.
- With our industry partners, we are expanding programs and services and aligning postsecondary pathways for thousands of students. This year alone, more than 6,000 high school students completed Gateway Technical College courses for dual credit, saving families more than $2 million in tuition.
- Community involvement is very important to Gateway. Examples include membership in 11 Chambers of Commerce, United Way organizations, NAACP, Hispanic Business Professionals, Higher Expectations, Building Our Future, Boys and Girls Clubs and dozens more.

- Gateway Technical College President and CEO Bryan Albrecht was featured in a STEM101 video talking about the importance of students engaging in science, technology, education and math (STEM) learning and how it impacts their potential careers. The video was a collaboration between the Mr. October Foundation and STEM 101.
- Gateway's dean of the School of Allied Health and Veterinary Services, was re-appointed for another three-year term as the commissioner representing vocational and technical education on the Commission on Accreditation of Allied Health Education Programs.

Service Learning – Serving the Community

Gateway faculty, staff and students understand that we are stronger as a community and nation when we help and support each other. That knowledge was demonstrated through participation in many service learning projects in the 2017-18 fiscal year. Since 2010, Gateway's service learning efforts have added value through experiences, products and projects totaling $1.17 million in fiscal value to the community.

A few of the many examples of Gateway's service learning projects this year include the following:

- Several student clubs and human service class groups sponsored clothing drives for area charities in November and December.
- Three Accounting students volunteered as tax preparers for the United Way of Kenosha County's and Racine County's Volunteer Income Tax Assistance (VITA) program.
- Students enrolled in – and alumni of – Gateway Technical College's Barbering held a cut-a-thon to benefit the college's veteran's club in November at the barbering studio on the Kenosha Campus.
- Gateway Interior Design instructors and students held a "chair-ity" auction of repurposed and designed chairs to benefit the Safe Harbor Human Society.
- Gateway Nursing instructors and students partnered with the Jane Cremer Foundation to provide cervical cancer prevention education. They helped the foundation with their annual event which also included providing blood pressure screenings and suggestions for health care follow up efforts.
- Students in the college's Physical Therapist Assistant program worked with residents of a Kenosha-area senior apartment complex by providing exercises and workout routines that would best benefit the senior residents.
- Starting in October 2017, the Service Learning Center began to organize and monitor a monthly volunteer activity at the Shalom Center in Kenosha.
- Horticulture and Graphic Communications students traveled to France as part of an international service learning program to work with historic craftsmen and arborists working on the historic preservation project at Chateau de Gudanes.

Community Partnerships

Gateway believes that community partnerships serve to strengthen both the quality of education we provide to our students and the value that the college adds to our communities.

Business and community partners provide industry insight which help Gateway tailor programs to meet real-world career needs, become a forum for best practices to better help students succeed and to provide ways for them to continue their education. In addition, partnering with local high schools provides students with dual-credit opportunities and prepares them to be career and college ready.

- Gateway Technical College and WRTP/BIG STEP opened its first Racine location for the nonprofit group, located in the Technical Building. It will provide a way to help unemployed, underserved and under-represented individuals succeed in well-paying careers and responding to industry's workforce needs.
- Gateway and the University of Wisconsin-Milwaukee signed a transfer agreement to help students from Gateway to transfer their credits to UW-Milwaukee's architecture program with junior standing.
- A business plan for a product that specializes in bow ties and services to the community – most notably, an anti-bullying program – won Gateway Technical College's Launch Box Business competition in Fall 2017. The winner received $6,000 to use on his business.
- A business plan for a technology consulting business won Gateway Technical College's Launch Box Business competition in Spring 2018. The winner received $6,000 to use on his business.
- Gateway partnered with the COP House in Racine to provide a free Internet and Computer Core Certification Course for the community and job-seekers.
- The Promega Corporation donated $50,000 to the Gateway Technical College Foundation as an endowed gift to support Gateway youth camps focusing on careers in the health care field.
- The collaboration between Gateway and Upper Iowa University for its transfer agreement was honored at an event in fall 2017 at Upper Iowa's West Allis, Wis. campus.
- The Gateway-supported radio station WGTD co-hosted with Kenosha Community Media a forum for Kenosha City Council and County Board candidates. The event was streamed live on Facebook.

Green Initiatives

Gateway strives to be sustainable and "green" in its practices where practical, and has received local and national accolades for its leadership in this area. Its students engage in these practices, in the communities served by the college, through hands-on projects, while the college offers demonstrations and other opportunities for the public to learn how to live "greener." The college itself tries to operate sustainably and infuse these practices into program curriculum. Activities and accomplishments for the 2018 fiscal year include the following:

- The U.S. Department of Education named Gateway as a 2018 U.S. Department of Education Green Ribbon Schools Postsecondary Sustainability Awardee. Gateway was nominated by the University of Wisconsin System as the post-secondary institution to represent the state, and was one of only six nationally to receive the designation.
- Gateway held its first horticulture and urban forestry career fair to connect area employers with prospective workers to fill internship, full-time, part-time and seasonal positions for careers in horticulture, arboriculture, urban forestry and supporting fields.
- Gateway continued to hold its EcoFest Racine on the Racine campus, an annual community celebration designed to share information and encourage participation in activities that help us live our lives in a more environmentally friendly way. The event, held

in March, provided opportunities for attendees to learn about subjects including: healthy and gluten-free eating; ways to conserve energy in the home; the importance of bees and butterflies and how to create “nature corridors” for them; and much more.

- Gateway hosted the 5th annual High School Environmental Summit on the Racine Campus, with about 80 students from throughout the college’s three-county district in attendance. The theme was zero waste and some students participated in a zero waste challenge prior to the event and then shared their experience with the group.
- Gateway once again held its annual Celebrate Earth Day on its Kenosha and Elkhorn campuses, featuring fun and hands-on activities for those of all ages to learn how to be stewards of the environment. The event, held in April, features many earth-friendly activities, informational booths, workshops and children’s crafts across the campus, which has drawn thousands to the event.
- Gateway held several workshops for the public in its Center for Sustainable Living focused on green and sustainable living. Examples include workshops on birds, gardens, green cleaning products and bees.
- Lisa Orgler, senior lecturer, Horticulture Department of Iowa State University, keynoted Gateway Technical College’s 26th Annual WinterGreen conference, an event featuring experts offering advice and insight into the trends of the horticulture industry today.

Facilities

Quality facilities and equipment help to provide the Gateway Experience in which students and the community engage. Fiscal year 2017-18 projects added resources and training opportunities to help students in their academic and career endeavors.

- The college secured funding to a new barbering studio facility in Burlington to help meet the growing need for barbers and cosmetologists in the Burlington area of its district. The facility is a former salon and will provide a realistic training setting for students to learn the skills for a new career – by also providing haircuts at that site, as well.
- Gateway’s Inspire Center was featured as part of the national Healthcare Simulation Week in September 2017. The advanced technology of the center provides a cutting-edge training environment for Nursing students to train to successfully enter their career.
- Gateway announced it would be part of a training and facility package to help train workers for area employers, which include Foxconn. Gateway will receive funding to expand its SC Johnson iMET Center.
- Gateway broke ground on its emergency vehicle operator course (EVOC), which will provide a training center for the college’s law enforcement academy as well as area law enforcement and emergency service professionals.

Student Success

Gateway provides students the opportunity to succeed in their future careers through innovative programs and state-of-the art instruction, and by continually improving its ancillary services and encouraging participation in activities outside the classroom that will enhance the student’s education and career goals. Gateway is committed to being a catalyst to student success

- Four Gateway Collegiate DECA team members took first-place honors at the 56th Wisconsin Collegiate DECA annual Spring Competitive Events. In all, nine Gateway students took top three honors in 12 different categories at the state event.
- One of Gateway's students and Collegiate DECA team members was selected as the 2018-19 International Collegiate DECA president at the international career development conference in Washington D.C.
- The Lakeview Advanced Technology Center team of Sacred Sombreros captured the top position at Gateway Technical College's annual SumoBot competition. The event provides a way for students explore engineering design from start to finish while having fun. The center is a partnership between Gateway and the Kenosha Unified School District.
- Three Gateway students, one from each of the college's main campuses, were recognized during the Veterans Honor Event held at the Kenosha Campus as being veterans of the year. They were nominated because of their academic excellence, service to community and leadership qualities
- Four construction and industrial trades apprentices at Gateway Technical College received Tools of the Trade $1,500 Apprentice Scholarships from Great Lakes Higher Education Corporation & Affiliates. Across the state, 200 apprentices received $1,500 scholarships in Spring 2017.
- Gateway Technical College had 36 apprenticeship completers at the 2017-18 apprentice class commemoration held at the SC Johnson iMET Center.

Technology Initiatives

Gateway's information technology team continues to research alternative technologies in support of learning objectives. As a technical college, Gateway realizes the importance of offering skills training through the most up-to-date technology, as well as providing technology to its staff to better meet the needs of students, the community, and business partners. Some of the advancements in technology initiatives in fiscal year 2017-18 are as follows:

- Implemented Phase 2 for digital signage throughout the district.
- Members of Gateway's network and infrastructure teams installed new network switches in the SC Johnson iMET Center.
- Gateway introduced two new programs which will train students in the most advanced forms of "smart" manufacturing and Industry 4.0 principles.
- Gateway was featured in a national trade magazine for its innovative use of Epson BrightLink interactive projector systems.
- The Infrastructure Team evaluated Foxconn products for use in classrooms and meeting rooms, to help the college understand how Sharp and Smart Board interactive displays might be integrated with current room controls and instructional technologies. The first use of these Foxconn technologies is targeted for the classrooms in the newly remodeled area of the Racine Building on the Racine Campus.
- The college's long distance technology training initiative that links classrooms and teaching across its three-county district served 600 students, about 100 more than last year.
- A total of 15 classes ran during the summer through Life-size video-conference technologies.

Special Funding/Grants

Several grants and special funding received by Gateway this year include the following:

- A Wisconsin Economic Development Corporation (WEDC) $80,000 grant to support the college's Launch Box Growth Accelerator Program allowed Gateway to conduct an intensive, 10-week Launch Box classes with five teams in Spring 2018.
- Gateway provided training to area companies totaling $322,383 and will train 393 workers as part of Workforce Advancement Training Grant initiatives. The grants will support a company's efforts for continuous improvement, increasing efficiency and productivity.
  The Trio Achiever's Group program announced that its students earned more than $17,000 in scholarships this year. This is a combination of the TAG Grant Aid Scholarship and 15 different Gateway Foundation scholarships

New Programs/Academic Initiatives

Gateway strives to be flexible in its course and service delivery to help students achieve their goals. The 2017-18 year certainly exemplified flexibility with the addition of new offerings as well as the continued positive impact of established programs.

- The finishing touches and approvals were put on three different programs in 2017-18 by Gateway, allowing the college to begin enrolling students in spring and summer for the Fall 2018 semester. All three of the programs were created in response to industry need for workers with solid technical and Smart technology skills. They include:
  - Motorcycle, Marine and Outdoor Power Products technical diploma. Service technicians in this field perform preventative maintenance and basic repairs for equipment such as motorcycles, ATVs, dirt bikes, boats, jet skis
  - Supply Chain Management associate degree.
  - Advanced Manufacturing Technology associate degree, providing skills for graduates to enter into a high-tech manufacturing career, including knowledge of IIoT.
- Gateway in summer 2018 held an intense, four-month session to train workers for the hotel and hospitality career field. There is a need for workers in this career field, and the new program provided a way for workers to obtain a certificate that could be applied toward a Gateway degree – but also obtain training for the career field.
- More than 2,100 area middle-schoolers visited Gateway Technical College as part of its Middle School Expo in April and May, a time when students can explore the college and gain some inspiration to their future career and education

Management Systems and Controls

Gateway's administration is responsible for establishing and maintaining an internal control structure designed to provide reasonable, but not absolute, assurance that the assets of Gateway are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management.

We believe Gateway’s internal accounting controls, policies, and procedures adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. As demonstrated by the statements and schedules included in the Financial Section of the report, Gateway continues to meet its responsibility for sound financial management.

Single Audit

As a recipient of federal, state, and county financial assistance, Gateway also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management. As a part of Gateway’s single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that Gateway has complied with applicable laws and regulations. The auditors’ reports related specifically to the single audit are included in a separate document, titled “Single Audit Report”.

Budgeting Controls

Budgeting is done in accordance with Chapter 65 of Wisconsin Statues, Wisconsin Technical College System administrative rules and local District policy. Gateway maintains budgetary controls which are designed to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the District Board. Activities of the general fund, special revenue fund, debt service fund, capital projects funds, enterprise funds, and trust and agency funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function within an individual fund. Gateway also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts are reported for statutory budget compliance purposes and adjusted for GAAP reporting purposes.

Gateway’s site-based management model requires each department to be responsible for the development and management of its budget. Starting in December and ending in May, the departments prepare, present and modify budget plans for the coming year. The budget is consolidated and reviewed by the Business Office and the Executive Leadership Council. In May, the District Board of Trustees reviews the preliminary budget and refers it to public hearing. Following the hearing, the Board considers the public input when adopting the budget at the May board meeting. Revenue and expenditure forecasts, as well as actual results versus budget, are presented to the District Board monthly and on a quarterly basis. If modifications or changes of the approved budget are required, then approval by a two-thirds vote of the District Board is needed.

Other Information

Independent Audit

State statutes require an annual audit by independent auditors. The accounting firm of Schenck SC was selected by the District. The Independent Auditors' Report on the basic financial statements is included in the Financial Section of this report.

Certificates

Gateway has been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association (GFOA) for Gateway's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017. In order to be awarded such certificates, a college unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards, principles, and applicable legal requirements. The Certificate is valid for a period of one year only. We believe our current report continues to conform to the program's requirements and we will be submitting this report to GFOA for their review.

Acknowledgment

The preparation of this report was accomplished by the Finance Department with the cooperative efforts of the Marketing and Communications department, Human Resources, Institutional Effectiveness, and with the professional services of Schenck SC. We convey our appreciation to the Gateway Board of Trustees for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.

Respectfully submitted,

Bryan D. Albrecht, Ed.D.
President & Chief Executive Officer

William Whyte
Sr. Vice President of Operations

GATEWAY TECHNICAL COLLEGE

DISTRICT BOARD AND PRINCIPAL OFFICIALS
As of June 30, 2018

District Board

Chairperson	William Duncan	Additional Member
Vice Chairperson	Bethany Ormseth	Employer Member
Secretary	Kimberly Payne	Employee Member
Treasurer	Ronald J. Frederick	Elected Official
Member	Ram Bhatia	Additional Member
Member	R. Scott Pierce	School District Member
Member	Roger Zacharias	Employee Member
Member	Pamela Zenner-Richards	Additional Member
Member	Gary Olsen	Employer Member

Principal Officials

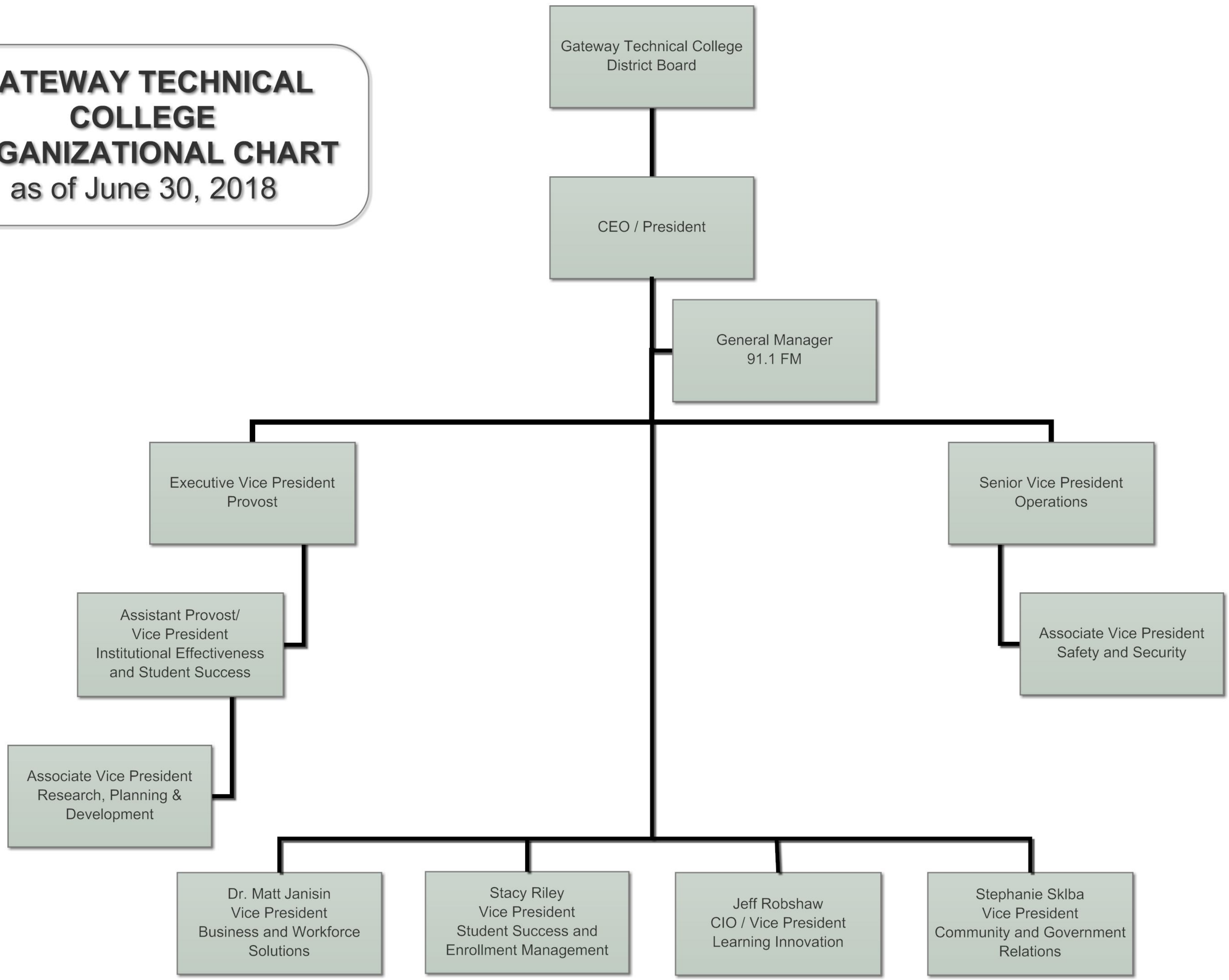
President / Chief Executive Officer	Bryan D. Albrecht, Ed.D.
Executive Vice President / Provost for Academic & Campus Affairs	Zina R. Haywood
Associate Provost/Vice President Institutional Effectiveness & Student Success	John Thibodeau, Ph.D.
Vice President Community and Government Relations	Stephanie L. Sklba
Senior Vice President of Operations	William R. Whyte
Vice President Learning Innovation / Chief Information Officer	Jeffrey D. Robshaw
Vice President Business & Workforce Solutions	Matthew Janisin
Vice President Student Services and Enrollment Management	Stacy Riley

Gateway Technical College District Board of Trustees

The Gateway Technical College District is governed by a nine-member board of trustees representing the communities served by the three-county district, which is comprised of two employer members, two employee members, one elected official, one school district administrator, and three additional members. Members are appointed by the chairpersons of the Kenosha, Racine, and Walworth County Boards of Supervisors, and serve staggered three-year terms.

The Gateway Board monthly meetings are open to the public. Information on their meetings can be found at www.gtc.edu/board.

GATEWAY TECHNICAL COLLEGE ORGANIZATIONAL CHART
as of June 30, 2018



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Gateway Technical College

Wisconsin

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

Financial Section

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Independent auditors' report

To the District Board
Gateway Technical College District
Kenosha, Wisconsin

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Gateway Technical College District, Kenosha, Wisconsin (the "District") as of and for the years ended June 30, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Gateway Technical College Foundation, Inc., a discretely presented component unit of the District, were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

OPINION

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of June 30, 2018 and 2017, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

CHANGE IN ACCOUNTING PRINCIPLE

As discussed in Note 7 to the financial statements, the District adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 19 through 31 and the schedules relating to pensions and other postemployment benefits on pages 87 through 91 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The financial information listed in the table of contents as supplementary information and the other information, such as the introductory and statistical section, are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance about them.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Schenck SC

Certified Public Accountants
Sheboygan, Wisconsin

November 2, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

Gateway Technical College District (the District or Gateway) Management's Discussion and Analysis (MD&A) provides an overview of its financial activity, identifies changes in financial position and assists the reader of these financial statements in focusing on significant financial observations and issues for the fiscal year ended June 30, 2018.

Gateway is a public institution of higher education whose mission is to provide education, training and economic development services to the Southeast Wisconsin region. To accomplish this mission, it is critical for Gateway to maintain its financial health. In order to achieve financial stability, it is necessary for Gateway to accumulate net assets to ensure that reserves are sufficient to implement new programs and expand existing programs as the need arises.

Management's discussion and analysis provides summary financial information to assist the reader in understanding and interpreting the financial statements.

This Comprehensive Annual Financial Report consists of a series of financial statements which have been prepared in accordance with generally accepted accounting principles as defined in Governmental Accounting Standards Board Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments,* and Statement 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. These financial statements focus on the financial condition of the college, the changes in its financial position, and the cash flows of the college as a whole. These statements include the capitalization and depreciation of capital assets and the recognition of the liability resulting from issuing general obligation promissory notes to pay for those capitalized assets and to finance other obligations.

Statements of Net Position

The Statement of Net Position includes all assets, deferred outflows/inflows of resources, and liabilities. This statement is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided, and expenses and liabilities are recognized when others provide the service to us – regardless of when cash is exchanged.

Below are highlights of the components of the Statement of Net Position.

Stated in Thousands ($000)

	2018	2017	Incr (Decr) 2018-2017	2016	Incr (Decr) 2017-2016
Assets					
Cash and other current assets	$ 51,946	$ 51,848	$ 98	$ 50,496	$ 1,352
Capital assets, net of accumulated depreciation	94,739	81,753	12,986	76,804	4,949
Total Assets	146,685	133,601	13,084	127,300	6,301
Deferred Outflows					
Deferred outflows related to pension and OPEB	17,957	18,780	(823)	27,992	(9,212)
Liabilities					
Current	18,803	16,567	2,236	17,268	(701)
Non-Current	78,827	59,602	19,225	57,783	1,819
Total Liabilities	97,630	76,169	21,461	75,051	1,118
Deferred Inflows					
Deferred inflows related to pension	18,671	8,436	10,235	11,260	(2,824)
Net Position					
Net investment in capital assets	38,096	33,578	4,518	29,405	4,173
Restricted	1,423	1,748	(325)	1,871	(123)
Unrestricted	8,822	32,450	(23,628)	37,705	(5,255)
Total Net Position	$ 48,341	$ 67,776	$ (19,435)	$ 68,981	$ (1,205)

Total assets increased $13.1 million or 9.8% in FY 2018 and increased $6.3 million or 5.0% in FY 2017. Total liabilities increased by $21.5 million or 28.2% in FY 2018 as compared to an increase of $1.1 million or 1.5% in FY 2017. Overall, the total net position decreased by $19.4 million or 28.7% in FY 2018 while FY 2017 experienced a $1.2 million or 1.2% decrease for the fiscal year.

Fiscal Year 2018 Compared to Fiscal Year 2017

- In FY 2018 cash and cash equivalents experienced an increase of .2 million or .5% as compared to $3.3 million or a 9.1% increase in FY 2017. Cash received from tuition and fees was relatively flat because enrollment was relatively flat for FY18 as compared to FY 17.

- Non-Current assets increased by 13.0 million due to an increase in Capital assets, net of accumulated depreciation of $3.5 million or 4.3% and the recording of a pension asset in FY18 of $9.5 million, a change from a pension liability in FY17.

- Other assets decreased by $.1 million or .8% due mainly to a decrease in prepaid expenses and federal and state aid receivables at year end.

- Deferred outflows, which includes the District's Wisconsin Retirement System and OPEB liability, decreased $.8 million in FY 2018 as compared to a decrease of $9.2 million in FY 2017. The decrease is due mainly to the change in deferred outflows related to the District's pension asset in FY 2018. In addition, the District implemented GASB Statement No. 75 during FY 2018. (Additional information can be found in footnote #'s 6 and 7 in the notes to the financial statements).

- Overall current liabilities increased 13.5% in FY 2018 compared to an increase of 4.1% in FY 2017. The increase in FY 2018 is due mainly to an increase general obligation debt payable at year end as well as in increase in accounts payable at year end.

- Deferred inflows related to the Wisconsin Retirement system allocation of pension liability increased by $10.2 million or 121.3% in FY 2018 (Additional information can be found in footnote 6 in the notes to the financial statements).

- Long-term liabilities increased 32.3% or $19.2 million in FY 2018 as compared to an increase of 3.1% or $1.8 million in FY 2017. The increase is due mainly to the implementation of GASB 75 in 2018. General obligation debt increased by approximately $1.3 million or 2.5% in FY 2018. The net pension liability recorded in FY 2017 is now a pension asset in FY 2018. (Additional information can be found in footnote #'s 6 and 7 in the notes to the financial statements)

Fiscal Year 2017 Compared to Fiscal Year 2016

- In FY 2017 cash and cash equivalents experienced an increase of 3.3 million or 9.1% as compared to $3.0 million or a 9.3% increase in FY 2016. Cash received from tuition and fees decreased by 6.0% or $.7 million due to decreased enrollment and federal and state grant receipts decreased by ($5.7 million) or 17.4% due to less aid received also because of decreased enrollment.

- Other current assets decreased by $1.9 million or 13.1% due mainly to a decrease in federal and state aid receivables at year end.

- Capital assets, net of accumulated depreciation, increased by $4.9 million or 6.4**%.** Besides net capital equipment and net intangible asset additions of approximately $1.6 million, there were various remodeling/constructions projects at all campuses.

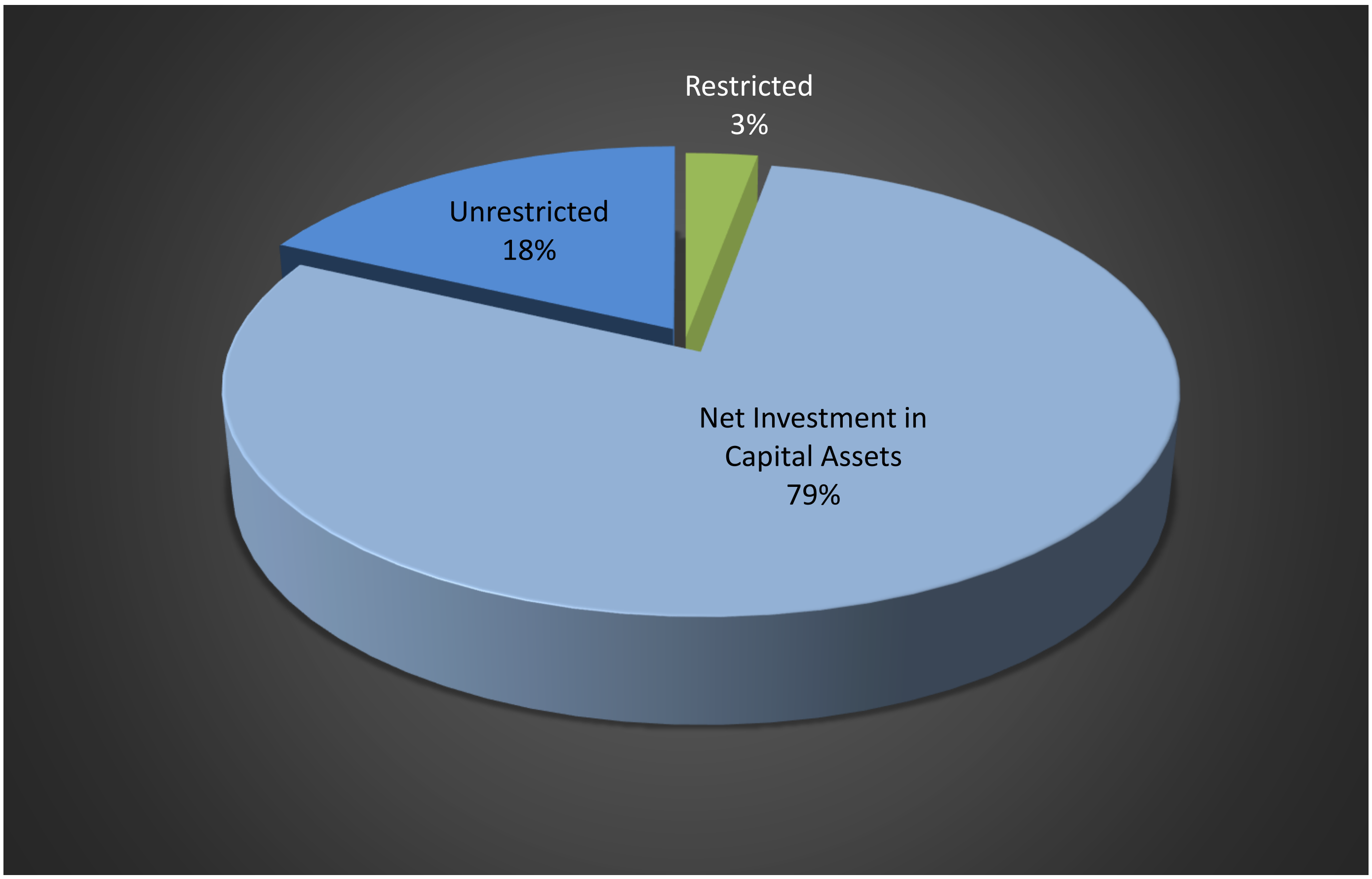
- Deferred outflows relate to the Wisconsin Retirement System and decreased $9.2 million in FY 2017 as compared to an increase of $21.3 million in FY 2016. The District implemented GASB Statement Nos. 68 and 71 during FY 2015. (Additional information can be found in footnote # 6 in the notes to the financial statements).

- Overall current liabilities decreased 4.1% in FY 2017 compared to an increase of 7.3% in FY 2016. The decrease in FY 2017 is due mainly to a decrease in accounts payable at year end.

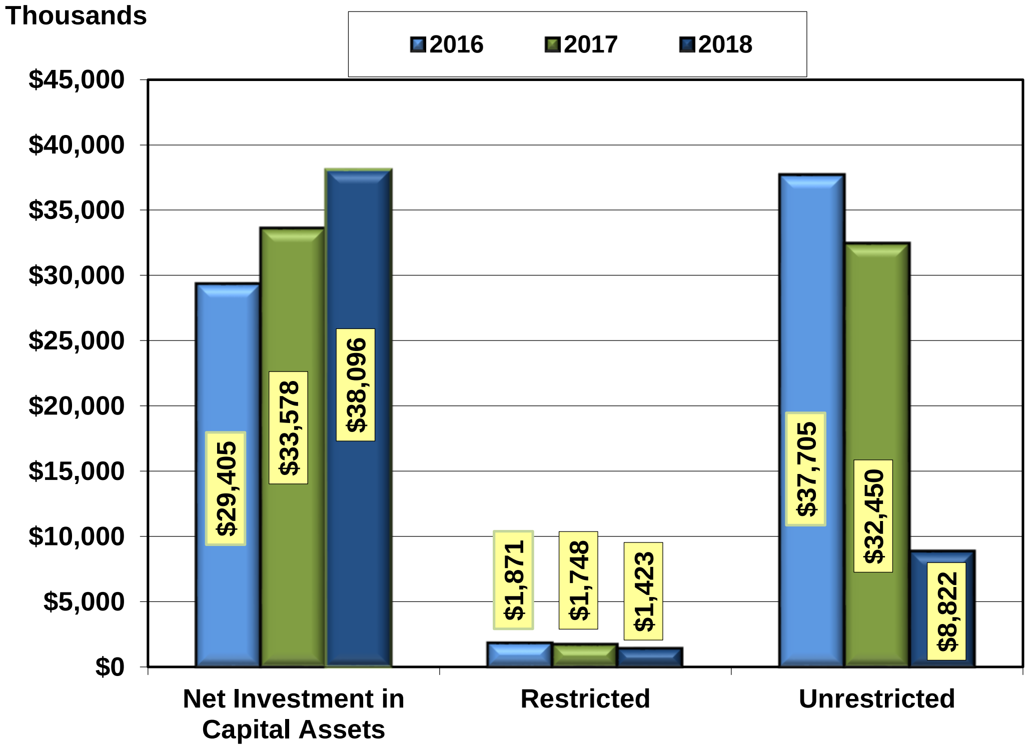
- Deferred inflows related to the Wisconsin Retirement system allocation of pension liability decreased by $2.8 million in 2017 (Additional information can be found in footnote # 6 in the notes to the financial statements).

- Long-term liabilities increased 3.1% or $1.8 million as compared to FY 2016 increase of 16.6% or $8.2 million. General obligation debt increased by approximately $4.5 million or 9.3% in FY 2017, while the net pension liability decreased by $2.6 million or 49.8%. (Additional information can be found in footnote # 6 in the notes to the financial statements)

Net Position
June 30, 2018



Comparative Net Position
Fiscal Years 2016, 2017 and 2018



Statements of Revenues, Expenses and Changes in Net Position

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

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

Stated in Thousands ($000)

	2018	2017	Incr (Decr) 2018-2017	2016	Incr (Decr) 2017-2016
Operating Revenues					
Student fees	$ 10,689	$ 10,237	$ 452	$ 10,893	$ (656)
Federal & state grants	28,628	27,015	1,613	32,704	(5,689)
Local Grants	92	75	17	100	(25)
Contract revenues	4,500	3,204	1,296	3,169	35
Auxiliary & miscellaneous revenues	1,560	1,667	(107)	1,615	52
Total Operating Revenues	45,469	42,198	3,271	48,481	(6,283)
Operating Expenses					
Instruction	58,961	55,694	3,267	57,309	(1,615)
Instructional resources	1,290	1,286	4	1,291	(5)
Student services	15,027	15,134	(107)	14,134	1,000
General institutional	11,174	9,893	1,281	9,925	(32)
Physical plant	8,078	8,208	(130)	7,737	471
Student aid	17,298	14,857	2,441	19,037	(4,180)
Public services	345	346	(1)	334	12
Auxiliary services	463	423	40	483	(60)
Depreciation	8,175	7,366	809	6,803	563
Total Operating Expenses	120,811	113,207	7,604	117,053	(3,846)
Non-operating Revenues (Expenses)					
Property taxes	33,180	31,938	1,242	30,423	1,515
State appropriations	38,669	39,351	(682)	38,923	428
Loss on disposal of capital assets	(24)	(27)	3	(116)	89
Investment income	198	92	106	61	31
Interest expense & debt issuance costs	(1,609)	(1,640)	31	(1,570)	(70)
Total Non-operating Revenues (Expenses)	70,414	69,714	700	67,721	1,993
Capital Contributions					
Federal & state capital grants	107	90	17	472	(382)
Other capital grants/donations	423	-	423	252	(252)
Total Capital Contributions	530	90	440	724	(634)
Net increase (decrease) in net position	(4,398)	(1,205)	(3,193)	(127)	(1,078)
Net Position - beginning of year, as originally reported	67,776	68,981		69,108	
Cumulative Effect of Change in Accounting Principle	(15,037)	-		-	
Net Position - beginning of year, restated	52,739	68,981		69,108	
Net Position - end of year	$ 48,341	$ 67,776		$ 68,981	

<u>Operating Revenues</u> include the charges for services offered by the District and other federal and state operating grants. During FY 2018 the District generated $45.5 million of operating revenue which is a 7.8% increase or $3.3 million over FY 2017. Significant changes for the fiscal years are as follows:

<u>Fiscal Year 2018 Compared to Fiscal Year 2017</u>

- Federal grants increased by 8.5% or $2.0 million in FY 2018 compared to a decrease of 16.9% or ($4.8 million) in FY 2017. The increase is due to increased federal loans and Pell grants received in FY 2018 versus FY 2017.

- Contract revenues increased 40.5% or $1.3 million in 2018 versus 2017 due to an increase in high school outreach.

<u>Fiscal Year 2017 Compared to Fiscal Year 2016</u>

- Student tuition and fees revenue decreased by $.6 million or 6.0% primarily because less scholarship allowances were received in FY 2017 which reduce the net tuition and program fee revenue reflected. In addition, FTE's were down to 4,537 in FY 2017 as compared to 4,784 in FY 2016. This is the sixth consecutive year the college has experienced a decrease in FTE after the significant increases seen in fiscal years 2009 through 2011.

- Federal grants decreased by 16.9% or ($4.8 million) in FY 2017 compared to a decrease of 13.7% or ($4.5 million) in FY 2016. The decrease is due to the reduction of federal loans and Pell grants received in FY 2017 versus FY 2016.

- State grants decreased by 20.6% or .9 million due to a decrease of funds received for special revenue project grants.

<u>Operating Expenses</u> are costs incurred for providing education, training and related services. Overall operating expenses increased 6.7% or $7.6 million in FY 2018 as compared to a decrease of 3.3% or ($3.8) million in FY 2017. Changes within operating expenses for the fiscal years are as follows:

<u>Fiscal Year 2018 Compared to Fiscal Year 2017</u>

- Student aid expenses increased $2.4 million or 16.4%. The increase is due to a slight increase in FTE's in 2018 and more students applied for loans and Pell grants.

- Pension expense increased by $1.3 million in FY 2018, up from an increase of .4 million in FY 2017.

- Operating expenses were increased by $3.2 million due to the recording of the total OPEB liability with the implementation of GASB 75 (Additional information can be found in footnote # 7 in the notes to the financial statements)

Fiscal Year 2017 Compared to Fiscal Year 2016

- Student aid expenses dropped ($4.2 million) or 21.9%. The significant reduction is due to a combination of factors; student FTE dropped by 5.1% and as a result less students' applied for loans and Pell grants.

- Pension expense increased by $.4 million in FY 2017, down from a 3.3 million increase in FY 2016.

- General institutional expense increased by $.9 million due mainly to an increase in administrative and technical employee salary expenses.

Non-Operating Revenues represent funds that are obtained to support operations, but are not directly related to operating activity. Wisconsin legislation subsidizes the operating expenses of the sixteen technical colleges by authorizing an allocation of state revenue and giving the colleges the authority to levy property taxes in the municipalities they serve. Overall, non-operating revenues, net of interest expense, increased by $.7 million or 1.0% in FY 2018 compared to a $2.0 million increase or 2.9% in FY 2017. The significant components of the fiscal years are as follows:

- Property taxes are a primary source of revenue for the District comprising 28.2% of our revenue source in FY 2018. Overall property tax revenues for the year were $33.2 million, an increase of $1.2 million or 3.9% more than recognized in FY 2017.

  The 2013 Wisconsin Act 20, among other things, eliminated the mill rate limitation that had been in place for technical districts in previous fiscal years and in its place introduced a tax levy limitation (the "Tax Levy Limit"). 2013 Wisconsin Act 145 signed into law March 24, 2014 replaces the tax levy limit with a revenue limit beginning in fiscal 2015. Act 145 also shifts a portion of funding for technical college districts in the state from property taxes levied to a state aid payment. This shift in revenues has been in place for the past three fiscal years. In FY 2018 there was an increase in the District's tax levy to $33.2 million, up from $31.9 million in FY 2017. State appropriations decreased $.7 million or 1.7% compared to a $.4 million or 1.1 increase in FY 2017. The amount of state aids received is based on a complicated formula that takes into consideration activities of the other fifteen technical colleges in Wisconsin, including actual expenses, student FTE's, and equalized property valuations of each district.

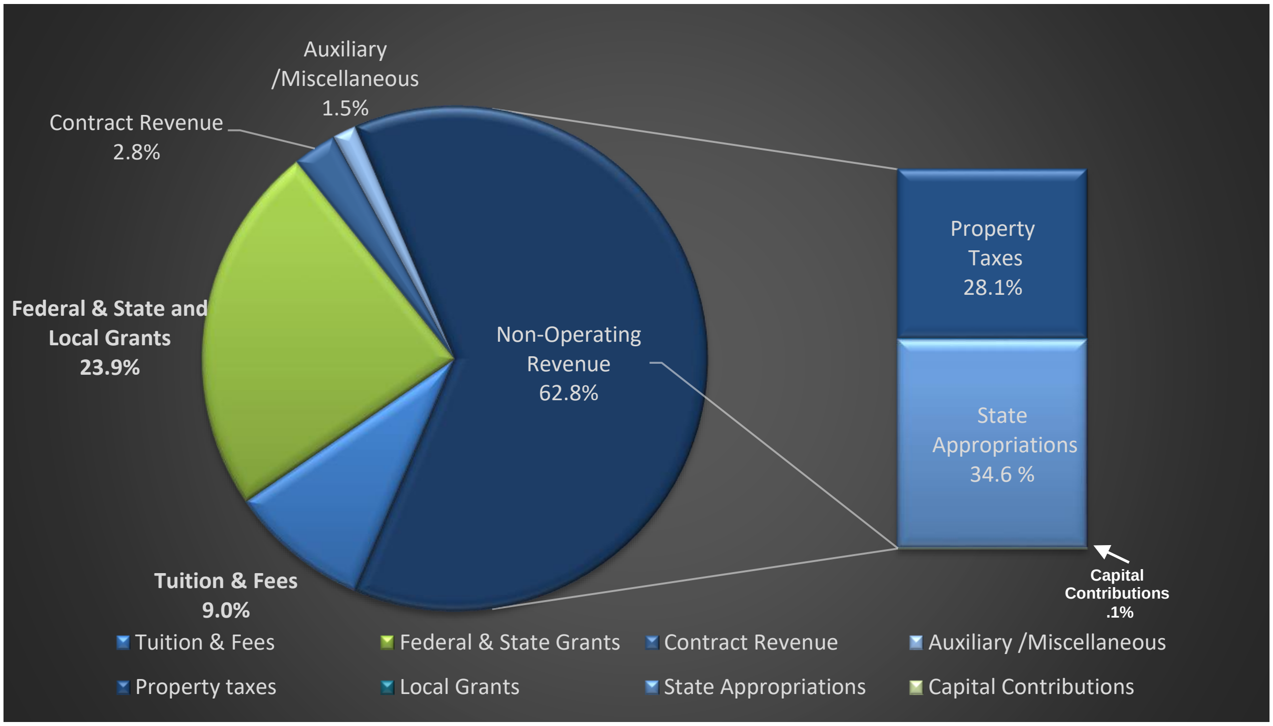
Non-Operating Expenses consist of interest expense and debt issuance costs on long-term debt. Debt issuance costs are recognized as an expense in the year they are incurred. FY 2017 reflected an increase of approximately $70,600 or 4.5% for the expense, while FY 2018 reflects a decrease of approximately $30,800 or 1.9%. As deferred bond premium is recognized, it is used to reduce debt issuance expenses.

Capital Contribution Revenue is revenue due to donations of cash or capital equipment and grant funds to be used exclusively for the purchase of capital assets. Overall contribution revenues increased by 486.7% in FY 2018 as compared to an decrease of 87.5% in FY 2017. This increase was due to an increase in receipt of contributions, donations in FY 2018.

The following graphs represent the distribution of revenues and operating expenses for the fiscal year ended June 30, 2018.

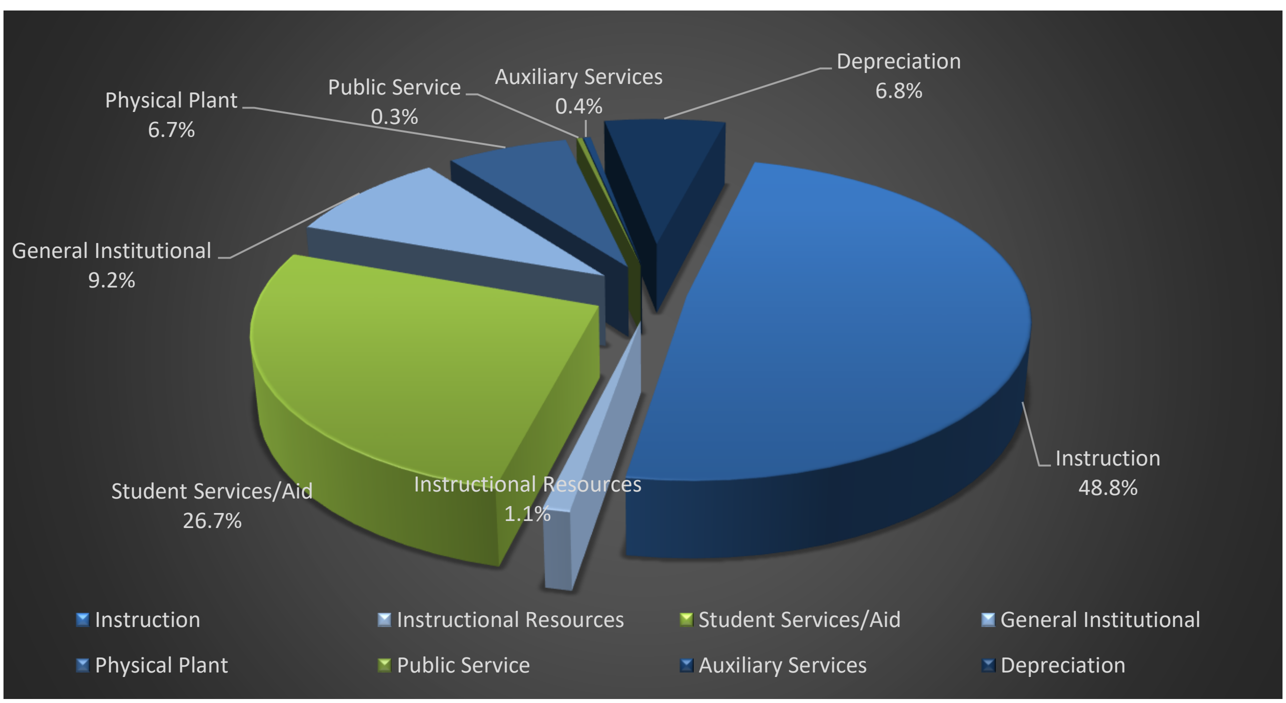
Revenues

June 30, 2018



Operating Expenses

June 30, 2018



Statements of Cash Flows

The Statement of Cash Flows presents information related to cash inflows and outflows, summarized by operating, non-capital financing, capital financing, and investing activities. This statement is important in evaluating Gateway's ability to meet financial obligations as they mature.

The following schedule highlights the major components of the Statement of Cash Flows.

Stated in Thousands ($000)

	2018	2017	Incr (Decr) 2018-2017	2016	Incr (Decr) 2017-2016
Cash Used By Operating Activities	$ (61,868)	$ (59,308)	$ (2,560)	$ (59,263)	$ (45)
Cash Provided By Non-Capital Financing Activities	71,965	71,294	671	68,913	2,381
Cash Used By Capital and Related Financing Activities	(10,100)	(8,808)	(1,292)	(6,660)	(2,148)
Cash Provided By Investing Activities	198	92	106	61	31
Net Increase in Cash and Cash Equivalents	$ 195	$ 3,270	$ (3,075)	$ 3,051	$ 219

Fiscal Year 2018 Compared to Fiscal Year 2017

The cash and cash equivalents balance increased from $39.2 million in FY 2017 to $39.4 million in FY 2018. Overall, in FY 2017, cash and cash equivalents increased by $.2 million or .5% as compared to the FY 2017 increase of $3.2 million or 9.1%.

The District's cash usage increased in FY 2018 as compared to FY 2017. $2.6 million or 4.3% additional cash was used for operating activities in FY 2018 compared to $45,000 or .1% in FY 2017.

Overall cash provided by non-capital financing activities increased by $.7 million or .9%. Local government property taxes received increased by $1.3 million or 4.3% while state appropriations received decreased by $.7 million or 1.8%.

Overall net cash used for capital and related financing activities increased by 14.7% or $1.3 million in FY 2018 as compared to an increase of 32.3% or $2.1 million in FY 2017. Principal paid on capital debt increased by $1.3 million or 13.7% in FY 2018 as compared to an increase of $.4 million or 4.2% in FY 2017. Please see footnote #5 for further details.

Cash provided by investing activities increased by $106,069 or 114.9% as the rate of return on investments continued to see increases in FY 2018.

Fiscal Year 2017 Compared to Fiscal Year 2016

The cash and cash equivalents balance increased from $35.9 million in FY 2016 to $39.2 million in FY 2017. Overall, in FY 2017, cash and cash equivalents increased by 3.3 million or 9.1% as compared to the FY 2016 increase of $3.1 million or 9.3%.

The District's cash usage was relatively flat in FY 2017 as compared to FY 2016. Only $45,000 or .8% additional cash was used for operating activities in FY 2017 compared to $1.7 million or 2.9% in FY 2016.

Overall cash provided by non-capital financing activities increased by $2.4 million or 3.5%. Local government property taxes received increased by $1.9 million or 6.2% while state appropriations received increased by $.5 million or 1.3%.

Overall net cash used for capital and related financing activities increased by 32.3% or $2.1 million in FY 2017 as compared to a decrease of 35.7% or $3.7 million in FY 2016. Purchases of capital assets and funds spent on construction/remodeling increased by $3.4 million or 35.7% compared to $5.3 million or 36.9% decrease in FY 2016. Additionally, the District issued $2.0 million or 16.7% more debt for capital projects compared to a $1.0 million decrease or .8% from FY 2016. Please see footnote #5 for further details.

Cash provided by investing activities increased by $31,500 or 52.0% as the rate of return on investments began to see an increase in FY 2017.

Capital Asset and Debt Administration

Stated in Thousands ($000)

	2018	2017	Incr (Decr) 2018-2017	2016	Incr (Decr) 2017-2016
Land and Land Improvements	$ 9,590	$ 9,149	$ 441	$ 8,748	$ 401
Less Accumulated Depreciation	(3,365)	(2,953)	(412)	(2,571)	(382)
Buildings, Improvements and Leasehold Interest/Improvement	110,812	103,755	7,057	95,769	7,986
Less Accumulated Depreciation	(50,495)	(45,940)	(4,555)	(41,913)	(4,027)
Intangible Assets	2,344	2,052	292	2,036	16
Less Accumulated Depreciation	(1,883)	(1,657)	(226)	(1,341)	(316)
Equipment	41,363	38,246	3,117	34,229	4,017
Less Accumulated Depreciation	(25,280)	(22,345)	(2,935)	(20,148)	(2,197)
Construction in Progress	2,178	1,446	732	1,995	(549)
Cost of Capital Assets Net of Accumulated Depreciation	$ 85,264	$ 81,753	$ 3,511	$ 76,804	$ 4,949
Capital asset related debt outstanding at Year End	$ 47,167	$ 48,175	$ (1,008)	$ 47,399	$ 776

Fiscal Year 2018 Compared to Fiscal Year 2017

Overall capital assets, net of accumulated depreciation, increased by $3.5 million from FY 2017 to FY 2018. The largest increase was in building improvements net of accumulated depreciation of $2.5 million. Remodeling improvements were completed at each campus; however, the major additions in 2018 were at the Kenosha Campus which included a $1.5 million remodel of the Inspire Center for the new Human Patient Simulator & Skills Lab area. In addition, a $1.1 million remodel of the Lake Building second floor was completed on the Racine campus and a $1.2 million renovation of the Engineering classrooms was completed on the Eklhorn campus. Additional information about Gateway's capital assets may be found in footnote #4 in the financial statements.

The District had general obligation debt, relating to capital assets, outstanding of $47.2 million at June 30, 2018, a decrease of $1.0 million, as compared to $48.2 million at June 30, 2017. The District maintained the highest rating of Aaa from Moody's Investors Services for the debt issues. Gateway meets all of its debt service requirements, including timely repayment of all debt payments. Current debt issued for buildings and improvements is repaid in 10 years or less, debt issued for equipment will be repaid in 5 years or less to correspond to the useful lives of the capital investment. Additional information about Gateway's long-term debt may be found in footnote #5 in the financial statements.

Fiscal Year 2017 Compared to Fiscal Year 2016

Overall capital assets, net of accumulated depreciation, increased by $4.9 million from FY 2016 to FY 2017. The largest increase was in building improvements net of accumulated depreciation of $4.0 million. Remodeling improvements were completed at each campus; however, the major additions in 2017 were at the Kenosha Campus which included a $1.2 million remodel of the Student Services Commons area and a $1.5 million Shooting Range expansion. In addition, a $1.1 million IT Center of Excellence remodel was completed on the Racine campus. Additional information about Gateway's capital assets may be found in footnote #4 in the financial statements.

The District had general obligation debt, relating to capital assets, outstanding of $48.2 million at June 30, 2017, an increase of $.8 million, as compared to $47.4 million at June 30, 2016. The District maintained the highest rating of Aaa from Moody's Investors Services for the debt issues. Gateway meets all of its debt service requirements, including timely repayment of all debt payments. Current debt issued for buildings and improvements is repaid in 10 years or less, debt issued for equipment will be repaid in 7 years or less to correspond to the useful lives of the capital investment. Additional information about Gateway's long-term debt may be found in footnote #5 in the financial statements.

Overall Financial Position

Gateway's financial position remains strong for fiscal year 2018 as evidenced by the following indicators:

- The District's financial position is evaluated periodically by Moody's Investors Services. Moody's revised it rating methodology in January 2014 which resulted in a downgraded rating for various school districts and municipalities, but Gateway Technical College District maintained its high Aaa rating. The most recent credit report cites the following: *"Assignment of the Aaa rating reflects the district's sizeable tax base located between the cities of Milwaukee (Aa3 Stable) and Chicago (Ba1 Negative); sound financial operations supported by healthy reserves; and an average debt burden with rapid principal amortization; and manageable pension liabilities."*

- Gateway's 2018 debt service as a percentage of operating expenditures was the 6th lowest of all the colleges.

- Cash and cash equivalents saw a slight increase of $.2 million or .5%.

- The current ratio, current assets compared to current liabilities, was at 2.8 times as of June 30, 2018.

The District has a diversified revenue base consisting of property taxes, state aid, student fees, contracted services and grants. This mix of revenue sources has provided the District with adequate resources to continue to achieve its mission of training and economic development; yet it continues to face new challenges.

Economic Factors and Challenges

The Gateway District consists of Kenosha, Racine and Walworth Counties located in Southeastern Wisconsin. The counties in this region share similar challenges in terms of economic development, such as the need for high-skilled jobs and infrastructure to support growing communities. Gateway continues to provide a leadership role in delivering training services to meet these needs. The District has a strong financial position, but there are always concerns and challenges that need to be considered, monitored, and addressed, including the following:

- Although the District saw a slight increase in enrollment to 4,563 or .006% in 2018 compared to a decrease of 4,537 or 5.1% in 2017, enrollment continues to be a challenge throughout the technical college system. Gateway began a multi-year Strategic Enrollment Management initiative in 2017 to focus on finding data based strategies in conjunction with all other efforts to address the enrollment challenge.

- Technical college responsiveness to employers/business/industry is essential to Wisconsin's business growth, job creation, competitiveness, closing the skills gap and prosperity. Local funding and local governance/control are essential to this responsiveness. Due to 2013 Wisconsin Act 145 signed into law March 24, the college can no longer increase its operational tax levy except by an increase in its valuation due to net new construction or unless approved by referendum. In the future, this can potentially reduce the district's ability to be responsive to our communities if the state funding is reduced. Although currently the bill allows the technical colleges the ability to raise their tax levies if the state fails to provide the funding.

The above mentioned challenges can only be met through strong planning processes, fiscal policies, and practices. Gateway continues to be successful in collaborating with local K-12 education districts which saw significant growth in FY 2018, local businesses and community partners for supporting our training and technology needs. Gateway is well known and highly respected for its quality instruction and services. The District's commitment to meet these needs is reflected in our strategic plan, our strong efforts on continuous quality improvement and our focus on our students. Even with the challenges that face Gateway, the college is confident that its long-term financial planning will allow it to effectively meet the financial needs of its future operations. With many new opportunities on the horizon, Gateway is perfectly poised to leverage them and continue to be a positive force in our community. Our current financial position is positive and we are positioned to maintain this positive status into the future.

Requests for Information

This financial report is designed to provide a general overview of Gateway Technical College's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Sr. Vice President of Operations, 3520 – 30th Avenue, Kenosha, WI 53144-1690.

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BASIC FINANCIAL STATEMENTS

GATEWAY TECHNICAL COLLEGE DISTRICT
Statements of Net Position
June 30, 2018 and 2017

	2018		2017	
ASSETS	District	Foundation	District	Foundation
Current Assets				
Cash and cash equivalents	$ 25,766,078	$ 6,803,335	$ 27,566,977	$ 5,737,189
Restricted assets - cash and cash equivalents	13,605,430	-	11,609,105	-
Receivables:				
Property taxes	8,301,272	-	8,418,806	-
Accounts, net of reserve of $164,000 and $159,000 for 2018 and 2017, respectively	2,386,120	29,052	1,395,605	9,752
Federal and state aid	1,198,137	-	1,259,611	-
Prepaid expenses	688,513	6,643	1,598,117	2,277
Total Current Assets	51,945,550	6,839,030	51,848,221	5,749,218
Non-Current Assets				
Capital assets	166,286,893	1,379,364	154,647,298	1,379,364
Less: accumulated depreciation	(81,023,274)	(737,835)	(72,894,123)	(680,975)
Net pension asset	9,475,595	-	-	-
Promises to Give - Foundation	-	269,897	-	293,635
Total Non-Current Assets	94,739,214	911,426	81,753,175	992,024
Total Assets	146,684,764	7,750,456	133,601,396	6,741,242
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to OPEB	2,384,960	-	-	-
Deferred outflows related to pensions	15,571,953	-	18,779,744	-
Total Deferred Outfows of Resources	17,956,913	-	18,779,744	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	164,641,677	7,750,456	152,381,140	6,741,242
LIABILITIES				
Current Liabilities				
Accounts payable	3,374,366	36,085	2,469,419	42,317
Accrued payroll and benefits	1,911,067	-	1,947,126	-
Accrued vacation	646,610	-	610,043	-
Accrued interest payable	435,736	85	427,563	379
Due to student groups/organizations	371,189	-	319,726	-
Unearned revenue	1,234,557	-	1,238,262	-
General obligation debt - current portion	10,830,000	-	9,555,000	-
Notes payable	-	23,939	-	105,735
Total Current Liabilities	18,803,525	60,109	16,567,139	148,431
Non-Current Liabilities				
General obligation debt	54,553,743	-	53,217,384	-
Notes payable	-	28,845	-	53,130
Other postemployment benefits	23,871,175	-	3,237,324	-
Net pension liability	-	-	2,673,855	-
Unearned revenue	401,599	-	473,338	-
Total Non-Current Liabilities, less current portion	78,826,517	28,845	59,601,901	53,130
Total Liabilities	97,630,042	88,954	76,169,040	201,561
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	18,670,383	-	8,435,935	-
NET POSITION				
Net investment in capital assets	38,096,687	-	33,578,192	-
Restricted for:				
Debt service	716,138	-	851,644	-
Student organizations	706,688	-	896,234	-
Scholarships and other activities	-	6,677,778	-	5,475,889
Unrestricted	8,821,739	983,724	32,450,095	1,063,792
Total Net Position	$ 48,341,252	$ 7,661,502	$ 67,776,165	$ 6,539,681

The accompanying notes are an integral part of these statements.

GATEWAY TECHNICAL COLLEGE DISTRICT
Statements of Revenues, Expenses and Changes in Net Position
For the years ended June 30, 2018 and 2017

	2018		2017	
	District	Foundation	District	Foundation
Operating Revenues				
Student tuition and program fees, net of scholarship allowances of $ 8,331,598 and $8,166,008 for 2018 and 2017, respectively	$ 10,688,633	$ -	$ 10,236,726	$ -
Federal grants	25,492,038	-	23,463,690	-
State grants	3,136,499	-	3,550,591	-
Local Grants	92,447	-	74,948	-
Contract revenue	4,500,392	-	3,203,987	-
Auxiliary enterprise revenues	286,708	-	276,482	-
Miscellaneous - institutional revenue	1,273,257	2,229,457	1,391,155	2,211,476
Total Operating Revenues	45,469,974	2,229,457	42,197,579	2,211,476
Operating Expenses				
Instruction	58,960,476	-	55,694,295	-
Instructional resources	1,290,041	-	1,285,524	-
Student services	15,027,450	-	15,133,896	-
General institutional	11,174,034	1,587,408	9,892,887	1,215,069
Physical plant	8,078,510	-	8,208,117	-
Student aid	17,297,573	-	14,857,458	-
Public services	345,341	-	345,972	-
Auxiliary services	463,117	-	422,896	-
Depreciation	8,174,908	56,860	7,366,157	56,693
Total Operating Expenses	120,811,451	1,644,268	113,207,202	1,271,762
Net Operating Income (Loss)	(75,341,477)	585,189	(71,009,623)	939,714
Nonoperating Revenues (Expenses)				
Property taxes	33,180,261	-	31,938,159	-
State appropriations	38,669,011	-	39,350,827	-
Gain (loss) on disposal of capital assets	(24,135)	-	(27,216)	-
Investment income (net of fees)	198,420	540,560	92,351	486,696
Interest expense & debt issuance costs	(1,609,316)	(3,928)	(1,640,096)	(8,563)
Total Nonoperating Revenues (Expenses)	70,414,241	536,632	69,714,025	478,133
Capital Contributions				
State capital grants	72,044	-	90,181	-
Federal capital grants	34,784	-	-	-
Contributions	269,696	-	-	-
Donated capital assets	152,564	-	-	-
Total Capital Contributions	529,088	-	90,181	-
Change in Net Position	(4,398,148)	1,121,821	(1,205,417)	1,417,847
Net Position - beginning of year, as originally reported	67,776,165	6,539,681	68,981,582	5,121,834
Cumulative effect of change in accounting principle	(15,036,765)	-	-	-
Net Position - beginning of year, restated	52,739,400	6,539,681	68,981,582	5,121,834
Net Position - end of year	$ 48,341,252	$ 7,661,502	$ 67,776,165	$ 6,539,681

The accompanying notes are an integral part of these statements.

GATEWAY TECHNICAL COLLEGE DISTRICT

Statements of Cash Flows

For the years ended June 30, 2018 and 2017

	2018	2017
Cash flows from operating activities		
Tuition and fees received	$ 10,096,497	$ 9,967,974
Federal and state grants received	28,646,561	29,334,704
Contract revenues received	4,075,308	3,499,410
Payments to employees, including related benefits	(70,344,207)	(69,135,026)
Payments for materials and services	(35,882,830)	(38,378,227)
Auxiliary enterprise revenues received	286,708	276,482
Other receipts	1,254,301	5,126,568
Net cash used for operating activities	(61,867,662)	(59,308,115)
Cash flows from non-capital financing activities		
Local government property taxes received	33,297,795	31,919,497
State appropriations received	38,667,280	39,374,241
Net cash provided by noncapital financing activities	71,965,075	71,293,738
Cash flows from capital and related financing activities		
State and federal grants received for capital assets	209,672	266,001
Proceeds from sale of capital assets	22	10,854
Purchases of capital assets	(11,320,317)	(12,354,758)
Proceeds from issuance of capital debt	13,000,000	14,000,000
Premium received on debt issuance	413,014	357,294
Debt issuance costs paid	(231,350)	(227,850)
Principal paid on capital debt	(10,480,000)	(9,215,000)
Interest paid on capital debt	(1,691,448)	(1,644,191)
Net cash used for capital and related financing activities	(10,100,407)	(8,807,650)
Cash flows from investing activities		
Investment income received	198,420	92,351
Net increase in cash and cash equivalents	195,426	3,270,324
Cash and cash equivalents		
Beginning of year	39,176,082	35,905,758
End of year	$ 39,371,508	$ 39,176,082

Reconciliation of cash and cash equivalents to the Statement of Net Position

	2018	2017
Cash and cash equivalents	$ 25,766,078	$ 27,566,977
Restricted assets - cash and cash equivalents	13,605,430	11,609,105
	$ 39,371,508	$ 39,176,082

The accompanying notes are an integral part of these statements.

GATEWAY TECHNICAL COLLEGE DISTRICT
Statements of Cash Flows (Continued)
For the years ended June 30, 2018 and 2017

	2018	2017
Reconciliation of Operating Loss to Net Cash used for operating activities:		
Operating loss	$ (75,341,477)	$ (71,009,623)
Adjustment to reconcile operating loss to net cash used for operating activities:		
Depreciation	8,174,908	7,366,157
Changes in assets and liabilities:		
(Increase) decrease		
Receivables	(1,030,154)	2,564,230
Prepaid expenses and other assets	909,604	(826,322)
Increase (decrease)		
Accounts payable	938,016	(911,059)
Accrued payroll and benefits	(36,059)	163,089
Accrued vacation	36,567	(18,718)
Due to student groups/organizations	51,463	(21,334)
Unearned revenue	(75,445)	(371,823)
Other post employment benefits liability and deferred outflows	3,212,126	20,136
Pension related asset/liability and deferred outflows/inflows	1,292,789	3,737,152
Net cash used for operating activities	$ (61,867,662)	$ (59,308,115)
Non Cash Capital and Related Financing Activities:		
Donated capital assets	$ 152,564	$ -

The accompanying notes are an integral part of these statements.

(1) Summary of Significant Accounting Policies

The Board of Directors (Board) of the Gateway Technical College District (the District) oversees the operations of what is generally referred to as Gateway Technical College under provisions of Chapter 38 of the Wisconsin Statutes. The geographic area of the District includes all of Kenosha County and Walworth County and nearly all of Racine County. The District operates campuses located in the cities of Elkhorn, Burlington, Kenosha, Racine and Sturtevant, as well as an aviation center at the Kenosha airport and learning centers in the surrounding communities. The District is fully accredited by Higher Learning Commission of the North Central Association of Colleges and Schools. The District also operates a public radio station WGTD.

The Board consists of nine members appointed by the county board chairs for Kenosha, Racine and Walworth counties. The members are appointed to staggered three-year terms. As the District's governing authority, the Board has powers which include:

Authority to borrow money and levy taxes;

Budgetary authority; and

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

The accounting policies of the District conform to generally accepted accounting principles as applicable to public colleges and universities as well as those prescribed by the Wisconsin Technical College System Board (WTCSB). The District reports are based on all applicable Government Accounting Standards Board (GASB) pronouncements. When applicable, certain prior year amounts have been reclassified to conform to current year presentation. The following is a summary of the more significant accounting policies.

(1) Summary of Significant Accounting Policies (continued)

(a) Reporting Entity

In November 2010, GASB issued statement No. 61, *"The Financial Reporting Entity: Omnibus."* This statement amends Statements 14, *"The Financial Reporting Entity"*, and the related financial reporting requirements of Statement 34, *"Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments"* to provide additional guidance to determine whether certain organizations should be reported as component units based on the nature and significance of their relationship with the District. The primary government is financially accountable if it appoints a voting majority of the organization's governing body, or if the organization is fiscally dependent on *and* there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

Gateway Technical College Foundation, Inc. (Foundation) is a not-for-profit corporation whose purpose is to solicit, hold, manage, invest, and expend endowment funds and other gifts, grants, and bequests exclusively for the maintenance and benefit of the District and its students. The Foundation has an independent board and is not fiscally accountable to the District.

It has been determined the Foundation's resources are significant to the District as a whole and to exclude would cause the District's financial statements to be incomplete. The Foundation has been reported as a discretely presented component unit in the District's financial statements in accordance with GASB 61.

The Foundation's financial statements can be obtained through the Gateway Technical College Foundation, Inc., 3520 30th Avenue, Kenosha, WI 53144-9986.

(b) Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

The preparation of financial statements in conformity with generally accepted accounting principles requires District management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial

(1) Summary of Significant Accounting Policies (continued)

(b) Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(c) Budgetary Data

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

Property taxes are levied on a calendar year basis by various taxing municipalities located in Kenosha, Racine and Walworth Counties. The District records as revenue its share of the local tax when levied.

The budgetary reporting utilized by the District recognizes encumbrances as expenditures. The budget does not incorporate changes related to GASB Statements Nos. 34, 35, 37 and 38.

The legal level of control for each budget is by function within each fund. Budget amendments during the year are legally authorized. Budget transfers (between funds and functional areas within funds) and changes in expenditures (appropriations) require approval by a vote of two-thirds of the entire membership of the Board and require publishing a Class I public notice in the District's official newspaper within 10 days according to Wisconsin Statutes. The budget was modified during the year and also subsequent to the fiscal year end. Expenditures may not exceed appropriations. Unencumbered appropriations lapse at the end of each fiscal year and encumbered appropriations are carried over to the next fiscal year as a reserve of fund balance. Management is authorized to transfer appropriations within functions without the approval of the board.

(d) Property Tax Receivable

In October of each year, the District communicates its property tax levy to the municipal treasurers in its service area. The levy consists of two parts - an operating levy and a debt service levy. Property taxes are then levied by the municipal treasurers in December.

Taxpayers have various options of paying their assessment depending upon the municipality's payment schedules. Payments are due from the municipalities by the 15th or 20th of the month following the taxpayers' due date. The first payment

(1) Summary of Significant Accounting Policies (continued)

(d) Property Tax Receivable (continued)

is due January 15 and the last payment is due August 20. Property taxes receivable at June 30 generally represent the District's share of the outstanding second installment of property taxes due from municipal treasurers. The municipal and/or county treasurers review their unpaid property tax assessments in early August and are required by law to remit the balance of the District's levy on or before August 20.

Collection of delinquent taxes or the subsequent filing of tax liens are the responsibility of governmental agencies other than the District. Because the District receives all tax receivables from the intergovernmental collection intermediaries, no reserve for uncollectible taxes is recorded.

(e) Student Receivables

Student receivables, covering tuition and fees, textbooks, and student loans, are valued net of the estimated uncollectible amounts.

(f) Cash, Cash Equivalents and Investments

Cash includes amounts in petty cash, demand deposits, and other short-term interest bearing deposits. For purposes of the statement of cash flows, cash on hand, demand deposits with financial institutions, investments in the Local Government Investment Pool, and other short-term investments with maturity dates of less than three months, from when purchased, are considered cash equivalents. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

(g) Prepaid Expenses

Prepaid expenses represent payments made by the District for which benefits extend beyond the fiscal year end and are accounted for on the consumption method.

(h) Capital Assets

Capital assets include land, land improvements, buildings, intangible assets, equipment, leasehold improvements and leasehold interest. Equipment assets having a cost of $5,000 or more per unit and building or remodeling projects of $15,000 or more are capitalized. Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated acquisition value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

(1) Summary of Significant Accounting Policies (continued)

(h) Capital Assets (continued)

Depreciation on buildings and equipment is provided in amounts sufficient to charge the cost of the depreciable assets to operations on the straight-line basis, mid-year convention, over the estimated service lives, which range from three to twenty years for equipment, three to five years for intangible assets, ten to twenty years for land improvements and leasehold improvements, twenty years for the leasehold interest, and ten to forty years for buildings and building improvements.

(i) Compensated Absences

Employees are granted vacation and sick leave benefits in varying amounts in accordance with the provisions of union contracts and District policy. Liabilities for vacation and salary related payments, including social security taxes, are recorded when incurred. Employees can carryover 80 vacation hours subsequent to the year in which they are earned. Any vacation benefits in excess of 80 hours lapse if not utilized in the year subsequent to that in which they are earned. In the event of retirement or death, the District is obligated to pay all unused vacation benefits. The amount of vacation benefits outstanding at June 30, 2018 and 2017 was $646,610 and $610,043 respectively.

Sick leave benefits are available for subsequent use, but they do not vest. The District does not compensate employees for unused sick leave at retirement or termination.

(j) Pensions

For purposes of measuring the net pension liability(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(k) Other Postemployment Benefits Other Than Pensions (OPEB)

Qualifying teachers and administrators are provided with other postemployment benefits. The OPEB is a single employer defined benefit plan administered by the district. For purposes of measuring the OPEB liability, related deferred outflows and inflows and OPEB expense, the District has used values provided by their actuary. Benefit payments are recognized when due and payable in accordance with the benefit terms.

(1) Summary of Significant Accounting Policies (continued)

(l) Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expenses as incurred.

(m) Tuition and Fees

Tuition and fees are recorded as revenue in the period in which the related activity or instruction takes place. Tuition and fees attributable to the summer school program are prorated on the basis of student class days occurring before and after June 30.

(n) Unearned Revenues

Unearned revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Unearned revenues also include amounts received from grant and contract sponsors that relate to the next fiscal period. Non-current unearned revenue relates to funds received but not earned for an extended time period over future fiscal years.

(o) Deferred Outflow/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The District has two items that qualify for reporting in this category. They are related to the District's proportionate share of the Wisconsin Retirement System pension plan which is deferred and amortized over the expected remaining service lives of the pension plan participants and amounts related to the District's OPEB liability which are recognized as an expense over a closed period of time.

In addition to liabilities, the statement of net position will sometimes report a section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category on the statement of net position. The item is related to the District's proportionate share of the Wisconsin Retirement System pension plan and is deferred and amortized over the expected remaining lives of the pension plan participants.

Summary of Significant Accounting Policies (continued)

(p) Scholarship Allowances and Student Aid

Financial aid to students is reported in the financial statements under the alternative method, as prescribed by the National Association of College and University Business Officers (NACUBO). Aid is generally reflected in the financial statements as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expenses represents the portion of aid that was provided to the student in the form of cash or credit for book charges. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Under the alternative method, these amounts are computed on a total District basis by allocating the cash payments to students, excluding payments for services, on the ratio of all aid to the aid not considered to be third party aid.

(q) Classification of Revenue

The District has classified its revenues as either operating or non-operating revenues according to the following criteria:

Operating revenues: Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship allowances, (2) sales and services of auxiliary enterprises, and (3) most federal, state and local grants and contracts.

Non-operating revenues: Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as capital grants, gifts and contributions, and other revenue sources that are defined as non-operating revenues by GASB No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB No. 34, such as state appropriations, the local property tax levy and investment income.

(r) Net Position

Net position is classified according to restrictions or availability of net position for satisfaction of District obligations.

Net investment in capital assets: Amount of capital assets net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets and any capital related deferred inflows of resources.

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

(1) Summary of Significant Accounting Policies (continued)

(r) Net Position (continued)

- Restricted net position for debt service can only be used to repay debt service costs (principal and interest) as they are levied for that specific purpose.

- Restricted net position for student financial assistance or student organizations can only be used for student financial assistance activities or student organizations respectively.

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

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

(s) Reclassifications

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

(2) Cash and Cash Equivalents

The District's cash and cash equivalents include cash on hand, demand deposits, and investments with maturities of 90 days or less. They are classified in the District's Statements of Net Position and Statements of Cash Flows as follows:

(2) Cash and Cash Equivalents (continued)

Cash and Cash Equivalents	2018	2017
Cash on hand	$ 39,596	$ 30,605
Demand deposits	32,530,627	35,037,563
Wisconsin Local Government Investment Pool	6,801,285	4,107,914
Total Cash and Cash Equivalents	$ 39,371,508	$ 39,176,082

Cash and cash equivalents are classified as follows at June 30:

Restricted for		
Capital Projects	$ 10,699,813	$ 8,667,514
Debt Service	2,905,617	2,941,591
	13,605,430	11,609,105
Unrestricted	25,766,078	27,566,977
Total Cash and Cash Equivalents	$ 39,371,508	$ 39,176,082

Custodial Credit Risk – Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution the District will not be able to recover its deposits or will be not be able to recover collateral securities that are in the possession of an outside party. Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of $250,000 for time and savings deposits and $250,000 for demand deposits per official custodian per depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of $250,000 per official custodian per depository institution. Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of $400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. In 2017 the cash and demand deposits were fully insured or collateralized by securities being held by the Bank of New York Mellon Trust Company, N.A. in the District's name. In 2018 the cash and demand deposits were fully insured by an irrevocable Public Unit Deposit Letter of Credit issued from the Federal Home Loan Bank of Chicago (FHLBC). The value of the collateral for the deposits as of June 30, 2018 and 2017 was $33,150,021 and $735,094 respectively.

The District is authorized by Wisconsin Statute 66.0603 to invest in the following instruments:

- Securities and/or repurchase agreements issued or guaranteed as to principal and interest by the U.S. Government or its agencies.
- Certificates of deposit (or time deposits) placed with authorized commercial banks, savings and loan associations, credit unions, or trust companies.

(2) Cash and Cash Equivalents (continued)

- The Wisconsin Local Government Investment Pool (LGIP).
- Investment grade bonds or securities of any county; city; drainage district; technical college district; village; town; or school district in Wisconsin.
- Repurchase agreements with public depositories if the agreement is secured by federal bonds or securities.
- Bonds issued by a local exposition district, local professional baseball park or football stadium district, local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- Any security maturing in seven years or less of the acquisition date with either the highest or second highest rating category of a nationally recognized rating agency.
- Securities of open-end management investment companies or investment trusts if the portfolio is limited to obligations of the U.S. Treasury and U.S. Agencies.

The District had the following investments and maturities as of June 30:

June 30, 2018	Fair	Investment Maturities (in Years)	
Investment Type	Value	Less than 1	1-2
Wisconsin Local Government Investment Pool	$ 6,801,285	$ 6,801,285	$ -

June 30, 2017	Fair	Investment Maturities (in Years)	
Investment Type	Value	Less than 1	1-2
Wisconsin Local Government Investment Pool	$ 4,107,914	$ 4,107,914	$ -

The District has invested funds in the Wisconsin Local Government Investment Pool (LGIP). The LGIP is an investment pool managed by the State of Wisconsin Investment Board (SIF) which allows governments within the state to pool their funds for investment purposes. The SIF is not registered with the Securities and Exchange Commission but operates under the statutory authority of Wisconsin Chapter 25. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. As of June 30, 2018 and 2017, the fair value of the District's share of investments was equal to the carrying value.

(2) Cash and Cash Equivalents (continued)

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. State law limits investments as listed above. The District's investment policy, in addition, minimizes its credit risk by requiring security of the investment as the first priority and limiting investments to financial institutions, the Wisconsin Local Government Investment Pool and the Wisconsin Investment Trust. The Wisconsin Local Government Investment Pool does not carry a credit quality rating.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of an organization's investment in a single issuer. Any investment that represents 5 percent or more of total investments is required to be disclosed. Exempt from this disclosure are investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds, external investments pools, and other pooled investments. The District places no limit on the amount the District may invest in any one issuer. As of June 30, 2018 and June 30, 2017, the concentration of credit risk was not applicable to the investments held by the District

Custodial Credit Risk - For an investment, custodial credit risk is the risk that in the event of the failure of counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's policy requires that all securities, serving as collateral, are held by a third-party custodian in the District's name. The investment in the Local Government Investment Pool is not exposed to custodial credit risk.

Interest Rate Risk- Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, but all investments held at June 30, 2018 and 2017 mature in less than one year.

Fair Value Measurements- The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The District currently has no investments subject to fair value measurement.

(3) Property Tax

The District's property tax is apportioned each fall, based on the equalized value as established by the State of Wisconsin - Department of Revenue, to the various collecting municipalities within the service area. The District records as revenue its share of the property tax in the year it is levied.

(3) Property Tax (continued)

The combined tax rate for the fiscal years ended June 30, 2018, and 2017, were as follows:

	2018		2017	
	Mill Rate	Amount Levied	Mill Rate	Amount Levied
Operating levy	0.52039	$ 21,289,919	0.52132	$ 20,522,276
Debt service levy	0.29148	11,925,000	0.28149	11,081,000
Total Property Tax Levy		$ 33,214,919		$ 31,603,276

The state enacted legislation to exempt computer equipment for property tax purposes and provide supplemental aid to hold taxing units harmless from loss of revenue. The District received $119,488 and $117,747 in state aid revenue in lieu of property tax for the year ended June 30, 2018, and 2017, respectively. The debt service property tax mill rate per $1,000 of equalized valuation is not limited by state law.

Property tax revenue recognized in the financial statements total $33,180,261 and $31,938,159 for the years ended June 30, 2018, and 2017, respectively, which includes the District's property tax levy and miscellaneous other tax collection related adjustments.

(4) Capital Assets

Following are the changes in the District's capital assets for the years ended June 30, 2018 and 2017

:

	2018			
	Balance July 1, 2017	Additions	Disposals	Balance June 30, 2018
Capital assets, not being depreciated:				
Land	$ 2,379,913	$ -	$ -	$ 2,379,913
Construction in progress	1,445,873	7,699,126	6,967,197	2,177,802
Total capital assets not depreciated	3,825,786	7,699,126	6,967,197	4,557,715
Capital assets, being depreciated:				
Land improvements	6,768,629	441,196	-	7,209,825
Buildings and improvements	99,942,218	6,727,975	-	106,670,193
Intangible assets	2,052,049	291,832	-	2,343,881
Equipment	38,245,701	3,186,850	69,914	41,362,637
Leasehold interest	958,193	-	-	958,193
Leasehold improvement	2,854,722	329,727	-	3,184,449
Total capital assets being depreciated	150,821,512	10,977,580	69,914	161,729,178
Total capital assets	154,647,298	18,676,706	7,037,111	166,286,893
Less accumulated depreciation for:				
Land improvements	2,953,274	412,159	-	3,365,433
Buildings and improvements	43,804,474	4,317,743	-	48,122,217
Intangible assets	1,656,515	226,453	-	1,882,968
Equipment	22,344,505	2,981,020	45,757	25,279,768
Leasehold interest	665,321	48,811	-	714,132
Leasehold improvement	1,470,034	188,722	-	1,658,756
Total accumulated depreciation	72,894,123	8,174,908	45,757	81,023,274
Net capital assets	$ 81,753,175	$ 10,501,798	$ 6,991,354	85,263,619
Less capital asset related debt	(48,174,983)			(47,166,932)
Net investment in capital assets	$ 33,578,192			$ 38,096,687

(4) Capital Assets (continued)

	2017			
	Balance July 1, 2016	Additions	Disposals	Balance June 30, 2017
Capital assets, not being depreciated:				
Land	$ 2,379,913	$ -	$ -	$ 2,379,913
Construction in progress	1,995,275	5,923,298	6,472,700	1,445,873
Total capital assets not depreciated	4,375,188	5,923,298	6,472,700	3,825,786
Capital assets, being depreciated:				
Land improvements	6,367,848	400,781	-	6,768,629
Buildings and improvements	91,998,022	7,944,196	-	99,942,218
Intangible assets	2,035,549	16,500	-	2,052,049
Equipment	34,228,734	4,499,750	482,783	38,245,701
Leasehold interest	958,193	-	-	958,193
Leasehold improvement	2,813,141	41,581	-	2,854,722
Total capital assets being depreciated	138,401,487	12,902,808	482,783	150,821,512
Total capital assets	142,776,675	18,826,106	6,955,483	154,647,298
Less accumulated depreciation for:				
Land improvements	2,570,550	382,724	-	2,953,274
Buildings and improvements	40,004,766	3,799,708	-	43,804,474
Intangible assets	1,341,489	315,026	-	1,656,515
Equipment	20,147,545	2,641,673	444,713	22,344,505
Leasehold interest	616,510	48,811	-	665,321
Leasehold improvement	1,291,819	178,215	-	1,470,034
Total accumulated depreciation	65,972,679	7,366,157	444,713	72,894,123
Net capital assets	76,803,996	$ 11,459,949	$ 6,510,770	81,753,175
Less capital asset related debt	(47,398,612)			(48,174,983)
Net investment in capital assets	$ 29,405,384			$ 33,578,192

(5) Long-Term Obligations

The following is a summary of the changes in long-term obligations for the years ended June 30, 2018 and 2017:

	July 1, 2017	Additions	Reductions	June 30, 2018	Due Within One Year
General obligation debt	$ 61,110,000	$ 13,000,000	$ 10,480,000	$ 63,630,000	$ 10,830,000
Debt premium	1,662,384	413,014	321,655	1,753,743	-
Total long-term obligations	$ 62,772,384	$ 13,413,014	$ 10,801,655	$ 65,383,743	$ 10,830,000

	July 1, 2016	Additions	Reductions	June 30, 2017	Due Within One Year
General obligation debt	$ 56,325,000	$ 14,000,000	$ 9,215,000	$ 61,110,000	$ 9,555,000
Debt premium	1,585,443	357,294	280,353	1,662,384	-
Total long-term obligations	$ 57,910,443	$ 14,357,294	$ 9,495,353	$ 62,772,384	$ 9,555,000

(5) Long-Term Obligations (continued)

General obligation debt outstanding at June 30, 2018 and 2017, consists of the following notes:

	2018	2017
General obligation promissory notes, 3.00% to 3.70%, payable in annual installments of $100,000 to $1,195,000, plus interest, to April 1, 2018 (issued for $4,500,000 on September 10, 2008 through R.W. Baird & Co., to finance the acquisition of equipment and various facility remodeling projects).	$ -0-	$215,000
General obligation promissory notes, 2.50% to 3.00%, payable in annual installments of $75,000 to $150,000, plus interest, to April 1, 2018 (issued for $1,000,000 on February 10, 2009 through R.W. Baird & Co., to finance various facility remodeling projects).	-0-	150,000
General obligation promissory notes, 2.50% to 3.40%, payable in annual installments of $70,000 to $130,000, plus interest, to April 1, 2019 (issued for $1,000,000 on May 13, 2009 through R.W. Baird & Co., to finance the Racine Welding Lab remodel and Broadband expansion).	130,000	255,000
General obligation promissory notes, 2.50% to 3.50%, payable in annual installments of $95,000 to $125,000, plus interest, to April 1, 2019 (issued for $1,000,000 on July 09, 2009 through R.W. Baird & Co., to finance various facility remodeling projects).	125,000	250,000
General obligation promissory notes, 2.00% to 3.50%, payable in annual installments of $275,000 to $1,370,000, plus interest, to April 1, 2019 (issued for $5,500,000 on October 14, 2009 through R.W. Baird & Co., to finance the acquisition of equipment and to construct the Horizon Center addition in Kenosha).	325,000	635,000
General obligation promissory notes, 2.00% to 3.50%, payable in annual installments of $135,000 to $155,000, plus interest, to April 1, 2019 (issued for $5,500,000 on February 10, 2010 through R.W. Baird & Co., to finance various facility remodeling projects).	155,000	305,000

(5) Long-Term Obligations (continued)

	2018	2017
General obligation promissory notes, 2.00% to 3.50%, payable in annual installments of $25,000 to $850,000, plus interest, to April 1, 2020 (issued for $4,610,000 on April 15, 2010 through R.W. Baird & Co., for refinancing and to finance various facility remodeling projects).	$410,000	$605,000
General obligation promissory notes, 2.00% to 3.50%, payable in annual installments of $175,000 to $900,000, plus interest, to April 1, 2020 (issued for $4,500,000 on September 1, 2010 through R.W. Baird & Co., to finance the acquisition of equipment and construct a building addition at the Elkhorn campus).	630,000	930,000
General obligation promissory notes, 2.00% to 3.50%, payable in annual installments of $195,000 to $235,000, plus interest, to April 1, 2020 (issued for $1,500,000 on November 8, 2010 through R.W. Baird & Co., to finance various facility remodeling projects and equipment).	465,000	685,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $170,000 to $210,000, plus interest, to April 1, 2021 (issued for $1,500,000 on April 4, 2011 through UBS Financial Services, to finance various facility remodeling projects).	605,000	795,000
General obligation promissory notes, 2.00% to 4.00%, payable in annual installments of $170,000 to $210,000, plus interest, to April 1, 2021 (issued for $1,500,000 on May 16, 2011 through R.W. Baird & Co., to finance various facility remodeling projects and equipment).	610,000	800,000
General obligation promissory notes, 1.10% to 2.35%, payable in annual installments of $160,000 to $1,100,000, plus interest, to April 1, 2021 (issued for $4,500,000 on September 8, 2011 through UMB Bank, to finance the acquisition of equipment).	625,000	815,000
General obligation promissory notes, 2.00% to 2.50%, payable in annual installments of $125,000 to $330,000, plus interest, to April 1, 2021 (issued for $2,500,000 on November 15, 2011 through BMO Harris Bank, N.A., to finance the construction of the Pike Creek Horticulture Building and various remodeling projects).	960,000	1,260,000

(5) Long-Term Obligations (continued)

	2018	2017
General obligation promissory notes, 1.50%, payable in annual installments of $215,000 to $285,000, plus interest, to April 1, 2021 (issued for $2,000,000 on March 8, 2012 through Northland Securities, Inc., to finance the construction of the Culinary Arts addition and various remodeling projects.)	$825,000	$1,080,000
General obligation promissory notes, 1.75% to 2.50%, payable in annual installments of $110,000 to $145,000, plus interest, to April 1, 2022 (issued for $1,000,000 on May 9, 2012 through BOSC, Inc. to finance the Student Admissions Center remodeling project).	540,000	660,000
General obligation promissory notes, 2.00% to 4.00%, payable in annual installments of $730,000 to $900,000, plus interest, to April 1, 2022 (issued for $6,500,000 on July 12, 2012 through Hutchinson, Shockey, Erley & Co., to finance the acquisition of equipment, construction on the SC Johnson iMET Center, and various facility remodeling projects.)	3,445,000	4,245,000
General obligation promissory notes, 1.50% to 3.00%, payable in annual installments of $165,000 to $210,000, plus interest, to April 1, 2022 (issued for $1,500,000 on November 8, 2012 through Hutchinson, Shockey, Erley & Co., to finance various facility remodeling projects and acquisition of equipment.)	800,000	985,000
General obligation promissory notes, 2.00% to 2.40%, payable in annual installments of $130,000 to $160,000, plus interest, to April 1, 2022 (issued for $1,500,000 on December 27, 2012 through Bernardi Securities, Inc., to finance the Racine Campus Learning Success Center relocation and various remodeling projects.)	610,000	750,000
General obligation promissory notes, 2.00% to 2.50%, payable in annual installments of $135,000 to $165,000, plus interest, to April 1, 2023 (issued for $1,500,000 on April 1, 2013 through R.W. Baird & Co., to finance the SC Johnson iMET parking lot addition and various facility remodeling projects.)	785,000	935,000
General obligation promissory notes, 2.00% to 2.25%, payable in annual installments of $50,000 to $115,000, plus interest, to April 1, 2023 (issued for $1,000,000 on May 9, 2013 through R.W. Baird & Co., to finance various facility remodeling projects.)	550,000	650,000

(5) Long-Term Obligations (continued

	2018	2017
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $775,000 to $930,000, plus interest, to April 1, 2023 (issued for $6,750,000 on July 2, 2013 through R.W. Baird & Co., to finance the Racine boiler and the acquisition of equipment.)	$4,380,000	$5,185,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $150,000 to $190,000, plus interest, to April 1, 2023 (issued for $1,500,000 on August 1, 2013 through R.W. Baird & Co., to finance various facility remodeling projects and signage.)	885,000	1,045,000
General obligation promissory notes, 2.00% to 4.00%, payable in annual installments of $125,000, plus interest, to April 1, 2023 (issued for $1,125,000 on January 8, 2014 through R.W. Baird & Co., to finance various facility remodeling projects.)	625,000	750,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $150,000 to $185,000, plus interest, to April 1, 2023 (issued for $1,500,000 on February 6, 2014 through R.W. Baird & Co., to finance the Kenosha Student Success and Student Life Center expansion.)	875,000	1,035,000
General obligation promissory notes, 1.50% to 3.00%, payable in annual installments of $770,000 to $985,000, plus interest, to April 1, 2024 (issued for $7,000,000 on July 8, 2014 through Hutchinson, Shockey, Erley & Co., to finance various facility remodeling projects and acquisition of equipment.)	5,430,000	6,230,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $165,000 to $210,000, plus interest, to April 1, 2024 (issued for $1,500,000 on August 4, 2014 through R.W. Baird & Co., to finance the Elkhorn South building remodel.)	1,165,000	1,335,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $165,000 to $210,000, plus interest, to April 1, 2024 (issued for $1,500,000 on September 8, 2014 through R.W. Baird & Co., to finance the Kenosha Student Services remodel.)	1,165,000	1,335,000

(5) Long-Term Obligations (continued)

	2018	2017
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $150,000 to $805,000, plus interest, to April 1, 2024 (issued for $2,815,000 on October 8, 2014 through R.W. Baird & Co., to finance various facility remodeling projects.)	$1,015,000	$1,165,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $135,000 to $180,000, plus interest, to April 1, 2024 (issued for $1,500,000 on February 18, 2015 through R.W. Baird & Co., to finance the Elkhorn Veterinary Sciences and Racine Chiller projects.	980,000	1,125,000
General obligation promissory notes, 2.00% to 4.00%, payable in annual installments of $435,000 to $1,070,000, plus interest, to April 1, 2025 (issued for $8,000,000 on July 9, 2015 through R.W. Baird & Co., to finance various facility remodeling projects and acquisition of equipment.)	6,670,000	7,430,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $35,000 to $185,000, plus interest, to April 1, 2025 (issued for $1,500,000 on September 15, 2015 through R.W. Baird & Co., to finance the Elkhorn Manufacturing Lab and Racine Electrical Substation.)	1,175,000	1,320,000
General obligation promissory notes, 2.00% to 4.00%, payable in annual installments of $125,000, plus interest, to April 1, 2019 (issued for $500,000 on October 8, 2015 through R.W. Baird & Co., to finance the Kenosha Boiler Repair.)	125,000	250,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $100,000 to $270,000, plus interest, to April 1, 2025 (issued for $2,000,000 on December 9, 2015 through R.W. Baird & Co., to finance the Kenosha Shooting Range and Police Academy Remodel.)	1,690,000	1,900,000

(5) Long-Term Obligations (continued)

	2018	2017
General obligation promissory notes, 0.50% to 2.00%, payable in annual installments of $215,000 to $2,895,000, plus interest, to April 1, 2026 (issued for $7,000,000 on July 6, 2016 through Hutchinson, Shockey, Erley & Co., to finance various facility remodeling projects and acquisition of equipment.)	$6,785,000	$7,000,000
General obligation promissory notes, 2.00%, payable in annual installments of $150,000 to $190,000, plus interest, to April 1, 2026 (issued for $1,500,000 on August 1, 2016 through R.W. Baird & Co., to finance the various facility remodeling projects.)	1,350,000	1,500,000
General obligation promissory notes, 2.00%, payable in annual installments of $150,000 to $190,000, plus interest, to April 1, 2026 (issued for $1,500,000 on September 6, 2016 through R.W. Baird & Co., to finance district general repairs.)	1,350,000	1,500,000
General obligation promissory notes, 2.00%, payable in annual installments of $100,000 to $125,000, plus interest, to April 1, 2026 (issued for $1,000,000 on October 6, 2016 through R.W. Baird & Co., to finance various facility remodeling projects.	900,000	1,000,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $130,000 to $770,000, plus interest, to April 1, 2027 (issued for $1,500,000 on April 3, 2017 through R.W. Baird & Co., to finance various facility remodeling projects.	1,370,000	1,500,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $100,000 to $375,000, plus interest, to April 1, 2027 (issued for $1,500,000 on April 12, 2017 through R.W. Baird & Co., to finance various facility remodeling projects.	1,025,000	1,500,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $190,000 to $1,050,000, plus interest, to April 1, 2027 (issued for $7,000,000 on July 6, 2017 through KeyBanc Capital Markets., to finance various facility remodeling projects and acquisition of equipment.)	6,205,000	-0-

(5) Long-Term Obligations (continued)

	2018	2017
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $140,000 to $170,000, plus interest to April 1, 2027 (issued for $1,500,000 on August 1, 2017 through R.W. Baird & Co., to finance the various facility remodeling projects.)	$1,370,000	$-0-
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $145,000 to $190,000, plus interest, to April 1, 2027 (issued for $1,500,000 on February 8, 2018 through R.W. Baird & Co., to finance the Kenosha EVOC Track.)	1,500,000	-0-
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $145,000 to $190,000, plus interest, to April 1, 2027 (issued for $1,500,000 on March 14, 2018 through R.W. Baird & Co., to finance various facility remodeling projects.	1,500,000	-0-
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $125,000 to $300,000, plus interest, to April 1, 2028 (issued for $1,500,000 on May 10, 2018 through R.W. Baird & Co., to finance various facility remodeling projects.	1,500,000	-0-
Total General Long-Term Obligation Debt	$63,630,000	$ 61,110,000

Principal and interest is payable from irrevocable ad-valorem taxes levied on all taxable property in the District. The annual requirements to amortize all outstanding general obligation debt, including interest, are as follows:

Year Ending June 30	Principal	Interest	Total
2019	$ 10,830,000	$ 1,631,744	$ 12,461,744
2020	11,085,000	1,370,385	12,455,385
2021	11,670,000	1,104,000	12,774,000
2022	8,840,000	817,248	9,657,248
2023	7,640,000	576,325	8,216,325
2024-2028	13,565,000	736,138	14,301,138
	$ 63,630,000	$ 6,235,840	$ 69,865,840

(5) Long-Term Obligations (continued)

Chapter 67.03(1) of the Wisconsin State Statutes limits general obligation debt of the District to 5% of the equalized value of the taxable property located in the District. As of June 30, 2018, the 5% limitation was $2,149,677,443 and the District's outstanding general obligation debt (net of resources available to pay principal and interest) was $62,913,862. The 5% limit, as of June 30, 2017, was $2,062,244,356; the District's outstanding general obligation debt (net of resources available to pay principal and interest) was $60,258,356.

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Chapter 67.03(1) of the Wisconsin State Statutes limits bonded indebtedness of the District to 2% of the equalized value of the taxable property located in the District. As of June 30, 2018, the 2% limitation was $859,870,977 and the District's outstanding bonded indebtedness (net of resources available to pay principal and interest) was $0. The 2% limit, as of June 30, 2017, was $824,897,742 and the District's outstanding bonded indebtedness (net of resources available to pay principal and interest) was $0.

(6) Retirement System

General Information about the Pension Plan

(a) Plan Description

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at http://etf.wi.gov/publications/cafr.htm

(b) Vesting

For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

(c) Benefits Provided

Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

(6) Retirement System (continued)

(c) Benefits Provided (continued)

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

(d) Post-Retirement Adjustments

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2007	3.0%	10.0%
2008	6.6	0.0
2009	(2.1)	(42.0)
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0

(6) Retirement System (continued)

(d) Post-Retirement Adjustments (continued)

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Starting on January 1, 2016, the Executives and & Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

The District's contributions to the pension plan were $3,151,633 and $3,068,422 for the reporting period ending December 31, 2017 and 2016 respectively.

Contribution rates as of June 30, 2018 and 2017 are:

	2018		2017	
Employee Category	Employee	Employer	Employee	Employer
General (including teachers, executives and elected officials)	6.8%	6.8%	6.6%	6.6%
Protective with Social Security	6.8%	10.6%	6.6%	9.4%
Protective without Social Security	6.8%	14.9%	6.6%	13.2%

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

At June 30, 2018 and 2017, the District reported a liability(asset) of ($9,475,595) and $2,673,855, respectively, for its proportionate share of the net pension liability. The net pension asset was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017.

No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension asset was based on its share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2017, the District's proportion was .31913831%, which was a decrease of .00526465 % from its proportion measured of .32440296% as of December 31, 2016.

For the years ended June 30, 2018 and 2017, the District recognized pension expense of $4,126,264 and $6,894,185, respectively.

(6) Retirement System (continued)

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

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 12,038,981	$ 5,631,435
Net differences between projected and actual earnings on pension plan investments	-0-	13,023,326
Changes in assumptions	1,872,192	-0-
Changes in proportion and differences between employer contributions and proportionate share of contributions	75,661	15,622
Employer contributions subsequent to the measurement date	1,585,119	-0-
Total	$ 15,571,953	$18,670,383

At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,019,541	$ 8,409,042
Net differences between projected and actual earnings on pension plan investments	13,309,602	-0-
Changes in assumptions	2,795,619	-0-
Changes in proportion and differences between employer contributions and proportionate share of contributions	92,238	26,893
Employer contributions subsequent to the measurement date	1,562,744	-0-
Total	$18,779,744	$8,435,935

(6) Retirement System (continued)

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

$1,585,119 reported as deferred outflows related to pension resulting from the WRS employer's contributions subsequent to the measurement date at June 30, 2018 will be recognized as a reduction of the net pension liability(asset) in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31:	Expense
2018	$ 1,041,229
2019	(60,306)
2020	(3,231,550)
2021	(2,455,674)
2022	22,752
	$ (4,683,549)

$1,562,744 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date at June 30, 2017, will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31:	Expense
2017	$ 3,559,710
2018	3,559,710
2019	2,439,890
2020	(783,584)
2021	5,339
	$ 8,781,065

(6) Retirement System (continued)

(f) Actuarial Assumptions

The total pension liability(asset) in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2016
Measurement Date of Net Pension Liability (Asset)	December 31, 2017
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

The total pension liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2015
Measurement Date of Net Pension Liability (Asset)	December 31, 2016
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

(6) Retirement System (continued)

(f) Actuarial Assumptions (continued)

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012 – 2014. The total pension liability for December 31, 2017 is based upon a roll-forward of the liability calculated from the December 31, 2016 actuarial valuation.

Long-term expected Return on Plan Assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Allocation Targets and Expected Returns
As of December 31, 2017

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %		Long-Term Expected Real Rate of Return %	
Global Equities	50	8.2	%	5.3	%
Fixed Income	24.5	4.2		1.4	
Inflation Sensitive Assets	15.5	3.8		1.0	
Real Estate	8	6.5		3.6	
Private Equity/Debt	8	9.4		6.5	
Multi-Asset	4	6.5		3.6	
Total Core Fund	110	7.3	%	4.4	%
Variable Fund Asset Class					
U.S. Equities	70	7.5	%	4.6	%
International Equities	30	7.8		4.9	
Total Variable Fund	100	7.9	%	5.0	%

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%
Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations

(6) Retirement System (continued)

(f) Actuarial Assumptions (continued)

Asset Allocation Targets and Expected Returns
As of December 31, 2016

Core Fund Asset Class	Current Asset Allocation %	Destination Target Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	50 %	45 %	8.3 %	5.4 %
Fixed Income	24.5	37	4.2	1.4
Inflation Sensitive Assets	15.5	20	4.3	1.5
Real Estate	8	7	6.5	3.6
Private Equity/Debt	8	7	9.4	6.5
Multi-Asset	4	4	6.6	3.7
Total Core Fund	110 %	120 %	7.4 %	4.5 %
Variable Fund Asset Class				
U.S. Equities	70 %	70 %	7.6 %	4.7 %
International Equities	30	30	8.5	5.6
Total Variable Fund	100 %	100 %	7.9 %	5.0 %

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

Single Discount Rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.31%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.10% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(6) Retirement System (continued)

(f) Actuarial assumptions (continued)

Sensitivity of the District's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.20 percent, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

June 30, 2018	1% Decrease to Discount Rate (6.2%)	Current Discount Rate (7.2%)	1% Increase to Discount Rate (8.2%)
Proportionate share of the net pension liability (asset)	$24,516,599	($9,475,595)	($35,310,714)

June 30, 2017	1% Decrease to Discount Rate (6.2%)	Current Discount Rate (7.2%)	1% Increase to Discount Rate (8.2%)
Proportionate share of the net pension liability (asset)	$35,176,276	$2,673,855	($22,354,482)

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

The District reported a payable as of June 30, 2018 and 2017 in the amount of $483,367 and $475,131, respectively, for the outstanding amount of contributions to the pension plan.

(7) Other Post-Employment Benefits (OPEB) – FY 2018

The District has adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* for the year ended June 30, 2018. These statements revised and established new financial reporting requirements for governments that provide their employees with postemployment benefits. Financial statements for the year ended June 30, 2017 have not been restated.

(7) Other Post-Employment Benefits (OPEB) – FY 2018 (continued)

(a) Plan Description

The cumulative effect of this change was to decrease the June 30, 2017 net position by $15,036,765 as follows:

Other postemployment liability(asset)	
Balance previously reported	$ 3,237,324
Actuarially determined balance	21,193,794
	(17,956,470)
Deferred outflows of resources	
Liability Experience Losses	1,457,283
Changes in Assumptions	1,462,422
Change in other postemployment liability	$(15,036,765)

The Plan is a single-employer defined benefit postemployment health plan that covers retired employees of the District. Eligible retired employees have access to group medical coverage through the District's group plan. District paid medical benefits are paid for as indicated below. All employees of the District are eligible for the Plan if they meet the following age and service requirements below.

Participant Count	
Inactive employees or beneficiaries currently receiving benefit payments	447
Active employees	598
Total Participants	1,045

(b) Benefits Provided

The plan provides medical, dental, and life insurance benefits to eligible retirees and their spouses through the District's group medical and life insurance plans, which covers both active and retired members.

The District provides health and dental benefits until the eligible retiree reaches Medicare eligibility while coverage for the spouse lasts until the retiree reaches age 65.

For life insurance, eligible members (retired by June 30, 2012) are covered at one times annual salary to a maximum of $150,000. Retirees after June 30, 2012 are covered to a maximum of $50,000. At age 65, the benefit is reduced to 75% of amount of coverage prior to age 65 and reduced another 25% in each year at age 66 and 67.

The eligibility requirements for full benefits are based on years of service and age at retirement. Employees must be 55 years old and have completed 25 years of service, 56 years old and 20 years of service, 57 years old and 15 years of service, or 62 with 10 years of service before they are eligible for benefits.

(7) Other Post-Employment Benefits (OPEB) –FY 2018 (continued)

(b) Benefits Provided (continued)

Early retirement health and dental benefits have been eliminated for employees hired on or after July 1, 2014.

(c) Contributions

The District pays the full cost of health coverage for eligible retirees and dependents retired prior to October 1, 2004. Retirees who retired prior to October 1, 2004 are not eligible for dental benefits. If retired between October 1, 2004 and June 30, 2012 retirees pay the amount of monthly contribution they paid immediately prior to retirement and they receive health and dental benefits. Prior to July 1, 2012 the retiree's contribution amount varied depending on the year they retired. Effective July 1, 2012 new retirees were required to pay the same insurance contribution rates as active employees. Retiree health insurance premiums are no longer frozen at the time of retirement.

Effective July 1, 2017 retirees 65 and over eligible for Medicare, are no longer covered under Gateway's policy.

Individuals retiring on or after July 1, 2007 may retain their District group term life insurance and the District pays the full premium.

(d) Total OPEB Obligation

The District's net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	3.0 percent
Salary Increases:	3.0 percent
Investment Rate of Return:	2.98 percent
Healthcare cost trend rates:	9.00 percent decreasing by 1.00 percent every 2 to 3 years down to 5.0 percent, and level thereafter

Mortality rates are the RP-2014 Total Dataset Mortality, adjusted to 2006 using Scale MP-2014; projected on a generational basis using Scale MP-2017.

(7) Other Post-Employment Benefits (OPEB) – FY 2018 (continued)

(d) Total OPEB Obligation (continued)

The actuarial assumptions used in the June 30, 2018 valuation were based on an estimate for future plan experience based on plan provision, past plan experience, the experience of similar plans, and the general expectation that overall medical trends will come down in the future.

The long-term expected rate of return on OPEB plan investments was valued at 2.98%.

Discount rate. The discount rate used to measure the total OPEB liability was 2.98 percent. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates.

	Increase (Decrease) Total OPEB Liability
Balance at July 1, 2017	$ 21,193,794
Changes for the year:	
Service cost	587,898
Interest	815,970
Differences between expected and actual experience	1,457,283
Changes in assumptions	1,462,422
Contributions - employer	-
Net investment income	-
Benefit payments	(1,646,192)
Administrative expense	-
Net changes	2,677,381
Balance at June 30, 2018	$ 23,871,175

(e) Changes in the total OPEB liability

Sensitivity of the total OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.98 percent) or 1-percentage-point higher (3.98 percent) than the current rate:

(7) Other Post-Employment Benefits (OPEB) – FY 2018 (continued)

(e) Changes in the total OPEB liability (continued)

	1% Decrease to Discount Rate (1.98%)	Current Discount Rate (2.98%)	1% Increase to Discount Rate (3.98%)
Total OPEB Liability	$ 26,042,070	$ 23,871,175	$ 22,021,845

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (9.0 percent decreasing to 4.0 percent) or 1-percentage-point higher (10.0 percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

	1% Decrease (8.0% decreasing to 4.00%)	Healthcare Cost Trend Rates (9.0% decreasing to 5.00%)	1% Increase (10.0% decreasing to 6.00%)
Total OPEB liability	$ 22,606,022	$ 23,871,175	$ 25,305,377

(f) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the District recognized OPEB expense of $1,938,613. At June 30, 2018, the District reported deferred outflows of resources of $2,384,960 and no deferred inflows of resources related to OPEB.

Amounts reported as deferred outflows of resources will be recognized as OPEB expense as follows:

Year ended June 30:	Expense
2019	$ 534,745
2020	534,745
2021	534,745
2022	534,745
2023	245,980
	$ 2,384,960

(g) Payable to the OPEB Plan

At June 30, 2018 the District reported a payable of $0 for the outstanding amount of contributions to the Plan required for the year ended June 30, 2018.

(7) Other Post-Employment Benefits (OPEB) – FY 2017

(a) Plan Description

The District administers a single-employer defined benefit OPEB plan. The plan is administered by the District and does not issue a stand-alone audited financial report. Membership of the plan at June 30 was as follows:

Participant Count	2017	2016
Active	588	605
Retirees	81	81
Covered spouses of retirees	46	49
Life only Retirees	283	279
Beneficiaries	1	1
Total participants	999	1,015

Through June 30, 2012, in accordance with its collective bargaining agreements and District policy, the District provided post-employment health, dental, long-term care, and life insurance benefits for eligible represented and non-represented employees. The plan provided medical and life insurance benefits to eligible retirees and their spouses through the District's group medical, long-term care, and life insurance plans, which covers both active and retired members.

Effective July 1, 2012, the long-term care benefit was discontinued for all employees and retirees.

The District continues to provide health and dental benefits until the eligible retiree reaches age 65 while coverage for the spouse lasts until the retiree or spouse reaches age 65, whichever comes first.

For life insurance, eligible members (retired by June 30, 2012) are covered at one times annual salary to a maximum of $150,000. Retirees after June 30, 2012 are covered to a maximum of $50,000. At age 65, the benefit is reduced to 75% of amount of coverage prior to age 65 and reduced another 25% in each year at age 66 and 67.

The eligibility requirements for full benefits are based on years of service and age at retirement. Employees must be 55 years old and have completed 25 years of service, 56 years old and 20 years of service, 57 years old and 15 years of service, or 62 with 10 years of service before they are eligible for benefits.

Early retirement health and dental benefits have been eliminated for employees hired on or after July 1, 2014.

(7) Other Post-Employment Benefits (OPEB) – FY 2017 (continued)

(b) Funding Policy

Contribution requirements were established through collective bargaining agreements and may only be amended through negotiations between the District and the respective union.

Effective July 1, 2012, the collective bargaining agreements were no longer in effect and changes to the benefit funding occurred.

The District pays the full cost of health coverage for eligible retirees and dependents retired prior to October 1, 2004. Retirees who retired prior to October 1, 2004 are not eligible for dental benefits. If retired between October 1, 2004 and June 30, 2012 retirees pay the amount of monthly contribution they paid immediately prior to retirement and they receive health and dental benefits. Long-term care benefits were discontinued as of June 30, 2012. Prior to July 1, 2012 the retiree's contribution amount varied depending on the year they retired. Effective July 1, 2012 new retirees were required to pay the same insurance contribution rates as active employees. Retiree health insurance premiums are no longer frozen at the time of retirement. Retirees not meeting eligibility requirements may continue coverage by paying the full premium until they reach the age of 65.

Effective July 1, 2017 retirees 65 and over eligible for Medicare, are no longer covered under Gateway's policy.

Individuals retiring on or after July 1, 2007 may retain their District group term life insurance and the District pays the full premium.

The District's contribution is based on a pay-as-you-go basis to fund current benefits and an additional amount to pre-fund benefits as determined annually by the District. For fiscal year 2017, the District contributed $1,688,594 of which $697,041 paid the current year normal cost and an additional $991,553 to partially fund the transition obligation.

(c) Annual OPEB Cost and Net OPEB Obligation

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

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

(7) Other Post-Employment Benefits (OPEB) – FY 2017 (continued)

(c) Annual OPEB Cost and Net OPEB Obligation (continued)

Component	2017
Annual required contribution	$ 1,766,092
Interest on net OPEB	128,688
Adjustment to annual required contribution	(186,050)
Annual OPEB cost (expense)	1,708,730
Contributions made	(1,688,594)
Change in net OPEB obligation	20,136
OPEB obligation - beginning of year	3,217,188
OPEB obligation - end of year	$ 3,237,324

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/15	$ 1,708,372	90.2%	$ 2,991,045
6/30/16	$ 1,729,818	86.9%	$ 3,217,188
6/30/17	$ 1,708,730	98.8%	$ 3,237,324

(d) Funded Status and Funding Progress

The funded status as of June 30, 2017, the most recent actuarial valuation date was as follows:

Actuarial accrued liability (AAL)	$ 21,986,417
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	$ 21,986,417
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	$ 41,153,259
Ratio of UAAL to covered payroll	53%

Actuarial valuations of an ongoing plan involve estimates for the value of the reported amounts and assumptions about the probability of occurrence of events far into the future.

(7) Other Post-Employment Benefits (OPEB) – FY 2017 (continued)

(d) Funded Status and Funding Progress (continued)

Examples include assumptions about future employment, mortality, and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, will present multi-year trend information in future years that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The accompanying schedule of employer contributions presents information about the amounts contributed to the plan by the District in comparison with the ARC, an amount that is actuarially determined in accordance with the parameters of GASB statement No. 45.

(f) Actuarial Methods and Assumptions

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

Valuation date	June 30, 2017
Actuarial cost method	Projected Unit Credit
Amortization method	Level ; 30-year open amortization period
Remaining amortization period	30 years
Actuarial assumptions:	
Discount rate	4.00%
Inflation rate	3.00%
Healthcare cost trend rate	9% initial
reduced by decrements to:	6% ultimate rate of return after 9+ years
Dental cost trend rate	5% annually next 9+ years
Projected salary increases	3%

(8) Risk Management

The District maintains a risk management program which includes a comprehensive insurance program, a safety committee, an independent security service firm, an insurance consulting firm, and regular meetings with employees covering risk management.

Districts Mutual Insurance Company (DMI)

In July 2004 all sixteen WTCS technical colleges created Districts Mutual Insurance Company (DMI). Districts Mutual Insurance Company is a fully-assessable mutual company authorized under Wisconsin statute 611 to provide property, casualty, and liability insurance and risk management services to its members. The scope of insurance protection provided by DMI is broad, covering property at a blanket limit of $500,225,000; general liability, auto, and educators' legal liability at $5,000,000 per occurrence; and workers' compensation at the statutorily required limits.

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

DMI operations are governed by a five-member board of directors. Member colleges do not exercise any control over the activities of DMI beyond election of the board of directors at the annual meeting. The board has the authority to adopt its own budget, set policy matters, and control the financial affairs of the company. For the fiscal years 2018 and 2017, the District paid a premium of $571,717 and $536,424, respectively. Future premiums will be based on relevant rating exposure bases as well as the historical loss experience by members. DMI's ongoing operational expenses, other than loss adjustment expenses, are apportioned pro rata to each participant based on equity interest in the company.

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

Supplemental Insurance

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

(8) Risk Management (continued)

Supplemental Insurance (continued)

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

- Foreign liability: $5,000,000 aggregate general; $1,000,000 auto per accident; $1,000,000 employee benefits; includes benefit for accidental death and dismemberment, repatriation, and medical expenses.

- Crime: $750,000 coverage for employee dishonesty, forgery, computer fraud and funds transfer fraud; $750,000 coverage for theft, robbery, burglary, disappearance and destruction of money and securities; $25,000 coverage for investigation expenses, $15,000 deductible for employee dishonesty, forgery and fraud.

- Veterinary Services E&O Liability: $3,000,000 aggregate; $1,000,000 limit each claim; $1,000 deductible.

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

The District has purchased the following additional insurance through:

Wenk Insurance Agencies, Inc.

- Aircraft liability: $3,000,000 limit each occurrence including passengers and property damage and medical services expense coverage of $3,000 per person /$15,000 each occurrence; Aircraft physical damage as indicated in the policy of

  $132,000, $135,000 and $385,000; hangar keeper's liability; $250 not in motion and $1,000 in motion deductibles; 250,000 per aircraft /$250,000 per occurrence; $5,000 deductible.

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- Multimedia liability: $5,000,000 limit each claim; $10,000 deductible each claim.
- Storage Tank Pollution Liability: $1,000,000 aggregate; $5,000 deductible.

(9) Operating Leases

The District leases equipment, classroom, office, and aviation facilities under non-cancelable operating leases. Effective with fiscal year 2005-06 the District leased an instructional facility, known as the Burlington Center, from Burlington Area School District (BASD). The lease has an initial term of twenty years and fluctuating annual lease payments that are currently $179,800. Effective with fiscal year 2009-10 the District signed another twenty-year lease with BASD, for the leasing of the HERO Center. The annual lease payments fluctuate and are currently $146,750.

(9) Operating Leases (continued)

As of August 2010, the District began leasing the Center for Sustainable Living from the Gateway Technical College Foundation. The home, outbuildings, and acreage on the northwest side of the Kenosha campus were purchased for the college by the Foundation as a demonstration and learning site for sustainability practices. The 10-year lease has annual payments of $31,927.

As of December 2014, the District began leasing the SIM House from the Gateway Technical College Foundation. The home and surrounding acreage was purchased for the college by the Foundation to be used for training purposes for the Police Academy SIM City. The 10-year lease has annual payments of $19,313.

As of July 1, 2015, the District renewed the lease agreement with Kenosha Unified School District to lease the Lakeview Advanced Technology Center for five years at an annual rate of $70,000.

As of January 1, 2017, the District renegotiated the terms of the Horizon Center for Transportation Technology lease agreement with the City of Kenosha to include additional space for the construction and operation of an emergency vehicle operation course (EVOC). The term for Horizon Center portion of the lease is twenty-five years with increasing annual lease payments that are currently $16,880. The term for the EVOC portion of the lease automatically renews annually for twenty-five years (both the District and City of Kenosha have lease termination options) with increasing annual lease payments that are currently $34,396.

As of January 1, 2018, the District began leasing space for the barbershop/cosmetology program from Koenen, LLC. The initial term of the lease is two years and annual lease payments are $19,200.

The commitments under the various lease agreements, described above, account for future minimum annual rental payments as follows:

Year Ending June 30	Amount
2019	$ 846,893
2020	717,519
2021	527,221
2022	478,644
2023	492,710
2024 - 2028	1,397,347
2029 - 2033	744,015
2034 - 2038	661,615
2039 - 2042	463,131
Total required minimum lease payments	$ 6,329,095

(9) Operating Leases (continued)

Rental expenses for all operating leases aggregated $689,104 and $621,270 for the years ended June 30, 2018 and 2017, respectively.

The District currently leases facilities located on the Elkhorn Campus, related to the Walworth County Education Consortium Alternative High School and the Walworth Job Center. As of June 30, 2018 and June 30, 2017, the cost of the lease assets is $1,089,035 for both years and the depreciation is $573,675 and $537,273, respectively. Effective with fiscal year 2008-09, the District is leasing facilities furniture (15-year lease) to Racine County Economic Development Corporation at our SC Johnson iMET Center.

Effective with the 2014-15 fiscal year, the District is leasing antenna space to Business Only Broadband. The initial term of the lease was extended to 2023 during the 2017-18 fiscal year.

Effective with the 2016-17 fiscal year, the District is leasing tower space to Verizon Wireless for an initial lease term of five years.

Effective with the 2016-17 fiscal year, the District is leasing tower space to Magnum Communications for an initial lease term of five years.

Effective with the 2016-17 fiscal year, the District is leasing tower space to the County of Kenosha for an initial lease term of three years.

The commitments under the non-cancelable leases provide for future minimum rentals as follows:

Year Ending June 30	Amount
2019	$ 149,755
2020	117,575
2021	44,914
2022	37,868
2023	10,368
2024	1,668
Total future minimum lease revenue	$ 362,148

The District's other operating lease rentals are primarily month-to-month or year-to-year for various facilities, room, and equipment rentals. The total operating revenue received for June 30, 2018 and 2017 was $142,561 and $147,905, respectively.

(10) Expenses Classification

Expenses on the Statements of Revenues, Expenses and Changes in Net Position are classified by function. Alternatively, the expenses could also be shown by type of expense, as follows for the year ended June 30:

	2018	2017
Salaries and wages	$ 51,945,888	$ 50,750,747
Fringe benefits	18,398,827	18,528,651
Travel, memberships, professional dev.	1,495,105	1,173,732
Supplies and minor equipment	13,149,991	11,736,282
Contract services	6,155,993	5,028,221
Bank/Agency credit/collection fees	117,082	125,840
Rentals	689,104	621,270
Repairs and maintenance	698,571	666,439
Insurance	594,661	619,665
Utilities	1,734,754	1,638,070
Depreciation	8,174,908	7,366,157
Student aid	17,297,573	14,857,458
Student debt write-off	358,994	94,670
Total Operating Expenses	$ 120,811,451	$ 113,207,202

(11) Joint Venture

The District had implemented a computerized database through a joint venture with Moraine Park Technical College and Waukesha County Technical College (WCTC) by forming the Wisconsin Public Access Library System (WISPALS) in 1989. It was organized as a consortium under Wis. Stats. 66.0301 and Gateway Technical College performed the duties of fiscal agent for the consortium through December 31, 2015. As of January 1, 2016 that responsibility was shifted to WiLS, a third party fiscal agent. Since 1997 and as of June 30, 2013, eight additional technical colleges have joined. Since June 30, 2015 there are eleven full members (CVTC, FVTC, GTC, LTC, MPTC, MSTC, NTC, NWTC, WCTC, WTC and WITC), and one service level agreement (Agnesian Healthcare). WISPALS is governed by the eleven full member colleges' presidents and librarians, with each college having an equal vote. Through the joint venture each full member college owns one-eleventh of the computer hardware and WCTC's Pewaukee campus. Operating costs of WISPALS are also shared equally by the eleven full member colleges.

Gateway Technical College's share of the operating costs, for the years ended June 30, 2018 and 2017 was $59,585 and $67,360 respectively. The net assets for the joint venture decreased, by $79,708 for the fiscal year. WISPALS has no joint venture debt outstanding.

The WISPALS financial statements can be obtained through WiLS, 1360 Regent Street, # 121, Madison, WI 53715.

(12) Commitments and Contingent Liabilities

Child Care Center - In April 2003, the District entered into a ground lease agreement with the Gateway Technical College Foundation Inc., (Foundation) to lease a plot of land for construction of a building for use as a child care center. The Foundation entered into a lease agreement with a child care provider who would occupy the structure. The building, funded by the Foundation, is part of the project that included the District's construction of the Bioscience building.

The ground lease and the lease agreement are for 20 years. At the expiration of the ground lease, the title to the building including all improvements and appurtenances constructed by the Foundation will be transferred to the District. The Foundation funded the construction through loans of $962,310. Debt service payments are the responsibility of the Foundation who will use the rental income provided by the tenant (child care provider) to finance the payments.

In the event of default by the tenant, the District will, in an effort to continue childcare services for students and employees of the District, and subject to state board approval, agree to pay up to $500,000 toward any loan commitments made to the lenders, by the Foundation, for the construction of the building.

As of June 30, 2018 the District has commitments outstanding for construction projects of approximately $3,422,239. As of June 30, 2017 the commitments for construction projects were $4,470,516.

(13) Component Unit

This report contains the Gateway Technical College Foundation, Inc., which is included as a component unit. Financial information is presented as a discrete column in the statement of net position and the statement of revenues, expenses and changes in net position.

In addition to the basic financial statements, the following disclosures are considered necessary for a fair presentation.

1. Cash and Investments

The Foundation invests funds with Johnson Trust. Investments at June 30, 2018 and 2017 are as follows:

(13) Component Unit (continued)

1. Cash and Investments (continued)

June 30, 2018	Cost	Fair Value	Unrealized Gains
Equity	$ 3,543,092	$ 3,904,283	$ 361,191
Fixed Income	2,805,106	2,741,029	(64,077)
Total Investments	$ 6,348,198	6,645,312	$ 297,114
Cash & Cash Equivalents		158,023	
Total Cash and Investments		$ 6,803,335	

June 30, 2017	Cost	Fair Value	Unrealized Gains
Equity	$ 2,544,913	$ 2,879,598	$ 334,685
Fixed Income	2,743,858	2,738,078	(5,780)
Total Investments	$ 5,288,771	5,617,676	$ 328,905
Cash & Cash Equivalents		119,513	
Total Cash and Investments		$ 5,737,189	

Investment income reported in the statement of revenues, expenses and changes in net position totaled $540,560 and $486,696, respectively for the years ended June 30, 2018 and 2017 and consisted of the following:

	2018	2017
Market appreciation	$ 581,129	$ 522,598
Interest and dividend income	68	35
Investment fees	(40,637)	(35,937)
Investment return	$ 540,560	$ 486,696

2. Capital Assets

Following are the changes in the Foundation's capital assets for the years ended June 30, 2018 and 2017:

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Capital assets, not being depreciated:				
Land	$ 163,291	$ -	$ -	$ 163,291
Capital assets, being depreciated:				
Buildings	1,216,073	-	-	1,216,073
	1,379,364	-	-	1,379,364
Less accumulated depreciation for:				
Buildings	680,975	56,860	-	737,835
Net capital assets	$ 698,389	$ 56,860	$ -	$ 641,529

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
Capital assets, not being depreciated:				
Land	$ 163,291	$ -	$ -	$ 163,291
Capital assets, being depreciated:				
Buildings	1,206,073	10,000	-	1,216,073
	1,369,364	10,000	-	1,379,364
Less accumulated depreciation for:				
Buildings	624,282	56,693	-	680,975
Net capital assets	$ 745,082	$ 66,693	$ -	$ 698,389

(13) Component Unit (continued)

3. Long-Term Debt

Long-term debt outstanding at June 30, 2018 and 2017 consists of the following issues:

	2018	2017
$210,981 notes payable to Wells Fargo Bank with monthly installments of $4,252 in principal and interest at 3.75%, with final payment due on March 1, 2018. Secured with real estate.	$ -	$ 38,180
$228,007 notes payable to Johnson Bank, due in monthly installments of $4,205 including interest of 4.00%, with a final payment due May 21, 2018. This note is unsecured.	-	45,334
$134,045 notes payable to Wells Fargo Bank with monthly installments of $2,101 in principal and interest at 4.00%, with final payment due on August 15, 2020. Secured with real estate.	52,784	75,352
Total	52,784	158,866
Less amount due within one year	23,939	105,736
Total long-term debt	$ 28,845	$ 53,130

Long-term debt of $52,784 is expected to mature as follows:

Year Ending June 30,	Amount
2019	$ 23,939
2020	24,501
2021	4,344
Total	$ 52,784

(13) Component Unit (continued)

4. Operating Leases

The Foundation leases a building to the District under non-cancelable operating leases with automatic renewal terms. The following is a schedule by years of future minimum lease rentals as of June 30, 2018.

Year Ending June 30,	Amount
2019	$ 167,528
2020	167,528
2021	138,263
2022	135,601
2023	24,158
Thereafter	27,359
Total	$ 660,437

5. Unrestricted, Temporary and Permanently Restricted Net Assets

Net assets are classified for the following purposes at June 30:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
June 30, 2018	$ 983,724	$ 3,324,264	$ 3,353,514	$ 7,661,502
June 30, 2017	$ 1,063,792	$ 3,255,209	$ 2,220,680	$ 6,539,681

(13) Component Unit (continued)

6. Promises to Give

The Organization had promises to give expected to be collected for the years ended June 30, 2018 and 2017 as follows:

	2018	2017
Less than One Year	$ 223,505	$ 79,833
More than One Year and Less than Five Years	49,808	227,035
	273,313	306,868
Less Discount (1.25 rate) on Promises to Give	(3,416)	(13,233)
Net Promises to Give	269,897	293,635
Less Amounts Representing Current Portions	223,505	79,833
Promises to Give, Net, More than One Year	46,392	213,802

Of the amounts in Promises to Give as of June 30, 2018 and 2017, $81,758 and $293,635 represent amounts given by donors for the long-term purpose of being held permanently with only the earnings to be spent.

(14) Subsequent Events

The District Board authorized various expenditure budget revisions for the General Fund, Special Revenue Fund–Aidable and the Capital Projects fund. The purpose of these revisions was to appropriately eliminate all negative budget variances by function. These revisions were accomplished by reallocating among various budget functions without affecting the total budgeted expenditures.

Subsequent to June 30, 2018, the District issued $7,500,000 in General Obligation Promissory Notes.

Date	Interest Rate	Amount	Purpose
7/5/2018	2% - 4%	$ 6,500,000	Proceeds to be used for $5,000,000 in equipment and $1,500,000 for various facility remodeling projects.
8/1/2018	3% - 4%	1,000,000	Proceeds to be used for various facility remodeling projects.
		$ 7,500,000	

(15) Upcoming Accounting Pronouncements

In January 2017, the GASB issued Statement No.84, *Fiduciary Activities*. The Statement establishes criteria for identifying fiduciary activities and addresses financial reporting for these activities. This statement is effective for reporting periods beginning after June 15, 2018. The District is currently evaluating the impact this standard will have on the financial statements when adopted.

In June 2017, the GASB issued Statement No.87, *Leases*. The Statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement is effective for reporting periods beginning after December 15, 2019. The District is currently evaluating the impact this standard will have on the financial statements when adopted.

REQUIRED SUPPLEMENTARY INFORMATION

GATEWAY TECHNICAL COLLEGE

Schedule of Changes in Total OPEB Liability and Related Ratios
Last 10 Fiscal Years

		2018
Total OPEB Liability		
Service cost	$	587,898
Interest		815,970
Benefit payments		(1,646,192)
Changes of benefit terms		-
Differences between expected and actual experience		1,457,283
Changes in assumptions		1,462,422
Net change in total OPEB liability		2,677,381
Total OPEB liability - beginning		21,193,794
Total OPEB liability - ending	$	23,871,175
Covered-employee payroll	$	40,911,888
District's total OPEB liability as a percentage of covered-employee payroll		58.35%

* The amounts presented for each fiscal year were determined as of the prior fiscal year end. Amounts for prior years were not available.

The notes to the required supplementary information are an integral part of this schedule.

GATEWAY TECHNICAL COLLEGE

Schedule of Employer Contributions
Other Postemployment Benefits
Last 10 Fiscal Years

	2018
Actuarially determined contribution (ADC)	$ 2,057,976
Contributions in relation to the ADC	1,646,192
Contribution deficiency (excess)	$ 411,784
Covered-employee payroll	$ 40,911,888
Contributions as a percentage of covered-employee payroll	4.02%

Key Methods and Assumption Used to Calculate ADC	
Actuarial cost method	Projected Unit Credit
Asset valuation method	Market Value
Amortization method	30 year Level Dollar
Discount rate	2.98%
Inflation	3.00%

* The amounts presented for each fiscal year were determined as of the prior fiscal year end. Amounts for prior years were not available.

The notes to the required supplementary information are an integral part of this schedule.

GATEWAY TECHNICAL COLLEGE DISTRICT

Schedules of Other Post-Employment Benefit Plan Information
June 30, 2017

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/11	$ -	$ 17,438,807	$ 17,438,807	0%	$ 41,151,310	42%
6/30/12	$ -	$ 17,861,024	$ 17,861,024	0%	$ 42,051,198	42%
6/30/13	$ -	$ 18,137,351	$ 18,137,351	0%	$ 41,193,580	44%
6/30/14	$ -	$ 18,846,313	$ 18,846,313	0%	$ 41,010,008	46%
6/30/15	$ -	$ 19,165,961	$ 19,165,961	0%	$ 41,473,060	46%
6/30/16	$ -	$ 19,225,503	$ 19,225,503	0%	$ 41,030,374	47%
6/30/17	$ -	$ 21,986,417	$ 21,986,417	0%	$ 41,153,259	53%

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution (ARC)	Employer Contribution	Percentage of ARC Contributed	Net OPEB Obligation
6/30/11	$ 1,776,169	$ 1,114,687	62.8%	$ 1,880,288
6/30/12	$ 1,780,369	$ 1,242,619	69.8%	$ 2,388,695
6/30/13	$ 1,621,629	$ 1,359,629	83.8%	$ 2,613,418
6/30/14	$ 1,752,794	$ 1,502,599	85.7%	$ 2,822,829
6/30/15	$ 1,758,703	$ 1,540,156	87.6%	$ 2,991,045
6/30/16	$ 1,783,148	$ 1,503,675	84.3%	$ 3,217,188
6/30/17	$ 1,766,092	$ 1,688,594	95.6%	$ 3,237,324

See Notes to Required Supplementary Information

GATEWAY TECHNICAL COLLEGE DISTRICT

Schedules of Wisconsin Retirement System Pension Plan Information
June 30, 2018

Schedule of Proportionate Share of the Net Pension Liability (Asset)
Last 10 Fiscal Years*

Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Employee Payroll	Proportionate Share of the Net Position Liability(Asset) as a Percentage of Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/2014	0.3301437%	$ (8,108,266)	$ 45,832,538	-17.69%	102.70%
12/31/2015	0.3276965%	5,325,004	46,039,216	11.57%	98.20%
12/31/2016	0.3244030%	2,673,855	46,491,250	5.75%	99.12%
12/31/2017	0.3191383%	(9,475,595)	46,347,544	-20.44%	102.93%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year

Schedule of Contributions
Last 10 Fiscal Years*

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
6/30/2015	$ 3,185,118	$ 3,185,118	$ -	$ 46,160,264	6.90%
6/30/2016	3,097,538	3,097,538	-	46,235,719	6.70%
6/30/2017	3,095,524	3,095,524	-	46,205,511	6.70%
6/30/2018	3,174,648	3,174,648	-	47,033,912	6.75%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year

The notes to the required supplementary information are an integral part of this schedule.

Note A - Governmental Accounting Standards Board Statement No. 75

The District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* for the fiscal year ended June 30, 2018. Information for prior years is not available.

Note B - Wisconsin Retirement System

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

SUPPLEMENTARY INFORMATION

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

GENERAL FUND

The general fund is the primary operating fund of the College and receives most of its revenue from local sources. It is used to account for all financial resources except those accounted for in another fund.

GATEWAY TECHNICAL COLLEGE DISTRICT

General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the year ended June 30, 2018

	Budget Amounts Original	Budget Amounts Final	Actual on a Budgetary Basis	Variance with Final Budget- Over (Under)
Revenues				
Local government - tax levy	$ 18,928,071	$ 19,195,714	$ 19,161,056	$ (34,658)
Intergovernmental revenue:				
State	39,316,969	38,882,209	38,855,632	(26,577)
Federal	30,000	30,000	17,550	(12,450)
Tuition and fees:				
Statutory program fees	14,594,491	15,236,649	15,293,543	56,894
Material fees	692,669	723,146	819,470	96,324
Other student fees	1,817,807	1,897,791	1,983,400	85,609
Miscellaneous - institutional revenue	3,986,572	5,182,188	5,276,740	94,552
Total revenues	79,366,579	81,147,697	81,407,391	259,694
Expenditures				
Instruction	51,290,350	53,121,468	52,192,830	928,638
Instructional resources	1,389,501	1,239,501	1,133,527	105,974
Student services	11,501,548	11,276,548	11,244,576	31,972
General institutional	7,747,420	8,222,420	8,198,496	23,924
Physical plant	7,437,760	7,587,760	7,578,705	9,055
Total expenditures	79,366,579	81,447,697	80,348,134	1,099,563
Revenues over (under) expenditures	-	(300,000)	1,059,257	1,359,257
Other financing uses				
Transfers out	-	(3,000,000)	(3,000,000)	-
Net change in fund balance	-	(3,300,000)	(1,940,743)	1,359,257
Fund balance				
Beginning of year	27,637,274	27,637,274	27,637,274	-
End of year	$ 27,637,274	$ 24,337,274	$ 25,696,531	$ 1,359,257

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than debt service or major capital projects) that are restricted to expenditures for designated purposes because of legal or regulatory provisions. Gateway has two special revenue funds.

Operating fund - The operating fund is used to account for the proceeds from specific revenue sources other than non-aidable funds that are legally restricted as to expenditures for specific purposes.

Non-aidable - The non-aidable fund is used to account for assets held by the district in a trustee capacity, primarily for student aids and other student activities.

GATEWAY TECHNICAL COLLEGE DISTRICT

Special Revenue Fund - Operating Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the year ended June 30, 2018

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local government - tax levy	$ 2,049,205	$ 2,049,205	$ 2,049,205	$ -
Intergovernmental revenue:				
State	1,063,175	1,063,175	1,033,149	(30,026)
Federal	1,754,821	1,754,821	1,834,746	79,925
Other	50,000	50,000	92,447	42,447
Miscellaneous - institutional revenue	360,500	430,500	433,019	2,519
Total revenues	5,277,701	5,347,701	5,442,566	94,865
Expenditures				
Instruction	2,724,980	2,597,761	2,591,701	6,060
Instructional resources	-	49,600	46,532	3,068
Student services	1,616,470	2,075,000	2,069,650	5,350
General institutional	580,151	680,000	675,264	4,736
Physical plant	-	58,000	49,884	8,116
Public services	356,100	356,100	336,866	19,234
Total expenditures	5,277,701	5,816,461	5,769,897	46,564
Revenues over (under) expenditures	-	(468,760)	(327,331)	141,429
Other financing uses				
Transfers out	-	(31,240)	(31,240)	-
Net change in fund balance	-	(500,000)	(358,571)	141,429
Fund balance				
Beginning of year	2,516,553	2,516,553	2,516,553	-
End of year	$ 2,516,553	$ 2,016,553	$ 2,157,982	$ 141,429

GATEWAY TECHNICAL COLLEGE DISTRICT

Special Revenue Fund - Non-Aidable Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the year ended June 30, 2018

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Intergovernmental revenue:				
State	$ 2,004,000	$ 2,004,000	$ 1,916,729	$ (87,271)
Federal	25,146,000	25,146,000	23,639,742	(1,506,258)
Tuition and fees - other student fees	755,000	755,000	765,839	10,839
Miscellaneous - institutional revenue	3,774,000	3,774,000	2,933,266	(840,734)
Total revenues	31,679,000	31,679,000	29,255,576	(2,423,424)
Expenditures				
Student services	31,714,000	31,699,000	29,655,966	2,043,034
General institutional	5,000	5,000	3,732	1,268
Total expenditures	31,719,000	31,704,000	29,659,698	2,044,302
Revenues under expenditures	(40,000)	(25,000)	(404,122)	(379,122)
Other financing uses				
Transfers out	-	(15,000)	(15,000)	-
Net change in fund balance	(40,000)	(40,000)	(419,122)	(379,122)
Fund balance				
Beginning of year	1,053,691	1,053,691	1,053,691	-
End of year	$ 1,013,691	$ 1,013,691	$ 634,569	$ (379,122)

CAPITAL PROJECTS FUND

The capital projects fund is used to account for financial resources to be used for the acquisition or construction of capital assets other than those financed by enterprise operations.

GATEWAY TECHNICAL COLLEGE DISTRICT

Capital Projects Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the year ended June 30, 2018

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget-Over (Under)
	Original	Final		
Revenues				
Intergovernmental revenue:				
State	$ 100,000	$ 100,000	$ 72,044	$ (27,956)
Federal	100,000	100,000	34,784	(65,216)
Miscellaneous - institutional revenue	150,000	150,000	375,726	225,726
Total revenues	350,000	350,000	482,554	132,554
Expenditures				
Instruction	3,031,500	5,330,640	4,434,828	895,812
Instructional resources	10,000	20,000	13,638	6,362
Student services	15,000	27,100	3,522	23,578
General institutional	2,696,000	2,706,000	2,703,776	2,224
Physical plant	7,572,500	8,287,500	7,309,435	978,065
Public services	25,000	25,000	3,101	21,899
Total expenditures	13,350,000	16,396,240	14,468,300	1,927,940
Revenues over (under) expenditures	(13,000,000)	(16,046,240)	(13,985,746)	2,060,494
Other financing sources				
Long-term debt issued	13,000,000	13,000,000	13,000,000	-
Transfers in	-	3,046,240	3,046,240	-
Total other financing sources	13,000,000	16,046,240	16,046,240	-
Net change in fund balance	-	-	2,060,494	2,060,494
Fund balance				
Beginning of year	3,542,823	3,542,823	3,542,823	-
End of year	$ 3,542,823	$ 3,542,823	$ 5,603,317	$ 2,060,494

DEBT SERVICE FUND

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt and lease obligation principal, interest, and related costs.

GATEWAY TECHNICAL COLLEGE DISTRICT

Debt Service Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the year ended June 30, 2018

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local government - tax levy	$ 11,925,000	$ 11,925,000	$ 11,925,000	$ -
Miscellaneous - institutional revenue	10,000	10,000	28,810	18,810
Total revenues	11,935,000	11,935,000	11,953,810	18,810
Expenditures				
Physical plant				
Principal retirement	8,335,000	10,480,000	10,480,000	-
Interest	1,990,000	1,741,084	1,691,448	49,636
Financing costs	2,135,000	238,916	231,350	7,566
Total expenditures	12,460,000	12,460,000	12,402,798	57,202
Revenues over (under) expenditures	(525,000)	(525,000)	(448,988)	76,012
Other financing sources				
Proceeds of debt premium	325,000	325,000	413,014	88,014
Net change in fund balance	(200,000)	(200,000)	(35,974)	164,026
Fund balance				
Beginning of year	2,941,591	2,941,591	2,941,591	-
End of year	$ 2,741,591	$ 2,741,591	$ 2,905,617	$ 164,026

ENTERPRISE FUNDS

Enterprise funds are used to account for operations (other than for the educational operations) that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The operations of the District's culinary arts, auto lab, and various other minor services are accounted for in the enterprise funds in a manner similar to accounting for private enterprise operations.

GATEWAY TECHNICAL COLLEGE DISTRICT

Enterprise Fund Schedule of Revenues, Expenses, and Changes in Net Position
Budget and Actual (Non-GAAP Budgetary Basis)
For the year ended June 30, 2018

	Budget Amounts		Actual on a Budgetary	Variance with Final Budget- Over
	Original	Final	Basis	(Under)
Operating Revenues				
Local government - tax levy	$ 45,000	$ 45,000	$ 45,000	$ -
Tuition and fees - other student fees	255,000	255,000	102,345	(152,655)
Miscellaneous - institutional revenue	350,000	350,000	303,008	(46,992)
Total revenues	650,000	650,000	450,353	(199,647)
Operating Expenses				
Auxiliary services	650,000	650,000	461,742	188,258
Change in net position	-	-	(11,389)	(11,389)
Net Position				
Beginning of year	1,134,432	1,134,432	1,134,432	-
End of year	$ 1,134,432	$ 1,134,432	$ 1,123,043	$ (11,389)

SCHEDULES TO RECONCILE BUDGET BASIS FINANCIAL STATEMENTS TO BASIC FINANCIAL STATEMENTS

GATEWAY TECHNICAL COLLEGE DISTRICT

Schedule to Reconcile the Budgetary (Non-GAAP) Combined Balance Sheet - All Fund Types
to the Statements of Net Position
June 30, 2018

ASSETS	General Fund	Special Revenue Funds Operating	Special Revenue Funds Non-Aidable	Capital Projects Fund	Debt Service Fund	Enterprise Fund	Total	Reconciling Items	Statement of Net Position
Assets									
Cash and cash equivalents	$ 25,766,078	$ -	$ -	$ 10,699,813	$ 2,905,617	$ -	$ 39,371,508	$ -	$ 39,371,508
Receivables:									
Property taxes	8,301,272	-	-	-	-	-	8,301,272	-	8,301,272
Accounts, net of reserve of $ 164,000	2,378,425	7,695	-	-	-	-	2,386,120	-	2,386,120
Federal and state aid	205,090	952,974	40,073	-	-	-	1,198,137	-	1,198,137
Due from other funds	-	1,293,436	611,363	-	-	1,149,897	3,054,696	(3,054,696)	-
Prepaid expenditures	680,263	8,250	-	-	-	-	688,513	-	688,513
Capital assets	-	-	-	-	-	-	-	166,286,893	166,286,893
Less: accumulated depreciation	-	-	-	-	-	-	-	(81,023,274)	(81,023,274)
Net pension asset	-	-	-	-	-	-	-	9,475,595	9,475,595
Total Assets	37,331,128	2,262,355	651,436	10,699,813	2,905,617	1,149,897	55,000,246	91,684,518	146,684,764
DEFERRED OUTFLOWS OF REOURCES									
Deferred outflows related to OPEB	-	-	-	-	-	-	-	2,384,960	2,384,960
Deferred outflows related to pensions	-	-	-	-	-	-	-	15,571,953	15,571,953
Total Deferred Outflows of Resources	-	-	-	-	-	-	-	17,956,913	17,956,913
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 37,331,128	$ 2,262,355	$ 651,436	$ 10,699,813	$ 2,905,617	$ 1,149,897	$ 55,000,246	$ 109,641,431	$ 164,641,677
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND EQUITY									
Liabilities									
Accounts payable	$ 3,342,961	$ 5,315	$ 201	$ -	$ -	$ 25,889	$ 3,374,366	$ -	$ 3,374,366
Accrued payroll and benefits	1,816,415	77,021	16,666	-	-	965	1,911,067	-	1,911,067
Accrued vacation	646,610	-	-	-	-	-	646,610	-	646,610
Accrued interest payable	-	-	-	-	-	-	-	435,736	435,736
Due to other funds	3,054,696	-	-	-	-	-	3,054,696	(3,054,696)	-
Due to students groups/organizations	-	-	-	-	-	-	-	371,189	371,189
Deferred revenues	2,708,920	22,037	-	130,000	-	-	2,860,957	(1,626,400)	1,234,557
Other post-employment benefits liability	-	-	-	-	-	-	-	23,871,175	23,871,175
Long-term liabilities	-	-	-	-	-	-	-	65,785,342	65,785,342
Total liabilities	11,569,602	104,373	16,867	130,000	-	26,854	11,847,696	85,782,346	97,630,042
Deferred Inflows of Resources									
Deferred inflows related to pensions	-	-	-	-	-	-	-	18,670,383	18,670,383
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	$ 11,569,602	$ 104,373	$ 16,867	$ 130,000	$ -	$ 26,854	$ 11,847,696	$ 104,452,729	$ 116,300,425
Fund balances / net position									
Net investment in capital assets	-	-	-	-	-	-	-	38,096,687	38,096,687
Net position									
Unreserved/unrestricted	-	-	-	-	-	1,123,043	1,123,043	7,698,696	8,821,739
Fund balances:									
Reserved for prepaid expenditures	680,263	8,250	-	-	-	-	688,513	(688,513)	-
Reserved for student organizations	-	-	1,077,877	-	-	-	1,077,877	(371,189)	706,688
Reserved for student financial assistance (deficit)	-	-	(443,308)	-	-	-	(443,308)	443,308	-
Reserved for capital projects	-	-	-	5,603,317	-	-	5,603,317	(5,603,317)	-
Reserved for debt service	-	-	-	-	2,905,617	-	2,905,617	(2,189,479)	716,138
Reserved for OPEB - Other post employment benefits	2,370,000	-	-	-	-	-	2,370,000	(2,370,000)	-
Unreserved - Designated for:									
Subsequent year	2,559,236	707,257	-	-	-	-	3,266,493	(3,266,493)	-
Operations	20,087,032	1,442,475	-	-	-	-	21,529,507	(21,529,507)	-
Total fund balances / net position	25,696,531	2,157,982	634,569	5,603,317	2,905,617	1,123,043	38,121,059	10,220,193	48,341,252
Reserve for encumbrances	64,995	-	-	4,966,496	-	-	5,031,491	(5,031,491)	-
Total Liabilities, Deferred Inflows of Resources, and Fund Equity	$ 37,331,128	$ 2,262,355	$ 651,436	$ 10,699,813	$ 2,905,617	$ 1,149,897	$ 55,000,246	$ 109,641,431	$ 164,641,677

GATEWAY TECHNICAL COLLEGE DISTRICT

Schedule to Reconcile the Budgetary (Non-GAAP) Basis Financial Statements
to the Statements of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2018

	General Fund	Special Revenue Funds Operating	Special Revenue Funds Non-Aidable	Capital Projects Fund	Debt Service Fund	Enterprise Funds	Total	Reconciling Items	Statement of Revenues, Expenses and Changes in Net Position	
Revenues										
Local government - tax levy	$ 19,161,056	$ 2,049,205	$ -	$ -	$ 11,925,000	$ 45,000	$ 33,180,261	$ -	$ 33,180,261	
Intergovernmental revenue:										
State	38,855,632	1,033,149	1,916,729	72,044	-	-	41,877,554	-	41,877,554	(1)
Federal	17,550	1,834,746	23,639,742	34,784	-	-	25,526,822	-	25,526,822	(2)
Other	-	92,447	-	-	-	-	92,447	-	92,447	
Tuition and fees:										
Statutory program fees	15,293,543	-	-	-	-	-	15,293,543	(6,706,292)	8,587,251	
Material fees	819,470	-	-	-	-	-	819,470	(350,760)	468,710	
Other student fees	1,983,400	-	765,839	-	-	102,345	2,851,584	(1,218,912)	1,632,672	
Miscellaneous - institutional revenue	5,276,740	433,019	2,933,266	375,726	28,810	303,008	9,350,569	(2,669,532)	6,681,037	(3)
Total revenues	81,407,391	5,442,566	29,255,576	482,554	11,953,810	450,353	128,992,250	(10,945,496)	118,046,754	
Expenditures										
Instruction	52,192,830	2,591,701	-	4,434,828	-	-	59,219,359	(258,883)	58,960,476	
Instructional resources	1,133,527	46,532	-	13,638	-	-	1,193,697	96,344	1,290,041	
Student services	11,244,576	2,069,650	29,655,966	3,522	-	-	42,973,714	(27,946,264)	15,027,450	
General institutional	8,198,496	675,264	3,732	2,703,776	-	-	11,581,268	(407,234)	11,174,034	
Physical plant	7,578,705	49,884	-	7,309,435	-	-	14,938,024	(6,859,514)	8,078,510	
Student aid	-	-	-	-	-	-	-	17,297,573	17,297,573	
Public services	-	336,866	-	3,101	-	-	339,967	5,374	345,341	
Depreciation	-	-	-	-	-	-	-	8,174,908	8,174,908	
Auxiliary services	-	-	-	-	-	461,742	461,742	1,375	463,117	
Debt Service:										
Principal	-	-	-	-	10,480,000	-	10,480,000	(10,480,000)	-	
Interest and debt issuance costs	-	-	-	-	1,922,798	-	1,922,798	(313,482)	1,609,316	
Total expenditures	80,348,134	5,769,897	29,659,698	14,468,300	12,402,798	461,742	143,110,569	(20,689,802)	122,420,767	
Revenues over (under) expenditures	1,059,257	(327,331)	(404,122)	(13,985,746)	(448,988)	(11,389)	(14,118,319)	9,744,306	(4,374,013)	
Other financing sources (uses)										
Long-term debt issued	-	-	-	13,000,000	-	-	13,000,000	(13,000,000)	-	
Debt premium	-	-	-	-	413,014	-	413,014	(413,014)	-	
Loss on disposal of capital assets	-	-	-	-	-	-	-	(24,135)	(24,135)	
Transfers in	-	-	-	3,046,240	-	-	3,046,240	(3,046,240)	-	
Transfers out	(3,000,000)	(31,240)	(15,000)	-	-	-	(3,046,240)	3,046,240	-	
Total other financing sources (uses)	(3,000,000)	(31,240)	(15,000)	16,046,240	413,014	-	13,413,014	(13,437,149)	(24,135)	
Net Change in Fund Balances	(1,940,743)	(358,571)	(419,122)	2,060,494	(35,974)	(11,389)	(705,305)	(3,692,843)	(4,398,148)	
Fund balances/net position										
Beginning of year, as originally reported	27,637,274	2,516,553	1,053,691	3,542,823	2,941,591	1,134,432	38,826,364	28,949,801	67,776,165	(4)
Cumulative effect of change in accounting principle	-	-	-	-	-	-	-	(15,036,765)	(15,036,765)	
Beginning of year, restated	27,637,274	2,516,553	1,053,691	3,542,823	2,941,591	1,134,432	38,826,364	13,913,036	52,739,400	
End of year	$ 25,696,531	$ 2,157,982	$ 634,569	$ 5,603,317	$ 2,905,617	$ 1,123,043	$ 38,121,059	$ 10,220,193	$ 48,341,252	

Schedule to Reconcile the Budgetary (Non-GAAP) Basis Financial Statements
to the Statements of Revenues, Expenses and Changes in Net Position (Continued)
June 30, 2018

(1) State grant revenue is presented on the Statements of Revenues, Expenses and Changes in Net Position as follows:

Operating	$ 3,136,499
Non-operating - State Appropriations	38,669,011
Non-operating - Capital Grants	72,044
Total	$ 41,877,554

(2) Federal grant revenue is presented on the Statements of Revenues, Expenses and Changes in Net Position as follows:

Operating	$ 25,492,038
Non-operating - Capital Grants	34,784
	$ 25,526,822

(3) Other institutional revenue is reported in four separate lines on the Statements of Revenues, Expenses and Changes in Net Position as follows:

Contract revenue	$ 4,500,392
Auxiliary enterprise revenues	286,708
Miscellaneous revenue	1,273,257
Investment income	198,420
Contributions	269,696
Donated capital assets	152,564
Total	$ 6,681,037

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

	2018	2017
Budgetary basis fund equity	$ 38,121,059	$ 38,826,364
Capital assets capitalized - cost	166,286,893	154,647,298
Accumulated depreciation on general fixed assets	(81,023,274)	(72,894,123)
General obligation debt	(63,630,000)	(61,110,000)
Other post employment benefits	(23,871,175)	(3,237,324)
Deferred outflows related to OPEB	2,384,960	-
Net pension asset	9,475,595	(2,673,855)
Deferred outflows related to pension	15,571,953	18,779,744
Deferred inflows related to pension	(18,670,383)	(8,435,935)
Accrued interest on long-term debt	(435,736)	(427,563)
Summer school tuition and fees	1,698,139	1,642,505
Unamortized debt premium	(1,753,743)	(1,662,384)
Deferred revenue for govt-wide basis	(473,338)	(545,077)
Encumbrances	5,031,491	5,186,241
Reclass fidiuciary funds to liability	(371,189)	(319,726)
Net position per basic financial statements	$ 48,341,252	$ 67,776,165

Statistical Section

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STATISTICAL SECTION

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health. The information in this section was prepared by the District and was not subject to audit by the independent certified public accounting firm.

Contents

Financial Trends

These schedules contain trend information to assist the reader in understanding and assessing how the District's financial position has changed over time.

Revenue Capacity

These schedules contain information to assist the reader in assessing the District's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to assist the reader in understanding and assessing the District's current levels of outstanding debt burden and the District's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Column Headings: The columns headed "Year" in this section refer to the District's fiscal year (July 1 to June 30). Certain data included in this section is only available on a calendar-year basis; and if calendar-year data is presented, it is disclosed in the notes to the specific statement or schedule included in this section.

GATEWAY TECHNICAL COLLEGE DISTRICT

Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net Investment in Capital Assets	$ 38,096,687	$ 33,578,192	$ 29,405,384	$ 28,043,849	$ 22,835,246	$ 20,982,819	$ 18,916,039	$ 19,615,422	$ 17,579,877	$ 16,438,878
Restricted-expendable	1,422,826	1,747,878	1,871,265	10,228,591	2,345,544	2,017,609	2,392,284	2,095,849	1,887,662	1,741,196
Restricted-nonexpendable	-	-	-	-	-	-	-	-	-	11,000
Unrestricted	8,821,739	32,450,095	37,704,933	30,835,816	27,835,368	26,771,698	22,754,631	22,552,555	21,188,982	18,598,688
Total Net Position	$ 48,341,252	$ 67,776,165	$ 68,981,582	$ 69,108,256	$ 53,016,158	$ 49,772,126	$ 44,062,954	$ 44,263,826	$ 40,656,521	$ 36,789,762

GATEWAY TECHNICAL COLLEGE DISTRICT

Changes in Net Position
Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Operating Revenues										
Student tuition and program fees, net of scholarship allowances	$ 10,688,633	$ 10,236,726	$ 10,893,182	$ 8,358,987	$ 9,242,102	$ 9,361,252	$ 10,409,936	$ 14,010,675	$ 11,602,472	$ 10,761,259
Federal grants	25,492,038	23,463,690	28,229,715	32,707,370	36,656,284	42,989,817	42,666,119	43,428,693	25,323,977	16,575,978
State grants	3,136,499	3,550,591	4,473,934	4,228,572	3,271,663	3,521,173	3,520,742	3,860,476	2,971,504	3,044,816
Local grants	92,447	74,948	99,930	102,347	-	-	-	-	-	-
Contract revenue	4,500,392	3,203,987	3,169,078	2,648,419	2,149,357	2,177,349	2,256,918	2,231,194	1,924,763	2,053,234
Auxiliary enterprise revenues	286,708	276,482	297,187	267,355	257,997	288,855	256,823	286,282	725,250	823,449
Miscellaneous - institutional revenue	1,273,257	1,391,155	1,317,622	1,424,325	1,442,389	1,658,302	1,203,156	1,503,587	1,247,461	925,416
Total operating revenues	45,469,974	42,197,579	48,480,648	49,737,375	53,019,792	59,996,748	60,313,694	65,320,907	43,795,427	34,184,152
Operating Expenses										
Instruction	58,960,476	55,694,295	57,310,939	55,474,683	55,803,389	56,214,432	60,869,404	58,458,128	54,075,497	51,672,106
Instructional resources	1,290,041	1,285,524	1,291,616	1,254,306	1,181,202	1,137,133	1,426,902	1,300,576	1,214,433	1,070,094
Student services	15,027,450	15,133,896	14,134,379	13,332,974	11,529,142	10,747,472	10,087,038	9,831,728	9,328,200	8,611,661
General institutional	11,174,034	9,892,887	9,924,868	8,767,271	8,384,731	8,183,287	8,373,179	8,089,118	7,675,036	7,242,051
Physical plant	8,078,510	8,208,117	7,737,633	7,887,141	7,509,972	7,465,411	7,718,475	8,004,016	7,364,494	6,939,730
Student aid	17,297,573	14,857,458	19,033,629	20,997,405	24,333,329	29,874,262	30,725,417	36,245,389	18,489,556	11,842,905
Public services	345,341	345,972	333,587	374,190	357,437	357,714	344,410	337,025	252,494	384,102
Auxiliary services	463,117	422,896	483,319	509,387	440,292	507,723	574,483	580,525	1,198,058	1,149,043
Depreciation	8,174,908	7,366,157	6,802,725	5,976,124	4,997,183	4,543,691	4,307,822	3,950,810	3,543,647	3,186,169
Total operating expenses	120,811,451	113,207,202	117,052,695	114,573,481	114,536,677	119,031,125	124,427,130	126,797,315	103,141,415	92,097,861
Operating loss	(75,341,477)	(71,009,623)	(68,572,047)	(64,836,106)	(61,516,885)	(59,034,377)	(64,113,436)	(61,476,408)	(59,345,988)	(57,913,709)
Non-Operating Revenues (Expenses)										
Property taxes	33,180,261	31,938,159	30,422,589	28,771,203	60,150,673	59,395,806	59,003,731	58,328,021	56,248,873	53,910,836
State appropriations	38,669,011	39,350,827	38,923,246	38,467,085	5,499,903	5,485,937	6,081,694	7,265,517	7,518,927	6,825,727
Gain (loss) on sale of capital assets	(24,135)	(27,216)	(115,602)	(61,308)	35,400	(2,245)	(13,933)	(43,980)	(14,631)	52,927
Investment income	198,420	92,351	60,764	46,692	40,747	38,735	33,320	76,959	69,363	210,390
Interest expense and debt issuance costs	(1,609,316)	(1,640,096)	(1,569,534)	(1,556,932)	(1,449,331)	(1,518,828)	(1,263,110)	(1,264,089)	(1,280,020)	(1,269,463)
Total non-operating revenues (expenses)	70,414,241	69,714,025	67,721,463	65,666,740	64,277,392	63,399,405	63,841,702	64,362,428	62,542,512	59,730,417
Capital Contributions										
State and federal capital appropriations	106,828	90,181	472,336	184,384	297,698	193,935	35,183	532,561	25,235	4,066
Contributions	269,696	-	184,000	208,750	164,827	1,421,800	35,679	41,002	538,267	44,202
Donated capital assets	152,564	-	67,574	306,990	21,000	11,367	-	147,722	106,733	28,000
Total capital contributions	529,088	90,181	723,910	700,124	483,525	1,627,102	70,862	721,285	670,235	76,268
Cumulative effect of change in accounting principle (1)(2)(3)	(15,036,765)	-	-	14,561,340	-	(282,958)	-	-	-	-
Increase/(Decrease) in Net Position	$ (19,434,913)	$ (1,205,417)	$ (126,674)	$ 16,092,098	$ 3,244,032	$ 5,709,172	$ (200,872)	$ 3,607,305	$ 3,866,759	$ 1,892,976

(1) The District implemented GASB 68 and 71 beginning with fiscal year ended June 30, 2015.
(2) The District implemented GASB 65 beginning with fiscal year ended June 30, 2013.
(3) The District implemented GASB 75 beginning with fiscal year ended June 30, 2018.

GATEWAY TECHNICAL COLLEGE

Expenses by Use
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Expense Classifications	2018	% of Total	2017	% of Total	2016	% of Total	2015	% of Total	2014	% of Total	2013	% of Total	2012	% of Total	2011	% of Total	2010	% of Total	2009	% of Total
Salaries and wages	$ 51,945,888	42.4%	$ 50,750,747	44.2%	$ 51,344,768	43.2%	$ 50,731,715	43.7%	$ 49,927,226	43.1%	$ 48,806,522	40.5%	$ 49,060,461	39.0%	$ 48,410,278	37.8%	$ 46,108,596	44.2%	$43,890,665	47.0%
Fringe benefits	18,398,827	15.0%	18,528,651	16.1%	18,801,734	15.8%	18,895,006	16.3%	18,360,563	15.8%	17,409,046	14.4%	23,133,387	18.4%	22,310,925	17.4%	20,677,526	19.8%	19,747,456	21.2%
Travel, memberships and subscriptions	1,495,105	1.2%	1,173,732	1.0%	1,354,686	1.1%	1,464,452	1.3%	1,290,745	1.1%	1,165,200	1.0%	957,520	0.8%	826,946	0.6%	740,879	0.7%	780,231	0.8%
Supplies and minor equipment	13,149,991	10.7%	11,736,282	10.2%	11,638,941	9.8%	7,983,678	6.9%	7,550,554	6.5%	8,935,173	7.4%	8,724,938	6.9%	7,664,080	6.0%	6,895,824	6.6%	6,056,363	6.5%
Contract services	6,155,993	5.0%	5,028,221	4.4%	4,108,271	3.5%	4,236,256	3.6%	4,043,245	3.5%	3,669,705	3.0%	3,207,743	2.6%	2,800,111	2.2%	2,405,619	2.3%	2,325,998	2.5%
Bank/Agency credit/collection fees	117,082	0.1%	125,840	0.1%	113,000	0.1%	100,306	0.1%	110,854	0.1%	89,929	0.1%	87,761	0.1%	118,761	0.1%	202,816	0.2%	196,348	0.2%
Rentals	689,104	0.6%	621,270	0.5%	702,054	0.6%	732,774	0.6%	734,061	0.6%	826,787	0.7%	958,089	0.8%	963,315	0.8%	827,786	0.8%	785,358	0.8%
Repairs and maintenance	698,571	0.6%	666,439	0.6%	746,178	0.6%	818,435	0.7%	565,631	0.5%	829,905	0.7%	709,408	0.6%	809,862	0.6%	664,938	0.6%	742,014	0.8%
Insurance	594,661	0.5%	619,665	0.5%	618,252	0.5%	540,802	0.5%	581,160	0.5%	524,070	0.4%	574,587	0.5%	633,985	0.5%	597,291	0.6%	518,683	0.6%
Utilities	1,734,754	1.4%	1,638,070	1.4%	1,608,012	1.4%	1,669,042	1.4%	1,859,746	1.6%	1,621,648	1.3%	1,618,643	1.3%	1,766,539	1.4%	1,631,363	1.6%	1,762,077	1.9%
Depreciation	8,174,908	6.7%	7,366,157	6.4%	6,802,725	5.7%	5,976,124	5.1%	4,997,183	4.3%	4,543,691	3.8%	4,307,822	3.4%	3,950,810	3.1%	3,543,647	3.4%	3,186,169	3.4%
Student aid	17,297,573	14.1%	14,857,458	12.9%	19,033,456	16.0%	20,997,578	18.1%	24,333,329	21.0%	29,874,262	24.8%	30,725,417	24.4%	36,245,389	28.3%	18,489,556	17.7%	11,842,905	12.7%
Student debt writeoff	358,994	0.3%	94,670	0.1%	180,618	0.2%	427,313	0.4%	182,380	0.2%	735,187	0.6%	361,354	0.3%	296,314	0.2%	355,584	0.3%	263,594	0.3%
Total operating expenses	120,811,451	98.7%	113,207,202	98.5%	117,052,695	98.6%	114,573,481	98.6%	114,536,677	98.8%	119,031,125	98.7%	124,427,130	99.0%	126,797,315	99.0%	103,141,425	98.8%	92,097,861	98.6%
Interest expense & debt issuance costs[(1)]	1,609,316	1.3%	1,640,096	1.4%	1,569,534	1.3%	1,556,932	1.3%	1,449,331	1.2%	1,518,828	1.3%	1,263,110	1.0%	1,264,089	1.0%	1,280,050	1.2%	1,269,463	1.4%
(Gain)/Loss on disposal of assets	24,135	0.0%	27,216	0.0%	115,602	0.1%	61,308	0.1%	(35,400)	0.0%	2,245	0.0%	13,933	0.0%	43,980	0.0%	14,631	0.0%	-	0.0%
Total non-operating expenses	1,633,451	1.3%	1,667,312	1.5%	1,685,136	1.4%	1,618,240	1.4%	1,413,931	1.2%	1,521,073	1.3%	1,277,043	1.0%	1,308,069	1.0%	1,294,681	1.2%	1,269,463	1.4%
Total Expenses	$122,444,902	100.0%	$114,874,514	100.0%	$118,737,831	100.0%	$116,191,721	100.0%	$115,950,608	100.0%	$120,552,198	100.0%	$125,704,173	100.0%	$128,105,384	100.0%	$ 104,436,106	100.0%	$93,367,324	100.0%

(1) The District implemented GASB 63/65 beginning with the fiscal year ended June 30, 2013.

GATEWAY TECHNICAL COLLEGE DISTRICT

Equalized Value and Tax Levy Distribution by Municipality
Fiscal Year 2018

County	Municipality	Taxable Equalized Valuation	Percent of Total	Total Tax Levy
Kenosha	Town of:			
	Brighton	$ 195,066,400	0.476799 %	$ 158,369
	Paris	220,335,600	0.538565	178,884
	Randall	529,655,300	1.294633	430,011
	Salem	1,120,771,000	2.739493	909,920
	Somers	93,166,500	0.227726	75,639
	Wheatland	320,614,700	0.783676	260,297
	Village of:			
	Bristol	581,049,200	1.420254	471,736
	Genoa City	340,400	0.000832	276
	Paddock Lake	222,852,300	0.544716	180,927
	Pleasant Prairie	2,688,370,900	6.571166	2,182,607
	Silver Lake	177,102,300	0.432890	143,784
	Somers	700,470,300	1.712155	568,691
	Twin Lakes	764,042,000	1.867542	620,303
	City of Kenosha	5,619,382,400	13.735416	4,562,207
Racine	Town of:			
	Burlington	688,737,300	1.683476	559,165
	Dover	358,627,500	0.876591	291,159
	Norway	344,540,558	0.842158	279,722
	Raymond	482,738,800	1.179955	391,921
	Waterford	779,852,800	1.906189	633,139
	Yorkville	509,010,800	1.244171	413,251
	Village of:			
	Caledonia	2,075,550,600	5.073254	1,685,077
	Elmwood Park	38,672,800	0.094528	31,397
	Mount Pleasant	2,594,715,100	6.342244	2,106,571
	North Bay	35,075,300	0.085734	28,477
	Rochester	390,507,700	0.954515	317,041
	Sturtevant	556,501,600	1.360253	451,807
	Union Grove	301,043,000	0.735837	244,408
	Waterford	418,236,600	1.022293	339,554
	Wind Point	239,737,500	0.585989	194,636
	City of:			
	Burlington	694,370,900	1.697246	563,739
	Racine	3,202,384,150	7.827565	2,599,919

GATEWAY TECHNICAL COLLEGE DISTRICT

Equalized Value and Tax Levy Distribution by Municipality (continued)
Fiscal Year 2018

County	Municipality	Taxable Equalized Valuation	Percent of Total	Total Tax Levy
Walworth	Town of:			
	Bloomfield	$ 109,786,400	0.268350 %	$ 89,132
	Darien	201,304,600	0.492047	163,433
	Delavan	942,817,000	2.304521	765,445
	East Troy	764,578,400	1.868854	620,738
	Geneva	839,160,000	2.051153	681,289
	Lafayette	261,108,000	0.638224	211,986
	LaGrange	751,599,000	1.837128	610,201
	Linn	1,738,894,300	4.250367	1,411,756
	Lyons	426,684,500	1.042942	346,412
	Richmond	236,548,500	0.578194	192,047
	Sharon	77,939,200	0.190506	63,276
	Spring Prairie	252,763,600	0.617828	205,211
	Sugar Creek	377,680,100	0.923161	306,627
	Troy	266,356,300	0.651053	216,247
	Walworth	234,888,500	0.574136	190,699
	Whitewater	316,084,500	0.772603	256,619
	Village of:			
	Bloomfield	378,895,300	0.926131	307,614
	Darien	111,043,200	0.271422	90,153
	East Troy	331,887,700	0.811231	269,450
	Fontana	1,084,654,200	2.651213	880,598
	Genoa City	187,431,100	0.458137	152,170
	Mukwonago	19,116,800	0.046727	15,520
	Sharon	71,889,900	0.175720	58,365
	Walworth	218,054,400	0.532989	177,032
	Williams Bay	707,391,600	1.729072	574,310
	City of:			
	Burlington	541,600	0.001324	440
	Delavan	563,998,400	1.378577	457,893
	Elkhorn	726,081,400	1.774756	589,484
	Lake Geneva	1,257,346,300	3.073323	1,020,802
	Whitewater	511,580,200	1.250452	415,337
	Totals	$ 40,911,627,308	100 %	$ 33,214,919

Source: Prepared by District staff. Taxable equalized valuations are from the Wisconsin Department of Revenue, Division of State and Local Finance, Bureau of Property Tax.

GATEWAY TECHNICAL COLLEGE DISTRICT

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Year	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	53,914,744	37,983,753	70.45	15,930,992	53,914,745	100.00
2010	56,201,000	39,426,916	70.15	16,774,084	56,201,000	100.00
2011	58,338,000	41,513,682	71.16	17,024,318	58,338,000	100.00
2012	58,895,000	41,764,575	70.91	17,130,425	58,895,000	100.00
2013	59,436,000	42,469,295	71.45	16,966,705	59,436,000	100.00
2014	60,043,000	43,169,400	71.90	16,873,600	60,043,000	100.00
2015	28,778,925	20,751,423	72.11	8,027,502	28,778,925	100.00
2016	30,224,031	21,823,887	72.21	8,400,144	30,224,031	100.00
2017	31,603,276	23,184,470	73.36	8,418,806	31,603,276	100.00
2018	33,214,919	24,913,647	75.01	-	24,913,647	75.01

Tax Levies, Rates, and Collections:
Personal property taxes, special assessments, special charges, and special taxes must be paid to the town, city or village treasurer in full by January 31. Municipalities also have the option of adopting payment plans which allow taxpayers to pay their real property taxes in installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. On or before January 15 and February 15 and on the 15th day of each month following a month in which an installment payment is due, the town, city or village treasurer settles with other taxing jurisdictions for all collections through the preceding month. On or before August 20, the county treasurer must settle in full with all the underlying taxing districts for all real property taxes and special taxes. Any county board may authorize its county treasurer to also settle in full with the underlying districts for all special assessments and special charges. The county may then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. Since in practice all delinquent real estate taxes are withheld from the county's share of the taxes and all delinquent personal property taxes are withheld from the shares of taxes of the respective city, and towns, the District receives 100 percent of the taxes it levies.

Source: Prepared by District staff.

GATEWAY TECHNICAL COLLEGE DISTRICT

Principal Taxing Districts and Counties
2017 Equalized Valuation and Tax Levy

Municipality	County	Equalized Value	Tax Levy	Percentage of Total Tax Levy
City of Kenosha	Kenosha	$ 5,619,382,400	$ 4,562,207	13.74 %
City of Racine	Racine	3,202,384,150	2,599,919	7.83
Village of Pleasant Prairie	Kenosha	2,688,370,900	2,182,607	6.57
Village of Mount Pleasant	Racine	2,594,715,100	2,106,571	6.34
Village of Caledonia	Racine	2,075,550,600	1,685,077	5.07
Town of Linn	Walworth	1,738,894,300	1,411,756	4.25
City of Lake Geneva	Walworth	1,257,346,300	1,020,802	3.07
Town of Salem	Kenosha	1,120,771,000	909,920	2.74
Village of Fontana	Walworth	1,084,654,200	880,598	2.65
Town of Delavan	Walworth	942,817,000	765,445	2.30
Total Principal Taxing Districts		$ 22,324,885,950	$ 18,124,903	54.57 %
County:				
Racine		$ 13,710,303,008	$ 11,130,982	33.51 %
Kenosha		13,233,219,300	10,743,653	32.35
Walworth		13,968,105,000	11,340,284	34.14
		$ 40,911,627,308	$ 33,214,919	100.00 %

Source: Prepared by District staff. Taxable equalized valuations are from the Wisconsin Department of Revenue, Division of State and Local Finance, Bureau of Property Tax.

GATEWAY TECHNICAL COLLEGE DISTRICT

Principal Property Taxpayers by County
Current Year and Nine Years Ago

County	Name of Business	Type of Business	Year Ended June 30, 2018: 2017 Equalized Valuation	Year Ended June 30, 2018: Rank	Year Ended June 30, 2018: Percent of District Equalized Valuation	Year Ended June 30, 2009: 2008 Equalized Valuation	Year Ended June 30, 2009: Rank	Year Ended June 30, 2009: Percent of District Equalized Valuation
Racine (1)	S.C. Johnson & Son, Inc.	Manfacturing	$ 76,588,500	1	0.19 %	$ 119,955,338	1	0.27 %
	Centerpoint Properties Trust(2)	Commercial	64,452,800	2	0.16	36,070,373	5	0.08
	United, Natural Foods	Food Distributor	33,671,000	3	0.08	-		-
	All Saints Health Care	Healthcare	30,954,500	4	0.08	53,389,092	3	0.12
	Case Equipment Corporation	Commercial	27,569,800	5	0.07	-		-
	Racine Joint Venture (Regency Mall)	Retail	26,791,400	6	0.07	107,927,500	2	0.25
	Johnson Financial Group	Financial Services	25,000,000	7	0.06	-		-
	Seda North America Inc.	Packaging Manufacturer	22,700,000	8	0.06	-		-
	Village Center Station LLC	Commercial	21,030,500	9	0.05	-		-
	Racine Mall	Retail	19,872,100	10	0.05	-		-
	Continental 81 Fund LLC	Retail-Wal-Mart Stores	-		-	46,989,385	4	0.11
	Aurora Medical Center	Health Care Services	-		-	34,905,928	6	0.08
	CNH Global(3)	Manufacturing	-		-	33,224,894	7	0.08
	Inland Southeast Mount Pleasant	Village Center Strip Mall	-		-	26,022,667	8	0.06
	Bombardier Motor Corp	Manfacturing	-		-	20,965,264	9	0.05
	High Ridge Improvements	DLC Management Corp	-		-	18,373,225	10	0.04
Racine County Total			$ 348,630,600		0.85 %	$ 497,823,666		1.13 %

(1) Equalized value information is not available from Racine County. Racine County data is assessed value. (2) Formerly American National Insurance. (3) Formerly J.I. Case Corporation.

County	Name of Business	Type of Business	2017 Equalized Valuation	Rank	Percent of District Equalized Valuation	2008 Equalized Valuation	Rank	Percent of District Equalized Valuation
Kenosha (1)	Uline Inc (Route 165 LLC)	Commerical	$ 162,919,800	1	0.40 %	$ -		- %
	Prime Outlets at Pleasant Prairie	Commercial	136,698,900	2	0.33	61,286,243	1	0.14
	KTR/Amazon	Commerical	132,631,900	3	0.32	-		-
	Amazon.com.dedc LLC	Commerical	77,401,000	4	0.19	-		-
	Ohiocubco (Meijer Distribution, Inc.)	Commercial	69,823,900	5	0.17	35,830,164	5	0.08
	Chicagoland DC 2008 LLC	Commercial	55,580,700	6	0.14	-		-
	Associated Wholesale Grocers Inc.	Commercial	55,444,700	7	0.14	-		-
	CV II Lakeview LLC	Commercial	53,929,600	8	0.13	51,858,373	2	0.12
	Ireit Pleasant Prairie Ridge LLC	Commercial	37,802,300	9	0.09	-		-
	First Park 94 LLC	Commercial	37,530,700	10	0.09	-		-
	Southport Plaza Ltd. Partners	Commercial	-		-	46,177,616	3	0.11
	Cabot Acquisitions LLC	Manufacturing	-		-	41,279,080	4	0.09
	Edward Rose Assoc. Apartments	Property Management	-		-	31,982,168	6	0.07
	Petretti Realty et Al.	Developer/Builder	-		-	29,733,751	7	0.07
	Iris USA Inc.	Manufacturing	-		-	26,075,279	8	0.06
	Diamler-Chrysler Corp.	Manufacturing	-		-	23,669,960	9	0.05
	Bit Holdings Forty-Nine Inc.	Commercial	-		-	23,292,385	10	0.05
Kenosha County Total			$ 819,763,500		2.00 %	$ 371,185,019		0.84 %

(1) Equalized value information is not available from Kenosha County. Kenosha County data is assessed value.

County	Name of Business	Type of Business	2017 Equalized Valuation	Rank	Percent of District Equalized Valuation	2008 Equalized Valuation	Rank	Percent of District Equalized Valuation
Walworth	Grand Geneva, LLC	Resort	$ 33,929,300	1	0.08 %	$ 41,264,597	2	0.09 %
	DLK Enterprises, Inc.	Farm/Real Estate	33,809,600	2	0.08	47,756,743	1	0.11
	Art Mortgage Borrower Propco	Mortgage	29,570,700	3	0.07	-		-
	Wal-Mart	Retail	23,334,500	4	0.06	33,365,902	4	0.08
	Kikkoman Foods, Inc.	Factory	21,169,400	5	0.05	21,549,719	6	0.05
	Honey Creek of East Troy, LLP	Real Estate	17,095,100	6	0.04	-		-
	Aurora Medical Center	Health Care Services	16,226,700	7	0.04	-		-
	Delavan Lake Lawn, LLC	Resort/Airport	15,047,500	8	0.04	-		-
	Lake Geneva Investors, LLC	Investor	14,103,100	9	0.03	14,515,342	9	0.03
	Fettig Industries Inc.	Manufacturing	12,352,500	10	0.03	-		-
	Delavan Resort	Resort	-		-	37,331,745	3	0.08
	Versacold-Larsen	Manufacturing	-		-	23,046,109	5	0.05
	Paloma Geneva National, LLC	Resort	-		-	15,175,693	8	0.03
	Geneva Project	Property Development	-		-	13,992,702	9	0.03
	Home Depot	Retail	-		-	12,526,642	10	0.03
Walworth County Total			$ 216,638,400		0.53 %	$ 260,525,194		0.59 %
Grand Total			$ 1,385,032,500		3.39 %	$ 1,129,533,879		2.57 %
Total District Equalized Valuation			$ 40,911,627,308			$ 43,959,586,231		

Sources: Robert W. Baird report, Information from county treasurer's office

GATEWAY TECHNICAL COLLEGE DISTRICT

Property Tax Rates[1] - All Overlapping Governments
(Per $1,000 of General Property Full Values of Taxable Property)
Calendar Year Taxes are Payable 2009-2018

		Gateway District Direct Rates			School Districts				Total		
County	Year	Operational[2]	Debt Service	Direct Rate	Elementary/ Secondary	Local Tax[3]	County Tax	Other Taxes[4]	Property Tax	State Tax Relief	Net Total
Racine	2009	1.08	0.15	1.23	8.25	6.02	3.31	1.11	19.92	(1.41)	18.51
	2010	1.12	0.16	1.28	8.84	6.24	3.35	1.19	20.90	(1.45)	19.45
	2011	1.22	0.17	1.39	9.45	6.58	3.48	1.19	22.09	(1.51)	20.58
	2012	1.24	0.19	1.43	9.80	6.85	3.53	1.23	22.84	(1.54)	21.30
	2013	1.34	0.22	1.56	10.70	7.65	3.78	1.45	25.14	(1.66)	23.48
	2014	1.39	0.24	1.63	10.80	8.09	3.99	1.44	25.95	(1.76)	24.19
	2015	0.51	0.26	0.77	10.07	7.73	3.75	1.14	23.46	(1.70)	21.76
	2016	0.52	0.27	0.79	10.59	7.78	3.67	1.26	24.09	(1.87)	22.22
	2017	0.52	0.28	0.80	10.25	7.84	3.68	0.92	23.49	(1.82)	21.67
	2018	0.52	0.29	0.81	10.10	7.66	3.60	0.84	23.01	(1.94)	21.07
Kenosha	2009	1.08	0.15	1.23	8.92	5.27	3.84	1.09	20.35	(1.51)	18.84
	2010	1.12	0.16	1.28	9.53	5.49	4.01	1.35	21.66	(1.56)	20.10
	2011	1.22	0.17	1.39	10.75	6.03	4.36	1.69	24.22	(1.65)	22.57
	2012	1.24	0.19	1.43	11.02	6.27	4.60	1.74	25.06	(1.73)	23.33
	2013	1.34	0.22	1.56	11.95	7.06	5.01	2.03	27.61	(1.90)	25.71
	2014	1.39	0.24	1.63	12.41	7.40	5.29	2.15	28.88	(1.98)	26.90
	2015	0.51	0.26	0.77	11.00	6.88	4.93	1.91	25.49	(1.84)	23.65
	2016	0.52	0.27	0.79	10.54	6.77	4.82	2.27	25.19	(1.99)	23.20
	2017	0.52	0.28	0.80	9.86	6.58	4.70	2.44	24.38	(1.86)	22.52
	2018	0.52	0.29	0.81	9.67	6.39	4.59	2.38	23.84	(1.89)	21.95
Walworth	2009	1.08	0.15	1.23	7.75	2.67	3.88	1.17	16.70	(1.38)	15.32
	2010	1.12	0.16	1.28	8.13	2.74	3.94	1.15	17.24	(1.40)	15.84
	2011	1.22	0.17	1.39	8.77	2.89	4.21	1.16	18.42	(1.48)	16.94
	2012	1.24	0.19	1.43	8.81	3.01	4.27	0.88	18.40	(1.51)	16.89
	2013	1.34	0.22	1.56	9.59	3.26	4.56	1.00	19.97	(1.61)	18.36
	2014	1.39	0.24	1.63	9.88	3.45	4.72	0.84	20.52	(1.67)	18.85
	2015	0.51	0.26	0.77	9.69	3.47	4.60	0.84	19.37	(1.64)	17.73
	2016	0.52	0.27	0.79	9.80	3.56	4.60	0.80	19.55	(1.84)	17.71
	2017	0.52	0.28	0.80	9.60	3.63	4.53	0.66	19.22	(1.79)	17.43
	2018	0.52	0.29	0.81	9.33	3.63	4.28	0.42	18.47	(1.91)	16.56

(1) Source - Wisconsin Department of Revenue Division of State and Local Finance, Bureau of Property Tax. The rates shown represent District-wide composite tax rates based on general property full values, excluding tax increment finance districts.

(2) The operational property tax includes tax levies for all District funds except the Debt Service Fund and this rate may not exceed $1.50. Effective FY 2013-14, this limit no longer exists.

(3) Cities, towns, villages, and utility districts.

(4) Metropolitan sewerage, sanitary, and public inland lake protection districts.

Distribution of Real Property of Merged Equalized Values
Racine, Kenosha, and Walworth Counties[1]
Calendar Years 2008-2017
(Figures in Thousands)

Calendar Year	Residential	Commercial	Manufacturing	Agricultural	Swamp, Waste and Forest	Other	Personal Property	Total	District Equalized Valuation(2)	Total Direct Tax Rate
2008	36,882,473	6,838,821	1,120,526	97,228	132,254	652,973	733,951	46,458,226	43,959,586	1.22646
% of Total	79.4%	14.7%	2.4%	0.2%	0.3%	1.4%	1.6%			
2009	36,352,336	7,290,549	1,110,045	98,212	158,399	666,742	761,899	46,438,182	43,837,849	1.28202
% of Total	78.3%	15.7%	2.4%	0.2%	0.3%	1.4%	1.6%			
2010	34,525,308	7,203,211	1,063,863	97,068	149,929	648,459	778,346	44,466,184	41,935,823	1.39112
% of Total	77.6%	16.2%	2.4%	0.2%	0.3%	1.5%	1.8%			
2011	33,676,562	7,065,832	1,026,690	93,688	153,901	644,843	759,781	43,421,297	41,111,929	1.43255
% of Total	77.6%	16.3%	2.4%	0.2%	0.4%	1.5%	1.7%			
2012	30,890,678	6,943,049	1,027,116	91,285	161,365	622,065	758,543	40,494,101	38,180,224	1.55672
% of Total	76.3%	17.1%	2.5%	0.2%	0.4%	1.5%	1.9%			
2013	29,672,937	6,520,623	1,030,748	87,647	182,408	609,307	754,730	38,858,400	36,730,173	1.63471
% of Total	76.4%	16.8%	2.7%	0.2%	0.5%	1.6%	1.9%			
2014	30,046,068	6,779,526	1,018,061	85,920	172,041	599,234	784,369	39,485,219	37,360,067	0.77031
% of Total	76.1%	17.2%	2.6%	0.2%	0.4%	1.5%	2.0%			
2015	30,316,996	7,013,667	1,066,217	86,108	145,026	603,999	815,903	40,047,916	38,022,996	0.79489
% of Total	75.7%	17.5%	2.7%	0.2%	0.4%	1.5%	2.0%			
2016	30,744,587	7,349,541	1,096,275	86,435	148,738	597,158	941,681	40,964,415	39,366,011	0.80281
% of Total	75.1%	17.9%	2.7%	0.2%	0.4%	1.5%	2.3%			
2017	31,396,251	7,622,884	1,070,556	86,863	158,974	598,748	931,441	41,865,717	40,911,627	0.81457
% of Total	75.0%	18.2%	2.6%	0.2%	0.4%	1.4%	2.2%			

Source: Wisconsin Department of Revenue

(1) The District is comprised of almost all three counties. Kenosha and Walworth counties are 100% in the District while Racine county is approximately 96% within the District. Therefore, the above total column will be greater than the actual total equalized value for the District.

(2) Due to varying assessment policies in the municipalities contained in the District, the District uses equalized value of taxable property for tax levy purposes. This equalized value of property approximates estimated actual (full) value of taxable property in the State of Wisconsin. The District equalized valuation is the equalized value of property, excluding tax incremental financing districts within the District.

GATEWAY TECHNICAL COLLEGE DISTRICT

Ratio of Net Debt to Equalized Value and Net Debt Per Capita Fiscal Years 2009-2018

						Net Debt			
	Population[1]	Personal Income[2]	Equalized Value-TID In[3]	Gross Debt[4]	Less Amounts Available[5]	Amount	Ratio to Equalized Valuation	Ratio to Personal Income	Per Capita
			(Dollars in Thousands, Except Per Capita)						
2009	460,431	16,159,069	45,908,303	29,650	892	28,758	0.06	0.18	62
2010	461,172	16,707,802	45,905,855	33,145	1,101	32,044	0.07	0.19	69
2011	464,342	17,076,214	43,959,559	36,135	1,062	35,073	0.08	0.21	76
2012	464,739	18,156,777	42,914,419	39,735	1,202	38,533	0.09	0.21	83
2013	464,688	18,495,164	40,025,114	44,580	625	43,955	0.11	0.24	95
2014	465,556	18,957,535	38,398,101	48,155	638	47,517	0.12	0.25	102
2015	465,446	19,815,475	39,011,537	53,170	701	52,469	0.13	0.26	113
2016	465,545	20,399,596	39,949,946	56,325	613	55,712	0.14	0.27	120
2017	465,792	(6)	41,244,887	61,110	852	60,258	0.15	(6)	129
2018	468,435	(6)	42,993,549	63,630	716	62,914	0.15	(6)	134

(1) Wisconsin Department of Administration, Demographic Services Center (2018 is a preliminary estimate)

(2) U.S. Department of Commerce Bureau of Economic Analysis

(3) The equalized value includes the TID in.

(4) Includes general obligation promissory notes and bonds. Details regarding the District's outstanding debt can be found in the notes to the basic financial statements.

(5) Equals the amount restricted for debt service on the Statement of Net Position.

(6) Information not yet available.

GATEWAY TECHNICAL COLLEGE DISTRICT

Legal Debt Margin Information[1]
Last Ten Fiscal Years

Calculation of Legal Debt Margin for Fiscal Year 2018

2018 Equalized Valuation - TID In		$ 42,993,548,858
		x 5%
Total debt limit - 5% of total equalized valuation		2,149,677,443
Debt applicable to limit:		
Total gross indebtedness (includes general obligation notes and bonds)	$ 63,630,000	
Less Net Position Restricted for Debt Service (GAAP basis)	(716,138)	
Total amount of debt applicable to debt limit		62,913,862
Legal debt margin		$ 2,086,763,581

Legal Debt Margin, Last Ten Fiscal Years

			Debt Applicable to Limit (Dollars in Thousands)					
Fiscal Year	Equalized Valuation TID In	Legal Debt Limit 5%	General Obligation Bonds	General Obligation Notes	Less Net Position Available	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Debt Limit
2009	45,908,303	2,295,415	4,425	25,225	892	28,758	2,266,657	1.25
2010	45,905,855	2,295,293	1,035	32,110	1,101	32,044	2,263,249	1.40
2011	43,959,559	2,197,978	530	35,605	1,062	35,073	2,162,905	1.60
2012	42,914,419	2,145,721	-	39,735	1,202	38,533	2,107,188	1.80
2013	40,025,114	2,001,256	-	44,580	625	43,955	1,957,301	2.20
2014	38,398,101	1,919,905	-	48,155	638	47,517	1,872,388	2.47
2015	39,011,537	1,950,577	-	53,170	701	52,469	1,898,108	2.69
2016	39,949,946	1,997,497	-	56,325	613	55,712	1,941,785	2.79
2017	41,244,887	2,062,244	-	61,110	852	60,258	2,001,986	2.92
2018	42,993,549	2,149,677	-	63,630	716	62,914	2,086,763	2.93

(1) Total indebtedness may not exceed 5% of equalized valuation (including all tax incremental financing districts-TIDs) and bonded indebtedness may not exceed 2% of equalized valuation.

Source: Prepared by District staff.

GATEWAY TECHNICAL COLLEGE DISTRICT

Computation of Direct and Overlapping Debt
For the Year ended June 30, 2018

Jurisdiction[1]	Net Debt Outstanding	Applicable to Gateway Technical College District: Percentage [2]	Applicable to Gateway Technical College District: Amount
District:			
Gateway Technical College District General Obligation Debt	$ 63,630,000	100%	$ 63,630,000
Debt Premium	1,753,743	100%	1,753,743
Total Direct Debt	65,383,743		65,383,743
Towns:			
Racine County[3]	979,001	Varies	771,792
Kenosha County	2,888,836	100%	2,888,836
Walworth County	10,356,003	100%	10,356,003
Town Total	14,223,840		14,016,631
Villages:			
Racine County	130,568,359	100%	130,568,359
Kenosha County	182,670,861	100%	182,670,861
Walworth County	88,821,408	100%	88,821,408
Village Total	402,060,628		402,060,628
Cities:			
Racine County	115,075,000	100%	115,075,000
Kenosha County	187,318,838	100%	187,318,838
Walworth County	65,109,690	100%	65,109,690
City Total	367,503,528		367,503,528
Counties:			
Racine County	202,995,000	96.50%	195,890,175
Kenosha County	119,685,000	100%	119,685,000
Walworth County	-	100%	-
County Total	322,680,000		315,575,175
School Districts:			
Racine County	160,833,647	96.50%	155,204,469
Kenosha County	225,895,144	100%	225,895,144
Walworth County	193,614,037	100%	193,614,037
School District Total	580,342,828		574,713,650
Sanitary Districts Total	26,542,444	100%	26,542,444
Total Direct and Overlapping debt	$ 1,778,737,011		$ 1,765,795,799

Source: Survey of each governmental unit-June 2018. (Sanitary district number from R.W. Baird & Co. report.)

(1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses located in the District boundaries. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(2) The percentage of overlapping debt applicable to the District is the equalized property value of property of the overlapping governement located in the District as a percentage of total equalized value of all property for the overlapping government.

(3) All towns are 100%, except the Town of Norway, which is 40.13% in the Gateway District

GATEWAY TECHNICAL COLLEGE DISTRICT

Demographic Statistics for Kenosha, Racine, and Walworth Counties
Historical Comparisons
2009-2018

Year	District Population (1)	Number of Housing Units (1)	Total Personal Income (2)	Per Capita Income (3)	Unemployment Rate (4)	Public and Private School Enrollment (5)
2009	460,431	200,559	16,159,069	34,290	10.3%	87,714
2010	461,172	202,983	16,707,802	35,609	9.5%	87,266
2011	464,342	203,365	17,076,214	36,340	8.8%	86,767
2012	464,739	203,752	18,156,777	38,698	8.7%	86,827
2013	464,688	204,062	18,495,164	39,711	7.2%	85,490
2014	465,556	204,729	18,957,535	40,564	7.0%	85,616
2015	465,446	205,314	19,815,475	42,435	5.6%	85,222
2016	465,545	205,900	20,399,596	43,723	4.8%	83,633
2017	465,792	207,179	(6)	(6)	4.2%	83,876
2018	468,435	(6)	(6)	(6)	(6)	(6)

(1) Wisconsin Department of Administration, Demographic Services Center (2018 is preliminary estimate)
(2) U.S. Department of Commerce Bureau of Economic Analysis
(3) U.S. Department of Commerce Bureau of Economic Analysis (amounts in thousands)
(4) Wisconsin Department of Workforce Development, Office of Economic Advisors
(5) Wisconsin Department of Public Instruction
(6) Information not yet available

GATEWAY TECHNICAL COLLEGE DISTRICT

Principal Employers
Current Year and Nine Years Ago

County	Name of Business	Type of Business	2018 Number of Employees	2018 Rank	2018 Percent of District Population	2009 Number of Employees	2009 Rank	2009 Percent of District Population
			Year Ended June 30, 2018			Year Ended June 30, 2009		
Racine	All Saints Health Care	Hospital and Medical Centers	2,661	1	0.57 %	2,691	2	0.58 %
	Racine Unified School District	Education	2,598	2	0.55	2,509	5	0.54
	S.C. Johnson & Son, Inc.	Manufacturing	2,300	3	0.49	2,665	4	0.58
	CNH Global(1)	Manufacturing	1,609	4	0.34	2,685	3	0.58
	In-Sink-Erator Division	Manufacturing	1,200	5	0.26	1,100	8	0.24
	The District(2)	Vocational Education	1,026	6	0.22	1,142	7	0.25
	Aurora Medical Center	Health Care Services	970	7	0.21	-		-
	City of Racine	Government	940	8	0.20	1,255	6	0.27
	Cree Inc.	Manufacturing	840	9	0.18	-		-
	Johnson Financial Group	Financial Services	743	10	0.16	-		-
	Regency Mall	Retail	-		-	3,000	1	0.65
	Racine County	Government	-		-	896	9	0.19
	Twin Disc, Inc.	Manufacturing	-		-	802	10	0.17
		Racine County Subtotal	14,887		3.18 %	18,745		4.07 %
Kenosha	KTR/Amazon	Commercial	3,000	1	0.64 %	-		- %
	Uline, Inc. (Route 165 LLC)	Commercial	2,600	2	0.56	-		-
	Kenosha Unified School District No. 1	Education	2,414	3	0.52	2,542	1	0.55
	United Hospital Systems	Health Care Services	2,310	4	0.49	1,500	2	0.33
	Aurora Medical Center	Health Care Services	1,500	5	0.32	-		-
	Kenosha County	Government	1,320	6	0.28	1,021	3	0.22
	City of Kenosha	Government	772	7	0.16	750	6	0.16
	Snap-On Tools Corporation	Manufacturing	650	8	0.14	1,000	4	0.22
	Carthage College	Education	540	9	0.12	-		-
	University of Wisconsin-Parkside	Education	506	10	0.11	495	7	0.11
	Daimler-Chrysler Corp.	Manufacturing	-		-	975	5	0.21
	Kenosha Beef	Meat Processing	-		-	400	8	0.09
	Ocean Spray Cranberries	Manufacturing	-		-	395	9	0.09
	Jockey International	Manufacturing	-		-	376	10	0.08
		Kenosha County Subtotal	15,612		3.33 %	9,454		2.05 %
Walworth	University of Wisconsin-Whitewater	Education	1,365	1	0.29 %	1000+	1	N/A %
	Grand Geneva, LLC	Resort	1,100	2	0.23	500-999	3	N/A
	Walworth County	Government	1,083	3	0.23	500-999	2	N/A
	Aurora Medical Center	Health Care Services	970	4	0.21	500-999	7	N/A
	Sta-Rite Industries, Inc.	Manufacturing	950	5	0.20	-		-
	Pentair, Inc.	Water/Fluid Power Pumps	900	6	0.19	500-999	4	N/A
	Birds Eye Foods LLC	Manufacturing	700	7	0.15	-		-
	Generac Power Systems Inc.	Manufacturing	600	8	0.13	-		-
	Abbey Resort	Resort	490	9	0.10	-		-
	Miniature Precision Components	Automotive Parts	420	10	0.09	500-999	6	N/A
	Wal-Mart	Retail	-		-	500-999	5	N/A
	Elkhorn Area School District	Education	-		-	250-499	8	N/A
	School District of Delavan-Darien	Education	-		-	250-499	9	N/A
	Whitewater Unified School District	Education	-		-	250-499	10	N/A
		Walworth County Subtotal(1)	8,578		1.83 %	6,875		1.49 %
		Total	39,077		8.34 %	35,074		7.62 %

(1) Formerly known as J.I. Case Corporation.

(2) Gateway Technical College. Includes full-time and part-time employees.

(1) 2009 total employee numbers based on median of ranges.

Source: Robert W. Baird reports

GATEWAY TECHNICAL COLLEGE DISTRICT

Employment Trends by Equal Employment Opportunity Categories
Historical Comparisons
2008-2017

Category	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Administrative/Managerial:	54	52	55	60	71	79	82	80	80	80
Female percent	59	62	62	65	68	48	45	65	65	64
Minority percent	7	10	7	8	11	16	17	23	19	21
Faculty:	265	265	266	268	265	252	253	249	245	238
Female percent	58	58	59	58	59	49	48	59	58	58
Minority percent	10	11	10	11	12	12	12	15	16	16
Professional/Noninstructional:	33	32	33	32	35	33	30	29	31	32
Female percent	73	75	76	78	80	64	53	72	71	72
Minority percent	24	25	24	22	31	30	30	45	39	41
Secretarial/Clerical:	104	96	108	98	91	89	81	75	72	75
Female percent	99	99	99	97	93	80	77	95	94	93
Minority percent	23	23	23	22	20	28	23	28	29	28
Technical/Paraprofessional:	101	97	105	103	120	122	148	136	132	129
Female percent	61	61	59	55	57	42	56	45	59	57
Minority percent	24	23	25	22	22	20	27	31	33	33
Service/Maintenance:	38	37	39	38	40	40	40	39	35	39
Female percent	8	8	10	11	18	10	10	10	11	10
Minority percent	34	35	33	32	35	33	30	36	37	41
Total:	595	579	606	599	622	615	634	608	595	593
Female percent	64	64	64	63	63	50	48	58	62	62
Minority percent	17	17	17	17	17	16	18	24	24	24

Information provided by the Gateway Technical College District Human Resources Department.

GATEWAY TECHNICAL COLLEGE DISTRICT

Enrollment Statistics
Historical Comparisons
Last Ten Fiscal Years

Student Enrollment [1]

	Aidable				Non-Aidable	
Fiscal Year Ended June 30	Associate Degree	Technical Diploma	Vocational Adult	Non-Post-Secondary (ABE)	Community Service Program	Unduplicated Total
2009	9,197	3,478	8,203	6,721	-	23,085
2010	10,003	4,281	8,057	7,347	-	24,322
2011	11,256	4,559	7,050	6,481	-	23,756
2012	12,823	4,787	7,069	5,976	-	23,703
2013	11,320	2,357	5,952	5,284	-	21,130
2014	10,704	2,409	5,902	4,863	-	20,142
2015	9,718	2,136	5,409	4,110	-	18,336
2016	9,280	2,054	5,316	3,818	-	17,636
2017	8,857	2,039	4,469	3,231	-	16,260
2018	8,847	2,063	4,508	2,647	9	16,146

Full-Time Equivalents [2]

	Aidable				Non-Aidable	
Fiscal Year Ended June 30	Associate Degree	Technical Diploma	Vocational Adult	Non-Post-Secondary (ABE)	Community Service Program	Total
2009	3,910	394	140	744	-	5,188
2010	4,634	430	152	769	-	5,985
2011	5,157	437	128	660	-	6,382
2012	5,075	455	139	548	-	6,217
2013	4,751	467	124	471	-	5,813
2014	4,313	498	128	479	-	5,418
2015	3,930	464	117	408	-	4,919
2016	3,815	451	125	392	-	4,783
2017	3,644	446	103	344	-	4,537
2018	3,658	504	111	290	-	4,563

Source: Wisconsin Technical College System Board

(1) Student enrollment represents the unduplicated count of students enrolled in District courses. A student may be enrolled in more than one program, but is counted only once in the Unduplicated Total. Therefore, the Unduplicated Total column does not equal the sum of the individual programs.
WTCS Portal System Data (CLI620C)

(2) A full-time equivalent (FTE) is equal to 30 annual student credits based on a mathematical calculation which varies somewhat by program and which is subject to state approval and audit of student and course data. (CLI620C)

GATEWAY TECHNICAL COLLEGE DISTRICT

Per Credit Course Fee History
Last Ten Fiscal Years

	Postsecondary/Vocational Adult[1]				Non-Aidable[2]	
Year	Resident Program Fees	Percent Change	Out-of-State Program Fees[3]	Percent Change	Avocational Programs	Percent Change
2009	97.05	5.4	594.25	4.2	130.00	2.4
2010	101.40	4.5	152.10	(74.4)	137.00	5.4
2011	106.00	4.5	53.00	(65.2)	143.00	4.4
2012	111.85	5.5	55.95	5.6	150.15	5.0
2013	116.90	4.5	58.45	4.5	150.15	-
2014	122.20	4.5	61.10	4.5	150.15	-
2015	125.85	3.0	62.95	3.0	154.00	2.6
2016	128.40	2.0	64.20	2.0	162.00	5.2
2017	130.35	1.5	65.18	1.5	162.00	-
2018	132.20	1.4	66.10	1.4	162.00	-

Additional Per Credit Fees

Material Fees

Fees for instructional materials consumed by students and instructors are required by s.38.24(1)(c), Wisconsin Statutes. These material fees are to be charged to all students on a uniform basis unless exempted by state statute, administrative code, or State Board action. There are 20 material fee categories ranging from $4.50 per credit to $70 per credit. Courses are assigned to one of the material fee categories based on the amount of instructional materials required for the course. The minimum fee that is to be charged for any non-exempt enrollment is $4.50, regardless of the credit value.

Student Activity Fee

A supplemental fee is charged to all students enrolling in post-high school courses. This fee supports co-curricular activities including student government, student newspaper, multicultural and entertainment activities, student organizations and student clubs. The fee was set at 5.5% of program fees.

Notes:

(1) Postsecondary/Vocational Adult program fees are established by the Wisconsin Technical College System Board.

(2) Avocational fees are established by the Gateway District Board.

(3) The total per credit cost requires adding the resident fee to out-of-state tuition. Out-of-state tuition excludes those students covered by reciprocal agreements. In FY 2010, the state budget bill reduced the out-of-state tuition rate to 150% of the program fee rate, effective with the Fall 2009 semester.

GATEWAY TECHNICAL COLLEGE DISTRICT

Program Graduate Follow-Up Statistics[1]
Historical Comparisons
Last Ten Fiscal Years

Year	Number of Graduates	Number of Respondents	Total Number in Labor Force	Percent Employed	Percent Employed in Related Occupation	Percent Employed in District	Average Hourly Salary[2]	Percent Satisfied with Training
2008	1,845	1,383	1,156	90	68	63	16.36	96
2009	1,659	1,288	1,056	86	59	73	16.44	98
2010	1,986	1,518	1,199	87	58	76	16.43	97
2011	2,308	1,808	1,449	85	55	74	16.84	96
2012	2,271	1,887	1,475	86	58	75	16.69	97
2013	2,174	1,779	1,308	85	59	75	17.46	97
2014	2,167	1,758	1,199	87	64	68	17.39	98
2015	1,855	1,522	1,103	87	69	73	17.93	98
2016	1,772	1,469	1,034	91	73	76	18.72	98
2017	1,725	1,386	928	89	72	77	17.61	99

Source: Gateway Technical College Research, Planning & Development Department.

(1) Based on a survey of district graduates conducted six months after graduation. Only graduates of associate degree and technical diploma programs are included.

(2) Salary is reported only for graduates who are employed full-time in their field of training.

GATEWAY TECHNICAL COLLEGE DISTRICT

Square Footage of District Facilities
Last Ten Fiscal Years

County	Location	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Racine	Racine Campus										
	Lincoln Building[1]	10,880	10,880	10,880	10,880	10,880	10,880	10,880	10,880	10,880	16,115
	Lake Building	81,127	81,127	81,127	81,127	81,127	81,127	79,172	79,172	79,172	76,362
	Tech Building	87,605	87,605	87,605	87,605	87,605	87,605	87,605	85,589	85,589	109,336
	Racine Building	68,786	68,786	68,786	68,786	68,786	68,786	68,786	68,786	68,786	69,490
	Connecting Passages	3,270	3,270	3,270	3,270	3,270	3,270	3,270	3,270	3,270	3,270
	Racine Campus Sub-Total	251,668	251,668	251,668	251,668	251,668	251,668	249,713	247,697	247,697	274,573
	iMET (formerly CATI)	53,370	53,370	53,370	53,370	53,370	53,370	37,370	37,370	37,370	42,186
	The Cut-Barber/Cos (Lease)	2,400	-	-	-	-	-	-	-	-	-
	Burn Building-Town of Dover (Land lease)	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440
	Racine County Subtotal	308,878	306,478	306,478	306,478	306,478	306,478	288,523	286,507	286,507	318,199
Kenosha	Kenosha Campus										
	Administration Building	17,772	17,772	17,772	17,772	17,772	17,772	17,772	17,772	17,772	17,353
	Conference Building	29,954	29,954	29,954	29,954	29,954	29,954	29,954	29,954	29,954	29,365
	Inspire Center [2]	28,352	28,352	28,352	28,352	28,352	28,352	28,352	28,352	28,352	30,405
	Child Care (ECP)	18,085	18,085	18,085	18,085	18,085	18,085	18,085	18,085	18,085	18,085
	Academic Building	92,000	92,000	92,000	92,000	88,000	88,000	88,000	88,000	88,000	113,965
	Horticultural Buildings[3]	15,648	15,648	15,648	15,648	15,648	14,233	14,233	6,502	6,502	5,873
	Science Building	45,187	45,187	45,187	45,187	41,302	41,302	41,302	41,302	41,302	55,992
	Student Commons	17,130	17,130	17,130	17,130	17,130	17,130	17,130	17,130	17,130	13,456
	Storage Buildings	4,550	4,550	4,550	4,550	4,550	4,550	4,550	4,550	4,550	2,350
	Protective Services	13,500	-	-	-	-	-	-	-	-	-
	Technical Building	62,880	62,880	62,880	49,480	49,480	49,480	49,480	49,480	49,480	63,634
	Kenosha Campus Subtotal	345,058	331,558	331,558	318,158	310,273	308,858	308,858	301,127	301,127	350,478
	Leased Facilities:										
	Center for Sustainable Living	1,844	1,844	1,844	1,844	1,844	1,844	1,844	-	-	-
	Horizon Center (Aviation - Land Lease)	38,755	38,755	38,755	38,755	38,755	38,755	38,755	38,755	38,755	24,277
	Horizon Center Storage Bldg	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	-
	Lakeview Technology Center	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	23,200
	Kenosha County Job Center	462	462	1,026	1,026	1,026	1,162	1,162	1,162	1,162	1,026
	Gateway Medical Park - East	-	-	-	4,724	4,724	-	-	-	-	-
	Launch Box "1 Stop Center"	-	-	-	2,668	-	-	-	-	-	-
	SIM House	1,237	1,237	1,237	1,237	-	-	-	-	-	-
	Kenosha County Subtotal	403,156	389,656	390,220	384,212	372,422	366,419	366,419	356,844	356,844	398,981
Walworth	Elkhorn Campus										
	Alternative High School	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,474
	South Building	44,372	44,372	44,372	40,772	39,072	39,072	39,072	39,072	39,072	38,596
	North Building	49,341	49,341	49,341	49,341	49,341	49,341	49,341	42,241	42,241	42,230
	Veterinary Science (prv Job Center)	6,468	6,468	6,468	6,468	6,468	6,468	6,468	6,468	6,468	6,500
	Garage Building	1,673	1,673	1,673	1,673	1,673	1,673	1,673	1,673	1,673	1,673
	Elkhorn Campus Subtotal	109,454	109,454	109,454	105,854	104,154	104,154	104,154	97,054	97,054	96,473
	Burlington Campus (Leased)										
	380 Building	19,694	19,694	19,694	22,255	19,694	19,694	19,694	19,694	9,439	9,439
	496 Building	33,512	33,512	33,512	33,512	33,512	33,512	33,512	33,512	33,512	33,000
	Walworth County Subtotal	162,660	162,660	162,660	161,621	157,360	157,360	157,360	150,260	140,005	138,912
	Total District Square Footage	874,694	858,794	859,358	852,311	836,260	830,257	812,302	793,611	783,356	856,092

Source: Effective FY 2010, numbers were revised using information from Gallagher Bassetts Services, Inc report. Prior years were not restated and are based on Stragetic Facility Planning Guide prepared by Architectural Associates LTD (June 2003) and District staff.

(1) Renamed from Main to Lincoln, correction made to total for FY 2010 - 2013.

(2) Renamed from Bioscience to Inspire.

(3) Updated for storage bldg not prev included and new addition.

GATEWAY TECHNICAL COLLEGE DISTRICT

2018 FISCAL YEAR - INSURANCE SUMMARY (UNAUDITED)

Type of Coverage	Insurance Company	Policy Period	Details of Coverage *	Limits of Coverage	Annual Premium
Property Coverage	**DMI**	**7/1/17 - 6/30/18**	Covers all real and personal property, all risk; $25,000 Deductible		**$ 82,499**
			Blanket Property Limit (Per Occurrence)	$ 500,225,000	
			Certified Terrorism	$ 500,225,000	
			Non-Certified Terrorism	$ 500,225,000	
			Accounts Receivable	$ 25,225,000	
			Fine Arts	$ 15,225,000	
			Valuable Papers and Records	$ 25,225,000	
			Extra Expense	$ 25,225,000	
			Electronic Data Processing Equipment	$ 25,225,000	
			Miscellaneous Unnamed Locations	$ 25,000,000	
			Newly Acquired Property (180 days reporting)	$ 25,225,000	
			Building Ordinance including Demolition & ICC & Increased Time to Rebuild	$ 25,225,000	
			Debris Removal - the greater of 25% of the loss or	$ 15,225,000	
			Earth Movement and Volcanic Action (Annual Aggregate)	$ 25,225,000	
			Flood and Water Damage (Annual Aggregate)	$ 25,225,000	
			Flood in FEMA Zones designated using letters A or V (Annual Aggregate)	$ 25,225,000	
			Property in the Course of Construction	$ 25,225,000	
			Transit	$ 2,725,000	
			Ingress/Egress (1 mile limitation, 30 days limitation)	$ 5,225,000	
			Interruption by Civil Authority (1 mile radius limitation, 30 day limitation)	$ 5,225,000	
			Leasehold Interest	$ 2,725,000	
			Service Interruption - Property Damage & Time Element Combined (Water, Communication including overhead transmission lines, Power including overhead transmission lines)	$ 10,225,000	
			Mobile Equipment	$ 1,225,000	
			Expediting Expenses	$ 5,000,000	
			Pollutant Clean-Up and Removal (Annual Aggregate)	$ 1,225,000	
			Claims Preparation Expenses (Subject to max. 5% of combined PD & TE Loss)	$ 250,000	
			Defense Costs	$ 250,000	
			Exhibition, Exposition, Fair or Trade Show	$ 1,225,000	
			Fire Department Service Charges	$ 475,000	
			Protection of Property	$ 475,000	
			Radioactive Contamination	$ 250,000	
			Royalties	$ 250,000	
Equipment Breakdown	**DMI**	**7/1/17 - 6/30/18**	Comprehensive coverage; $25,000 deductible	$ 100,000,000	**$ 6,197**
			Property Damage	Included	
			Off-Premises Property Damage	$ 25,000	
			Business Income	Included	
			Extra Expense	Included	
			Service Interruption	$ 1,000,000	
			Contingent Business Income	$ 25,000	
			Perishable Goods (Spoilage/Ammonia Contamination)	$ 250,000	
			Data Restoration	$ 250,000	
			Demolition	$ 1,000,000	
			Ordinance or Law	$ 1,000,000	
			Expediting Expenses	$ 250,000	
			Hazardous Substances	$ 250,000	
			Newly Acquired Locations (365 days)	Policy Limit	
			Broad Comprehensive Coverage (Including Production Machines, Computer Equipment)	Included	
			Repair or Replacement	Yes	
			Green Upgrade	$ 25,000	
Workers' Compensation	**DMI**	**7/1/17 - 6/30/18**	**Workers' Compensation - Wisconsin Benefits**	**Statutory**	**$ 365,869**
		Employer's Liability	- Bodily injury by accident, each accident	$ 100,000	
			- Bodily injury by disease, policy limit	$ 500,000	
			- Bodily injury by disease, each employee	$ 100,000	
WI Work Study Workers' Compensation Students in Practicum	**DMI**	**7/1/17 - 6/30/18**	- Bodily injury by accident, each accident	$ 100,000	**$ 1,000**
			- Bodily injury by disease, policy limit	$ 500,000	
			- Bodily injury by disease, each employee	$ 100,000	
General Liability	**DMI**	**7/1/17 - 6/30/18**	Each occurrence limit	$ 5,000,000	**$ 79,570**
(Includes Professional, Automobile, Educators Legal Liability, Medical Professional (Counselors) Liability			Damage to Premises Rented to You	$ 500,000	
			Limited Above Ground Pollution Liability		
			- Each Claim and Policy Aggregate	$ 1,000,000	
			Under/Uninsured motorists	$ 350,000	
			Garagekeepers Coverage (ACV up to...)	$ 500,000	
			- Comprehensive deductible (each customer auto/each event)	$500 / $2,500	
			- Collision deductible (each customer auto)	$ 500	
			Policy Deductible	$ 5,000	
			Automobile Physical Damage Deductible	$ 5,000	
[Educators Legal Liability (includes, Directors & Officers, Employment Practices, and Employee Benefits Liability)]					
			- Per Wrongful Act	$ 5,000,000	
			- Per Wrongful Act Deductible	$ 100,000	

GATEWAY TECHNICAL COLLEGE DISTRICT

2018 FISCAL YEAR - INSURANCE SUMMARY (UNAUDITED)

Type of Coverage	Insurance Company	Policy Period	Details of Coverage *	Limits of Coverage	Annual Premium
Veterinary Services - E&O Professional	**DMI**	**4/5/18 - 4/5/19**	Each occurrence limit	$ 1,000,000	**$ 2,060**
(Includes Prfessional Services: Veterinary Tech Student Practicums in a Clinical Setting Including Clinical Supervision by a Licensed DVM/Instructor)			Aggregate	$ 3,000,000	
			Deductible each claim:	$ 1,000	
Campus Violent Acts*	**DMI**	**7/1/17 - 6/30/18**	Policy Aggregate Limit	$ 250,000	**$ 1,196**
			Policy Deductible	$ 5,000	
Terrorism & Sabbotage	**DMI**	**7/1/17 - 6/30/18**	Policy Aggregate Limit	$ 100,000	**$ 2,603**
			Policy Deductible	$ 20,000	
Cyber Liability	**DMI**	**7/1/17 - 6/30/18**	Policy Aggregate Limit of Liability	$ 3,000,000	**$ 30,723**
			Coverage for Privacy Breach and Response Services	$ 1,000,000	
			Computer Expert Services, Legal Services, Public Relations and Crisis Management Expense	$ 1,000,000	
			Per Claim Deductible	$ 25,000	
			Deductible for Computer Expert Services, Legal Services, Public Relations and Crisis Management Expense	$ 10,000	

TOTAL ANNUAL INSURANCE PREMIUMS PAID TO DISTRICTS MUTUAL INSURANCE: $ 571,717

* Details of Coverage Section - Not all Inclusive. For a full review of all coverages available the Policy must be specifically referenced.
**This coverage is provided on a request basis

INSURANCE COVERAGES PURCHASED THROUGH WISCONSIN TECHNICAL COLLEGE INSURANCE TRUST

Foreign Travel Liability**	**ACE American Insurance Company**	**7/1/17 - 6/30/18**	Foreign general liability - Each occurrence	$ 1,000,000	**$ 3,038**
			General Aggregate	$ 5,000,000	
			Personal and Advertising Injury - Aggregate	$ 1,000,000	
			Products - Completed Operations - Aggregate	$ 2,000,000	
			Premises Damage Limit - Each Occurrence	$ 1,000,000	
			Medical Expense Limit - Any one person	$ 25,000	
			Contingent Auto Liability - Combined Single Limit - Each Accident	$ 1,000,000	
			Executive Assistance (per covered person)	$ 1,000,000	
			Employers Liability - Bodily Injury /accident or disease	$ 1,000,000	
			Kidnap and Extortion (per cause of loss)	$ 250,000	
Crime/Employee Dishonesty	**National Union Fire Insurance Company**	**7/1/17 - 6/30/18**	Employee Dishonesty	$ 750,000	**$ 5,191**
			Forgery or Alteration	$ 750,000	
			On-Premises / In-Transit	$ 500,000	
			Computer Fraud	$ 750,000	
			In Transit	$ 500,000	
			Form F	$ 750,000	
			Investigative Cost	$ 25,000	
			Deductible	$ 15,000	
Business Travel Accident (for Local Boards of Director Members)	**CIGNA**	**7/1/17 - 6/30/18**	Aggregate	$ 1,000,000	**$ 298**
			Benefits for Scheduled Losses	$ 100,000	
			- Other Covered Losses as Scheduled		

*This coverage is provided on a request basis.

TOTAL ANNUAL INSURANCE PREMIUMS PAID TO WISCONSIN TECHNICAL COLLEGE INSURANCE TRUST: $ 8,527

Insurance Coverages Purchased through Arthur J. Gallagher Risk Management Services, Inc.

Multimedia Liability WGTD 91.1 FM (Year 3 of 3 year policy)	**Arthur J. Gallagher** Executive Risk Indemnity Policy No. 8177-2134	**7/1/17 - 6/30/18**	Errors and Omissions		**$ 4,550**
			Maximum Limit of liability for each claim	$ 5,000,000	
			Retentions each and every claim	$ 10,000	
Storage Tank Pollution Insured Site: 4940 - 88th Avenue, Kenosha, WI 53144	**Arthur J. Gallagher**	**7/1/17 - 6/30/18**	Policy Aggregate Limit:	$ 1,000,000	**$ 530**
			Each Confirmed Release Limit:	$ 1,000,000	
			Defense Expense Aggregate Limit:	$ 250,000	
			Deductible/Self-Insured Retention Per Incident:	$ 5,000	

TOTAL ANNUAL INSURANCE PREMIUMS PAID TO ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES INC.: $ 5,080

Aviation Insurance Coverages Purchased through Wenk Insurance Agency

Aviation Insurance	**Wenk Aviation Insurance Agencies** Coverages & Premiums renewed with Old Republic Insurance through Phoenix Aviation Managers Policy AVC 1037 15	**7/1/17 - 6/30/18**	Liability Coverage		**$ 26,192**
			Single Limit Including Passengers and Property Damage	$ 3,000,000	
			Medical Payments at Each Person/Each Occurrence	$ 3,000/15,000	
			Aircraft Physical Damage Coverages as indicated in policy	$132,000, 135,000 and 385,000	
			Hangarkeepers (per occurrence)	$ 250,000	
			Deductible	$ 5,000	
			Products	$ 1,000,000	

TOTAL ANNUAL INSURANCE PREMIUMS PAID TO WENK INSURANCE AGENCY*: $ 24,686
*Includes 2017-2018 Profit Commission Return

TOTAL ANNUAL PREMIUMS: $ 610,010

CAMPUS/CENTER LOCATIONS

2018-2019 Gateway Technical College

Associate Degree Programs

(current as of date printed)

Most programs may be started on any campus.

ASSOCIATE DEGREES

	Program	Elkhorn Campus	Burlington Center	HERO Center	Kenosha Campus	Horizon Center	Lakeview Center	Racine Campus	SC Johnson iMET Center	Online	Length of Program (full time)
	Accounting (10-101-1)	■			■					■	2 Years
	Administrative Professional (10-106-6)				■			■			2 Years
	Aeronautics – Pilot Training (10-402-1)					■					2 Years
	Air Conditioning, Heating, and Refrigeration Technology (10-601-1)				■						2 Years
	Arboriculture/Urban Forestry Technician (10-001-5)				■						2 Years
	Architectural – Structural Engineering Technician (10-614-6)	■							■		2 Years
	Construction Project Management (Concentration Area)										
	Automotive Technology (10-602-3)					■					2 Years
	Business Management (10-102-3)	■			■			■		■	2 Years
	Civil Engineering Technology – Highway Technology (10-607-4)	■							■		2 Years
	Civil Engineering Technology – Fresh Water Resources (10-607-9)	■							■		2 Years
	Criminal Justice Studies (10-504-5)	■			■			■			2 Years
	Culinary Arts (10-316-1)	■						■			2 Years
	Diesel Equipment Technology (10-412-1)					■					2 Years
	Construction Equipment Repair (Concentration Area)										
	Early Childhood Education (10-307-1)				■			■			2 Years
	Electrical Engineering Technology (10-662-1)								■		2 Years
	Biomedical Engineering Technology (Concentration Area)										
	Sustainable Energy Systems (Concentration Area)										
	Electronics (10-605-1)	■							■		2 Years
	Fire Medic (10-531-2)			■							2 Years
	Foundations of Teacher Education (10-522-2)									■	2 Years
	Graphic Communications (10-204-3)	■						■		■	2 Years
+	Health Information Technology (10-530-1)							■		■	2 Years
	Horticulture (10-001-1)				■						2 Years
	Landscape (Concentration Area)										
	Hospitality Management (10-109-2)							■		■	2 Years
	Food and Beverage (Concentration Area)										
	Tourism & Attractions (Concentration Area)										
	Human Service Associate (10-520-3)							■			2 Years
+	Individualized Technical Studies (10-825-1)										2 Years
	Technical Studies – Journeyworker (10-499-5)										
	Information Technology – Computer Support Specialist (10-154-3)	■						■			2 Years
	Information Technology – Network Specialist (10-150-2)	■						■		■	2 Years
	Information Technology – Software Developer (10-152-1)							■			2 Years
	Information Technology – Web Software Developer (10-152-4)							■		■	2 Years
	SharePoint Developer (Concentration Area)										
	Interior Design (10-304-1)				■						2 Years
	Leadership Development (10-196-1)	■						■		■	2 Years
	Marketing (10-104-3)	■			■			■		■	2 Years
	Mechanical Design Technology (10-606-1)	■							■		2 Years
+	Nursing – Associate Degree (ADN/RN) (10-543-1)		■		■						2 Years
	Paramedic Technician (10-531-1)			■							2 Years
+	Physical Therapist Assistant (10-524-1)				■						2 Years
	Professional Communications (10-699-1)							■		■	2 Years
+	Surgical Technology (10-512-1)				■						2 Years
	Veterinary Technician (10-091-1)	■									2 Years

■ Most program courses taught at this location – some travel may be required to other locations.

General Studies courses are offered on all campuses.

+ Special Conditions; Contact Student Services

* Shared program

2018-2019 Gateway Technical College

Technical Diploma Programs

(current as of date printed)

Most programs may be started on any campus.

CAMPUS/CENTER LOCATIONS

TECHNICAL DIPLOMAS

Elkhorn Campus	Burlington Center	HERO Center	Kenosha Campus	Horizon Center	Lakeview Center	Racine Campus	SC Johnson iMET Center	Online		Program	Length of Program (full time)
		■								Advanced EMT (30-531-6)	20 Weeks
■			■			■		■		Accounting Assistant (31-101-1)	1 Year
				■						Automotive Maintenance Technician (31-404-3)	1 Year
	■		■							Barber Technologist (30-502-5)	1 Year
			■							Building Trades-Carpentry (31-475-1)	1 Year
■			■			■		■		Business Services Manager (31-102-5)	1 Year
■							■			CNC Production Technician (31-444-2)	1 Year
■							■			CNC Programmer (31-444-3)	1 Year
	■					■				Cosmetology (31-502-1)	1 Year
			■							Criminal Justice – Law Enforcement 720 Academy (30-504-2)	18 Weeks
■						■				Culinary Assistant (31-316-1)	1 Year
			■						+	Dental Assistant (31-508-1)	1 Year
				■						Diesel Equipment Mechanic (31-412-1)	1 Year
		■								Emergency Medical Technician (30-531-3)	20 Weeks
		■								EMT-Paramedic (31-531-1)	1 Year
■					■					Electromechanical Maintenance Technician (31-620-3)	1 Year
■							■			Electronics Technician Fundamentals (30-605-1)	1 Year
			■							Facilities Maintenance (31-443-2)	1 Year
		■								Firefighter Technician (31-503-1)	1 Year
						■		■		Foundations of Lodging and Hospitality Management (30-109-3)	1 Year
			■							Gas Utility Construction and Service (31-469-2)	1 Year
■						■		■		IT – Computer Support Technician (31-154-6)	1 Year
						■		■		IT – Web Programmer (31-152-6)	1 Year
■			■			■			+	Medical Assistant (31-509-1)	1 Year
■			■			■				Nursing Assistant (30-543-1)	6 Weeks
			■			■				Office Assistant (31-106-1)	1 Year
	■								+	Pharmacy Technician (31-536-1)	1 Year
						■		■		Small Business Entrepreneurship (31-145-1)	1 Year
■							■			Tool and Die Technician (31-439-1)	1 Year
■										Veterinary Assistant (31-091-3)	1 Year
■						■				Welding (31-442-1)	1 Year
										Robotics (Concentration Area)	
										Pipe Welding (Concentration Area)	
■						■				Welding/Maintenance and Fabrication (30-442-2)	18 Weeks

2018-2019 Gateway Technical College

Advanced Technical Certificates

(current as of date printed)

Contact Student Services for enrollment information.

CAMPUS/CENTER LOCATIONS

Elkhorn Campus	Burlington Center	HERO Center	Kenosha Campus	Horizon Center	Lakeview Center	Racine Campus	SC Johnson iMET Center	Online	Program
			■						Gerontological and Rehabilitative Nursing Care (10-810-21)
			■						Urban Farming (10-810-20)

■ Most program courses taught at this location – some travel may be required to other locations.

General Studies courses are offered on all campuses.

\+ Special Conditions; Contact Student Services

* Shared program

Administration Center
3520 - 30th Avenue Kenosha, WI 53144-1690
262.564.3300

Burlington Center
496 McCanna Pkwy. Burlington, WI 53105-3623
262.767.5200

SC Johnson iMET Center
2320 Renaissance Blvd.
Sturtevant, WI 53177-1763
262.898.7500

Elkhorn Campus
400 County Road H Elkhorn, WI 53121-2046
262.741.8200

HERO Center
380 McCanna Pkwy Burlington, WI 53105-3622
262.767.5204

Horizon Center for Transportation Technology
4940 - 88th Avenue (Highway H)
Kenosha, WI 53144-7467
262.564.3900

Inspire Center
3520 - 30th Avenue Kenosha, WI 53144-1690
262.564.3600

Kenosha Campus
3520 - 30th Avenue Kenosha, WI 53144-1690
262.564.2200

LakeView Advanced Technology Center
9449 - 88th Avenue
Pleasant Prairie, WI 53158-2216
262.564.3400

Racine Campus
1001 South Main Street Racine, WI 53403-1582
262.619.6200

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