GATEWAY TECHNICAL COLLEGE

2012 Comprehensive Annual Financial Report

(with Independent Auditor's Report)
for Fiscal Year Ended June 30, 2012

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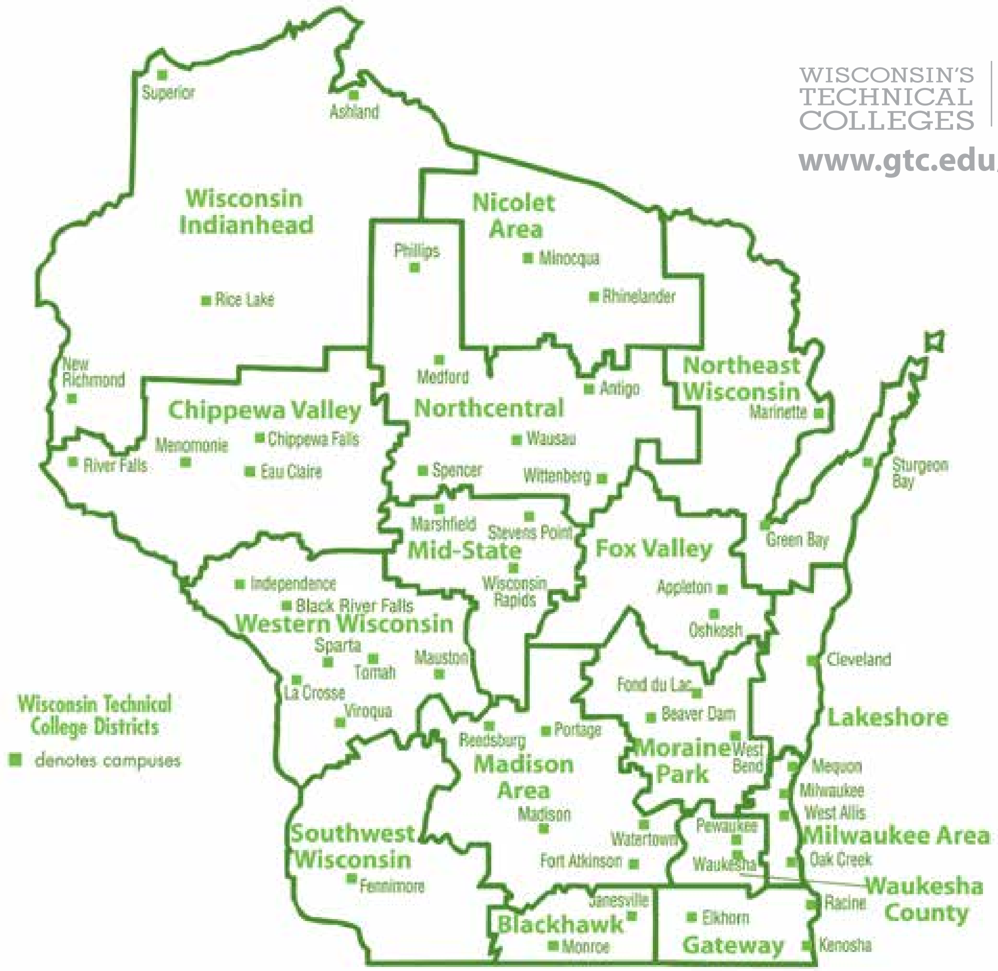
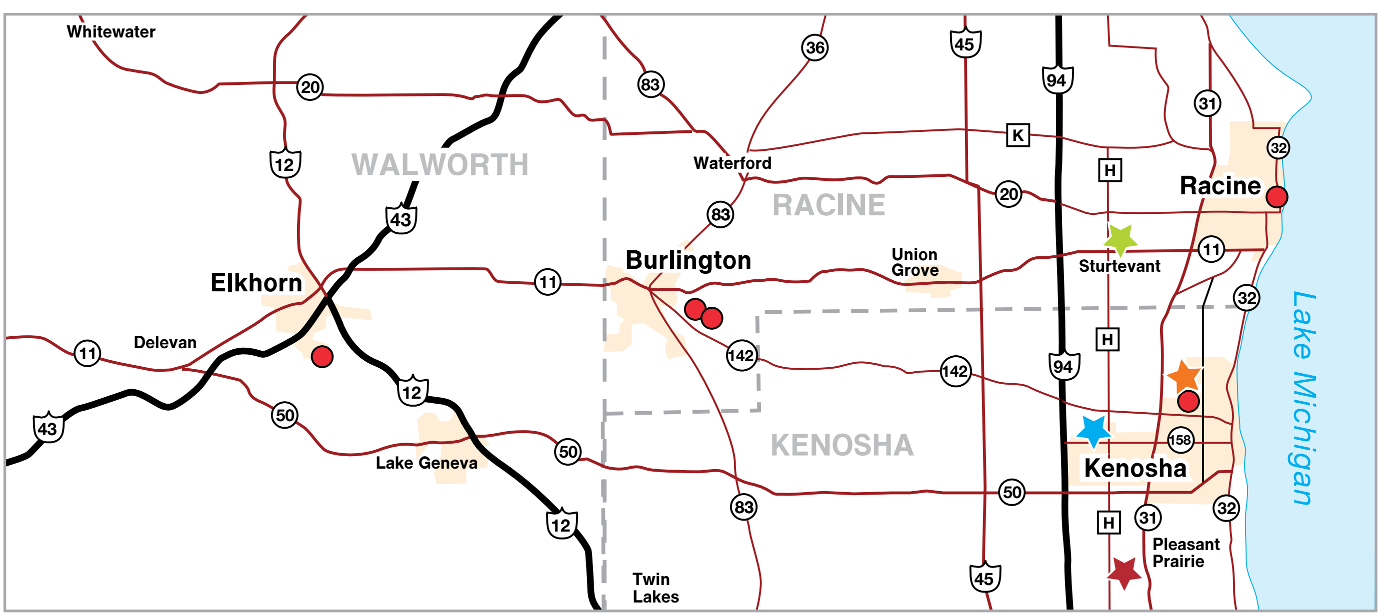


Gateway Technical College



GATEWAY TECHNICAL COLLEGE DISTRICT

Racine/Kenosha/Elkhorn, Wisconsin

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012
(With Independent Auditors' Report)

Official Issuing Report:

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GATEWAY TECHNICAL COLLEGE DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2012

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Introductory Section

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Bryan D. Albrecht, Ed.D.
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October 29, 2012

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 year ended June 30, 2012, 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).

The CAFR is presented in three sections: Introductory, Financial, and Statistical. The Introductory section includes the transmittal letter, District board members, and Gateway's organizational chart. The Financial section includes the independent auditors' report, the management's discussion and analysis, the basic financial statements, including the notes to the financial statements, required supplementary information and other supplementary financial information. The statistical section includes selected unaudited financial and demographic information, generally presented on a multi-year basis.

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). The letter of transmittal is designed to complement the 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.

www.gtc.edu

Gateway – Writing America's Employment Future—Celebrating 100 Years

Gateway Technical College District (Gateway) is one of 16 technical colleges in the Wisconsin Technical College System (WTCS). 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 delivers traditional classroom-based instruction as well as demand-driven, technical education in accelerated and non-traditional formats.

In addition to three full-service campuses in Kenosha, Racine and Elkhorn, Gateway operates two centers in Burlington, a center at SC Johnson in Sturtevant, and four advanced technology centers: Lakeview Advanced Technology Center in Pleasant Prairie, the Center for Bioscience and Information Technology in Kenosha, the iMET – Integrated Manufacturing and Engineering Technology Center (formerly CATI) 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 hosted a centennial celebration in July 2011 to celebrate the college's 100th year anniversary as the birthplace of the WTCS. Gateway Technical College laid the cornerstone of career training when Racine Continuation School began classes November 3, 1911 as the first compulsory, publicly-funded school in Wisconsin – and, in doing so, also became the first in America. From a single building in Racine, WI, 100 years ago, technical education as we know it today has grown to be one of the most powerful forces in building our economy and a trained workforce – something needed again as our economy strives to gain speed. From its inception, Gateway has provided students with education and training to pave the way for their career and their future.

This academic year has been a transition, building toward an even more exciting future for our students. Chief initiatives under development this academic year for implementation during the following academic year included the complete reengineering of student services, development of an employee handbook, preparation for a new employee governance model, and facilities improvement and expansion.

In response to an overall excellent accreditation renewal report by the Higher Learning Commission, Gateway staff concentrated on improving its student services processes. Cross functional committees made their final recommendations and their plans were incorporated into the budgeting process for the next fiscal year (as well as two subsequent phases for the next two fiscal years.) As the academic year came to a close, positions were changed, eliminated, and added with staffing placement and training well under way for the initial improvement phase. Students will be guided through the new approach and how to receive the best services from the appropriate Gateway staff.

With the passage of Act 10 by the Wisconsin state legislature, Gateway staff were aware that by the end of the academic and fiscal year, they would need to develop an employee handbook to guide them, replacing the rules set forth in the previous union bargaining agreements. Under the guidance of the Executive Leadership Committee (ELC), the Human Resources department, and nine sub-committees, the college engaged in a yearlong extensive transition process. Always keeping in mind their primary purpose of delivering high quality education and services to Gateway students and the community, together, the employees developed a handbook. The handbook was released by July 1st.

Gateway received a "Top Workplace – Top 100 places to Work", in Southeastern Wisconsin, award from the Journal Sentinel for the third consecutive year. It is our hope that the joy and enthusiasm Gateway employees have in their work is invested in the college's students and communities in which we work and live.

Gateway began the year celebrating its heritage. It also celebrated surpassing its **Vision 2012** five-year plan goal of serving 6,000 full-time equivalent students (FTES). As Gateway completed both the 2012 academic year and its strategic plan period, it set its sights on an even more successful future for serving students and the community. After input gathered throughout the year, college leadership introduced **Vision 3.2.1** standing for Gateway serving three counties, spanning two centuries, with one vision.

Major Initiatives and Accomplishments

Fiscal year 2012 was the culmination of Gateway's Vision 2012, established under the leadership of President Bryan D. Albrecht. Vision 2012 was the strategic direction that has guided Gateway Technical College faculty, staff, and administration over the past five years. Following is a representative list of some of the major initiatives and accomplishments for the 2011-12 year.

Community Leadership

- President Bryan Albrecht's leadership continued to be in demand as he served his various appointments on several regional and national committees during the year as well as representing Gateway at various conferences. Some examples include:
    - Moderated the national convention of the Global Automotive Aftermarket Symposium (GAAS) which focused on education issues and the importance of quality training for automotive professionals.
    - Joined the Corporate Voices for Working Families' Community Advisory Board which provides a forum where higher education and national business leaders can interact, learn, and share best practices to provide working learners with the skills and education needed to succeed in the 21st Century.
    - Participated as part of a three-member Chief Executive Officer roundtable discussion at the international Workplace Health conference.
    - Appointed chairmen of the American Association of Community Colleges (AACC) Sustainability Education and Economic Development (SEED) task force. SEED is dedicated to advancing sustainability practices and workforce skills at community colleges across America.
- Zina Haywood, Executive Vice President/Provost, continued to serve the community locally and nationally:
    - Continued to foster strong partnership and collaboration on workforce development initiatives as a member of the Racine County Workforce Development Board.
    - Served as Commission Director for the National Association for Student Financial Aid Administrators (NASFAA) and presented at the 2012 NASFAA National Conference. Zina also served on the Access & Diversity committee of NASFAA.
    - Continued to serve as the chairperson of the annual Dr. Martin Luther King Jr. celebration held at Gateway. Her guiding inspiration is to create a sense of urgency and remind people that we have work to do. "It is important for students to know that their college is concerned with social justice and equality".
- Debbie Davidson, Gateway Vice President of Workforce and Economic Development Division, continued in her role as president of the National Coalition of Advanced Technology Centers (NCATC) and was also invited to serve on other committees including:
    - Snap-On Women in Technology committee which works on strategies to engage women in the automotive and trades programs.

- City of Racine Economic Development Committee which advises the Mayor and city staff on how best to build the city's economic assets and set a proactive course to attracting new businesses to the region.
  - Presented at various national conferences including the NCATC conference, the National Association of Manufacturing (NAM) Education Council, and the American Association of Community Colleges Workforce Development.
- Stephanie Sklba, Vice President of Community and Government Relations, is the Wisconsin Association for Career and Technical Education Region 3 representative and is co-chair of the legislative committee for Wisconsin. Stephanie is also the chair of the Sustainability Task Force for ACTE and participated in a Summit on Building an Energy Sustainable Workforce.
- Dr. Therese Fellner, Director of Business Development, was invited to be a member of the Advisory Economic Development Group for the Wisconsin Economic Development Corporation (WEDC). She is also project director for the Entrepreneurial grant with the Universite` Mohammed.
- As a leader in new initiatives and as a member of the National Coalition of Certification Centers (NC3), Gateway continues to attract educational, business, and governmental visitors nationally and internationally to tour our facilities and learn about our programs.
- Gateway was recognized by *GI Jobs* as a top 2012 Military Friendly College. The recognition goes to the top 20 percent of colleges, universities and trade schools that are doing the most to embrace America's service members and veterans as students.
  - During the past year, Gateway began hosting brown bag lunch discussions to help veterans discover the educational benefits and services available to them from the Division of Workforce Development and Gateway.
  - More than 650 veterans and military personnel were enrolled at Gateway in the 2010-11 academic year.
- As a result of the transition process, the HR department has implemented a Leadership Training program that will be ongoing for all administrative staff.
  - John Frost, Director of Labor Relations, implemented a new program "HR on Campus", providing an HR presence with question and answer sessions at all the campuses on a regular schedule.
- Diane Skewes, Associate Dean of Nursing, was elected as president-elect for the Wisconsin League of Nursing. After serving as president-elect for two years, Skewes will then serve as president of the statewide group. The league's mission is to promote excellence in nursing education to build a strong and diverse nursing workforce.
  - Diane is also a member of the Southeast Wisconsin Nursing Alliance. The primary goal at this time is to develop a unified process for student clinical placement and nursing student orientation that will be common among all health care facilities in southeast Wisconsin
- Kate Jerome, Horticulture instructor, was awarded the Civic Engagement Recognition by the Wisconsin Campus Compact for her dedication to Service Learning and Civic Engagement on and off campus.
- Kate Field, instructor, is also providing leadership in our horticulture program:
  - She is the Floral Display Chairperson for the American in Bloom – Belle in Bloom national competition in Racine.
  - She serves on the board of directors for the Pleasant Prairie Rec Plex and is working with the Rec Plex to provide a community gardening class.
  - She is now a Certified Permaculture Designer after completion of certification training this year.

Community Partnerships

Our goal is to provide career and technical skill training to assist citizens in transitioning into the workforce and fueling our economy. Business and industry connections play a big part in our success. Also very important is serving the community's needs.

Partnerships for Economic Growth

- Gateway in conjunction with the National Coalition of Certification Centers (NC3) hosted a national train-the trainer event at the Horizon Center. Over 50 instructors from the United States and Puerto Rico attended the week-long training in automotive and diesel diagnostics, torque, multi-meter and more.
- Gateway, Waukesha and Milwaukee Area Technical College are partnering to pilot the National Association of Manufacturer's (NAM) Dream It! Do It! manufacturing careers and economic development campaign. This e-portal brings together education, parents, students, and industry with a focus on jobs, careers, and training for manufacturing jobs.

Service Learning –Support of non-profits

- Gateway hosted two grant funded Americorps VISTAs (Volunteers in Service to America) this year with the task of developing and progressing the Service Learning Center and growing community ties between Gateway and Kenosha, Racine, and Walworth counties. Several new community initiatives occurred:
    - A service learning workshop to help educate faculty on service learning and help integrate it into their coursework and qualify them to teach the Serving to Learn Locally class.
    - The Serving to Learn Locally class offered in Fall 2011 was the first open enrollment service learning course offered by Gateway. The class hosted students at five different community organizations.
    - Several courses have incorporated Service Learning within their curriculum including Horticulture, Interpersonal Communication, IT Project Management, and Nursing. Serving the community provides an invaluable learning experience for their students and creates "life lessons".
    - In Fall 2011, 412 hours were reported for class service learning projects while Spring 2012 reported 2,650 hours.
- Gateway classes and clubs also became involved in fundraisers and volunteering efforts for area non-profit organizations.
    - Marketing Principles students raised funds to donate to two non-profit agencies in the Walworth county area.
    - The Marketing Student Organization held a fundraiser to help Every Child's Place purchase equipment for children with autism. The statewide DECA civic consciousness project this year is autism awareness.
    - The Human Services club sponsored the annual "Disabilities Dance" in March with over 100 participants from Career Industries, Lakeside Curative Center, and Crabtree Residential. The club also hosted a Human Service Community Awareness Day in April.
    - Barber Cosmetology students Partnered with the Advancing Family Assets (AFA) of Racine to provide free services to families in the program. Barber Cosmetology students also offered free haircuts to veterans and their families at the Veteran's brown bag lunches held monthly during the year.
    - Culinary Arts students prepared the soup and breads for the Empty Bowls event in Racine to provide support for HALO (Homeless Assistance and Leadership Organization) and the Racine Food Bank.

Community Learning Partnerships

- The College Connection division was piloted this year to connect with our high school constituents. It has become a “one-stop shop” for providing college access services to our high school partners by assisting students in making the transition to college. As part of the connection, students are registering for high school transcripted credit courses. The first semester of transcripted credit courses had 43 classrooms offering Gateway credit to over 800 high school students.
- The Wisconsin Career Pathway’s student website went live this year. Middle and high school students are able to create accounts and explore college and career options. All of Gateway’s College Connection students will create an account on this site for career exploration.
- Dean, Dr. Raiana Mearns continues to reinforce our partnerships with the Racine, Kenosha, and Walworth literacy councils to address the needs of our students and community. One of the new partnerships this year was collaborating with the ELCA Urban Outreach Center in Kenosha to provide GED orientation classes for Spanish-speaking clients.
- WEDD division staff are assisting InSinkErator in developing in-house specialists trained in theory of communication equipment that integrates their equipment.
- Instructors JD Jones and John Nelson have developed a Gateway relationship with Titan Inc. in Racine to provide training for a new “Super Tech” position at Titan. The highly skilled employees will be developed through our Automated Manufacturing Systems Technician and Electromechanical programs, along with Visual Basic Programming and paid internships at Titan.
- Gateway will partner with the North Shore Fire Department for an internship program that could lead to a full-time position. This is a great opportunity for our Fire Protection Technician students.
- The Racine Police Department is interested in partnering with Gateway in an after school homework program. Program students will be able to complete practicum hours needed for graduation and it provides an opportunity for high school students to perform community service.
- Gateway hosted the Junior Achievement business challenge on the Racine campus this year.
- Gateway partnered with the Boys & Girls Club of Kenosha for several events this year, a few were:
    - At Gateway’s annual wellness event in February the children received a free dental screening by area dentists, assisted by students from the Dental Assistant program.
    - Gateway is offering an Introduction to Computer class at the center to provide a hands-on approach to understanding technology in the Kenosha community.
    - Gateway also offered a six week program “Gateway Technical College Kids ‘N the Kitchen. It was well attended and introduced children to making simple and healthy recipes.

Economic Development

Educational institutions are often called upon to address global economic problems which impact our local community. Gateway’s impact on economic development reaches not only locally but globally as well. Important to kickstarting the economy is closing the skills gap. Last year President Obama announced a major expansion of Skills for America’s Future, an industry-led initiative aimed at dramatically improving industry partnerships with community colleges and building a nationwide network to maximize workforce development strategies, job training programs and job placements. Gateway is participating in this effort to deliver the education and competencies workers need. We can provide industry-driven credentials to meet the labor demands locally, regionally, and nationally.

- Gateway's partnerships on automotive and entrepreneurial grants with the Universite' Mohammed responds to President Obama's 2009 initiative to heighten technical college partnerships in the broader Middle Eastern region as a means to increase economic opportunity. It further strengthens relationships with key industry, organizational, and governmental partners and provides an economic platform for our local community.
- Gateway partnered with RCEDC and RAMAC to host the Racine Economic Business Summit in October. Elected federal, state, and local officials served on a panel to answer local business owner's questions related to regulation and business growth.
- The inaugural President's Roundtable was held in October. President Albrecht met with representatives from various businesses and KUSD to learn about their industry needs.
- Of the top 10 high-growth occupations in Wisconsin named in the state labor list of high-growth occupations, Gateway provides training for six of them.
- WEDD staff participated in the Manufacturing Skills Gap event at Caterpillar, Inc. Over 100 manufacturers, educational, and workforce development professionals brainstormed options for skill development and career promotion in the areas of machining and welding.
- Debbie Davidson and Jim Buck, IT faculty member presented to the Pro-Tech group at the Racine County Workforce Development Center about Gateway's offerings for dislocated professionals and transitioning to a new career in information technology.
- Gateway signed a memorandum of understanding with eight other partners for the Launch Box Partnership in the City of Racine. This collaborative initiative of small business assistance and service providers will serve entrepreneurs in the City of Racine with a proactive business development strategy.
- Kate Walker, Director of Business Services, collaborated with EigerLab and Rock Valley Technical College to launch a pilot program, "Acceleration Team" which consists of a regional collaborative approach to assisting high growth potential entrepreneurs.
- Dr. Therese Fellner worked with Representative Peter Barca's office on reintroducing legislation that supports business incubation as an economic development strategy
- In May, Gateway and Wisconsin Manufacturers and Commerce (WMC) co-hosted "Solving the Workforce Paradox" event. WMC Foundation President Jim Morgan discussed the outcomes from over 50 listening sessions with more than 300 manufacturing representatives from across the state. He also shared WMC's plans to solve the workforce shortage. President Albrecht and Debbie Davidson shared Gateway's programs and services available to close the skills gap between unemployed workers and hard-to-fill manufacturing positions.
- At the iMET Center, SCORE is offering business development workshops including business readiness, building credit, obtaining a loan, creating marketing plans, and understanding basic financial statements.
- Gateway's successful boot camps continue to draw students and provide skilled workers needed in our communities. CNC Bootcamp #14 started in May. The boot camp helps dislocated and underemployed workers by putting them through a rigorous program to teach them to be CNC machine operators. They receive the technical skills to be hired or to continue on towards a Gateway CNC production technical diploma. Gateway works with employers to ensure that participants have the opportunity to earn national certifications as part of the boot camp.

Green Initiatives

Gateway is committed to be a leader in our communities in the area of "green" and sustainable practices through programs, campus improvements, and an overriding management philosophy:

- As part of the President's climate commitment Gateway's Sustainability Plan was completed this year. The plan focuses on our accomplishments over the last two year as

well as provides short and long-term goals for the college. (www.gtc.edu/docs/Sustainability-Plan.pdf)
  - Increase energy efficiency, explore renewable energy options, and reduce our transportation footprint
  - Reduce the environmental impacts of Gateway's campuses by using LEED Silver as the minimum standard and using sustainable practices in the maintenance of buildings and grounds.
  - Apply sustainability in our work environment by adapting clear criteria that will be considered in purchasing and contracting decisions, reducing consumption of goods, and providing training and necessary tools and resources to staff.
  - Increase our waste diversion recycling rate by 50% by 2030.
  - Infuse sustainability literacy throughout the curriculum and develop programming to meet the needs of the new green workforce.
  - Increase awareness of sustainability issues among campus and community members through education and outreach and empower students, staff, and community members to take sustainability actions.
- The Center for Sustainable Living (CSL), opened in spring 2011, continues to draw attention and visitors interested in developing a similar model at their college. The CSL hosted the first Harvest Celebration in October in conjunction with UW-Parkside and other local agencies. It focused on the use of local food and the benefits both from a health and economic standpoint. During the year various green and sustainability-focused seminars were held.
- Stephanie Sklba, Vice President of Community and Government Relations, joined the Board of Directors of SEED (Sustainable Edible Economic Development).
- Twelve solar panels were installed on the Racine campus as a learning tool for students as well as a way to generate some power for the college. A touch screen monitor in the Student Life Center displays the output of the solar panels and gives the students and community members a real-time look at solar energy production.
- Celebrate Earth Day event was expanded to include the Racine and Elkhorn campuses in addition to the Kenosha campus.
- Since Fall 2008 Gateway went "green" in conjunction with Higher One in processing student financial aid funds to students. A recent 2011 calendar year report reflected 99% of refunds were delivered electronically which eliminated 17,364 paper check refund disbursements from being processed in the Student Accounts department.
- In an effort to reduce printing and copying costs a new campus-wide printing, card-reader services, and point-of-sale services are being implemented. The college reduced its printer/copier volume over 32% consolidating into an energy star efficient multi-function device system. The system will provide monitoring data on printing and institute a pay-for-print system called GreenPrint.

Facilities

The college continues to move forward with creating the Gateway Experience for our students, staff and community members:

- The Elkhorn campus facility relocated Student Services (Registration, Admissions, and Library) into a new 7,200 square foot addition to better serve students. Leadership in Energy and Environmental Design (LEED) standards were used to create an energy efficient design.
- Elkhorn's former library space was remodeled to create a Learning Success Center. It brings multiple services all under one roof. The Learning Success model combines services for Adult Basic Education, Academic Support/Tutoring, Special Needs, and the Testing Center.
- The Pike Creek Horticulture Center was opened this year which included an addition as well as remodeling to our horticulture building. It provides state-of-the art classrooms,

laboratories and greenhouse space. It also supports students' entrepreneurial efforts with their fundraising plant and vegetable sales.
  - The landscaping of the Pike Creek facility will be designed according to SITES (Sustainable Sites Initiative) specifications. The landscape will be used as training location for horticulture, engineering, and water quality students.
- The CATI location is expanding and changed its name to iMET – Integrated Manufacturing and Engineering Technology Center. The addition will provide space for the region's first flexible manufacturing training lab as well as continuing to support the numerous manufacturing and engineering technology programs already housed there.

Student Success

- The 2011 Graduate Follow-up Survey results continue to reflect an overall high satisfaction rate with 96% of graduates reporting they were very satisfied or satisfied with their training at Gateway. 85% reported they are employed with 55% employed in a job related to their Gateway program.
- Gateway students pass rate for the NCLEX board exam for nursing was at 92% which exceeds the national average of 88% and puts Gateway ahead of many colleges in the state including Marquette, MSOE, and UW-Milwaukee, for the latter part of 2011.
- Gateway's Marketing program has three Collegiate DECA students serving as state officers and one serving as the Collegiate DECA National Officer.
- Eight Gateway Marketing and Management students won awards at the 51st Annual Collegiate DECA International Career Development Conference.
- Gateway Information Technology student, Rebecca Gement, was elected president of Wisconsin Student Government (WSG). The WSG is a statewide organization that addresses legislative and other issues that affect the technical college system.
- Human Services student, Sarah Joas, was elected to the Wisconsin Student Government state officer position of Administrative Financial Officer.
- The Racine BizSquad, now in its 11th semester, continues to be successful in providing Racine County businesses with business development resources through a student driven learning process. The students assist an organization or company by planning and executing a real-world project that the client needs.
- The Elkhorn student Bizsquad completed a couple community projects this year including:
  - Developing a training video and manual on "Customer Service" for the Walworth County Health and Human Services Department. It saved the county time and money in training new hires into their various departments. The Biz Squad was officially recognized by the Health and Human Services Board for their valuable contributions.
  - Created an access data base template for the local nonprofit animal rescue operation known as the Valley of the Kings.
- Civil Engineering and Interior Design program students will work with the Village of Pleasant Prairie on a senior design project involving the village hall and police station.
- Elkhorn's Automated Manufacturing Systems Technician (AMST) program students converted existing lab equipment into a robot.
- A Lakeview AMST student was hired as a Fanuc Robot operator due to his training received on the Fanuc robot at Gateway.
- Students partnered with Lakeview's Underwater ROV Club and designed a robot style gripper for the underwater vehicle.
- AITP students received the "Top Monkey" award at the AITP National Collegiate Conference. It is given based on the number of students, number of miles traveled, the number of contests entered, and the number of certifications earned. Several students took first and third place honors as well as earning 15 certifications.

- Greenhouse and floral student, Amber Lemmnes was awarded the prestigious Mosmiller Floral Design scholarship from the American Floral Endowment.
- Graphic Communications student, Sharon Marie, won third place in the statewide Wisconsin Technical College System-sponsored Futuremakers video competition.
- Business and Information Technology students in the Project Manager course assisted in several projects including Earth Day, Kenosha Campus Planning Team, Urban Outreach Center, and helped create end user "How To" documents for the new Student Technology Support Center (STSC).
- Martin H. Stensnes, a 2012 Spring graduate of our Fire Protection Technician Program and a recipient of a Scholastic Achievement Award, will become a fire instructor at the Norwegian Fire Academy in his native county of Norway.
- Gateway Culinary Arts students are able to showcase their skills via JTs Kitchen biweekly video segments. Gateway produces the videos and they are posted on the Racine Journal Times website.
- Sponsored by the Multicultural Program and the United Student Government association, students were able to join in various multicultural celebrations throughout the year including the 10th Annual Hispanic Heritage Celebrations, the 10th Annual Native American Heritage celebration, and the 11th Annual African American Heritage Celebration and the Asian American Heritage Celebration.
- The National Society of Leadership and Success student club, along with Gateway's District Advisory Activity Board, sponsored three national broadcasts aired from Gateway, as part of a 280-college broadcast across the United States.
- New Student Welcome Nights were held at all three main campuses providing valuable information and tours to new students and their families to assist them in transitioning into college. It was a united effort hosted by Student Government officers, the Dean of Campus Affairs, and staff from various divisions.
- The Gateway Foundation awarded 133 scholarships totaling nearly $73,000 this past year. The annual scholarship award ceremony was a big success with over 300 students, family members, donors, and Gateway faculty and staff in attendance.

Technology Initiatives

- The Learning Innovation Division (LID) instituted a variety of initiatives designed to maintain, enhance, and extend our infrastructure, support systems, and technology tools for the Gateway community which include the following.
    - As of FY 2011/12, the IT department has virtualized over 80% of our physical servers, reducing server sprawl, consolidating equipment, and eliminating the need for additional server rooms as well as reducing energy consumption.
    - The college migrated to Google Apps email and Blackboard 9.1
    - A Technology Support Center model was rolled out to provide one point of contact for collecting all technology-related support questions and issues.
    - IS staff have hosted a series of Ellucian (formally Datatel) Action Planning meetings college-wide to identify efficiencies, optimize our current usage of the ERP system, and plan for needed infrastructure and system upgrades and changes.
    - IS staff has automated processes for Student Accounts in disbursing student financial aid resulting in increased efficiencies and significantly reducing the amount of time needed to process the refunds
    - All students can now view their 1098-T online which reduces mailing costs and speeds up access for students.
- New purchasing software, SciQuest, was implemented and piloted in the facilities, instructional, and technology divisions. It has improved functionality in obtaining the best pricing and will provide spending data in conjunction with all sixteen technical colleges. This will provide leverage in the development of statewide purchasing agreements.

- A Technology Oversight Committee was created, including a cross-divisional advisory committee, stemming from the recommendations of the Higher Learning Commission visit. The group will determine technology standards, develop an approved technologies list, and review technology proposals as well as develop policies and practices for the college.
- IT faculty and staff have piloted a Student Technology Support Center (STSC) on the Kenosha campus to assist with their computer needs, including the new nursing laptop program. The STSC provides the IT-Customer Service Support students with valuable work experience.
- Enrollment services implemented Point-of-Services (POS) scanning to scan all student documents at the point of service. Implementation of POS has significantly improved the college's document intake efficiencies and eliminated the lag time to viewing documents as well as, supported the college's green initiatives by scanning instead of making copies.

Special Funding/Grants

Gateway's leadership and influence is evident globally as well as locally.

- Gateway successfully partnered on a grant with the national Association of Career and Technical Education (ACTE) and the National Coalition for Certification Centers (NC3) to deliver diagnostic training to automotive instructors in the Broader Middle East and North Africa (BMENA) region. The grant was provided by the Higher Education for Development (HED) in cooperation with the U.S. Department of State, the U.S. Agency for International Development (USIAD) and the U.S. Department of Education.
  - The Universite` Mohammed/Ecole Superieure de Technologie in Oujda, Morroco built an automotive training lab to replicate Gateway's Horizon Center for Transportation Technology model. In September 2011 Gateway faculty provided diagnostic training to faculty members in Oujda.
  - In addition Gateway received award notification for the "Collegiate Entrepreneurship and Collaborative Strategies" project funded by the Higher Education for Development (HED) for $450,000 over three years. The grant includes an entrepreneurial and economic development capacity building, as well as academic integration through a BIZ Squad model development and replication for IT businesses in the Eastern Region of Morocco.
- SC Johnson is generously granting $1,000,000 over two years to expand boot camp opportunities for CNC, Welding, Machine Repair, and Certified Nursing Assistants.
- Gateway was awarded a $213,000 grant from the U. S. Department of Education to provide academic and other support services to low-income, first generation or disabled students to increase retention and graduation rates.
- The Law Enforcement Training Division was awarded a Department of Justice Training Grant for $10,000 which funded a seminar on "Emotional Survival for Law Enforcement Officers. Over 100 officers, probation and parole agents, and Department of Corrections' officers attended the training.
- The TRiO grant was awarded for another year of service. The program continues to operate at full capacity. The TRiO Student Support Services grant has been instrumental in providing academic and support services to lower-income, first-generation or disabled college students.
- The Health Profession Opportunity Program (HPOP) grant continues to promote self-support through education and employment in the health care profession by providing funding and assistance to eligible low income individuals from southeastern Wisconsin.
- Gateway was awarded over $395,000 this past fiscal year in Workforce Advancement Training Grants to provide training/certification to local companies to upgrade employee skills, improve processes, making them more technologically proficient and improve performance standards.

- Bahco Tools donated $70,000 in tools for the Center for Sustainable Living and $20,000 towards scholarships.
- Alice J. Morava, former longtime Gateway Technical College Board of Trustees and Walworth County community leader, donated $50,000 to establish a scholarship, which will give out two $1,000 scholarships annually to students who are Walworth County residents.
- Mike Simonsen, a graduate of Gateway's Civil Engineering –Architectural program has created a scholarship specific to the Area 614 Architectural/Structural program. His donation of $500 was matched by his employer increasing the scholarship amount to $1,000. This will be an annual scholarship.

New Programs

- An Urban Farming Advanced Technical Certificate program began offering intensive farming and gardening curriculum with entrepreneurship and business training.
- A Geothermal Technician option was added to the Air Conditioning, Heating, and Refrigeration Technology program.
- A Continuous Process Improvement Certificate was developed by the WEDD division as an introduction to the foundations of continuous process improvement for all levels of employees.
- A new Advanced Technical Certificate – Mobile Application (programming) Development was approved. It will cover Droids, Windows, and MAC operating systems.
- In conjunction with the Kenosha Community Health Care Center, Gateway developed short-term training for incumbent dental assistants, who had not gone through the Gateway program, to raise their skill level.
- Gateway began offering Carrying Concealed Weapons workshops which meets the requirements of Wisconsin's new concealed carry law.
- Lean Principles coursework was provided to over 100 managers, department heads, and supervisors of Racine County. An introduction included an overview of Lean in Government.
- An Accelerating Opportunities pilot began in Spring 2012. The goal of this initiative is to prepare students, with basic skill deficiencies, for success while participating in a college career program. Students attended their ABE/ELL support classes while enrolled in an Introduction to CNC class. Fifteen students successfully completed the pilot in May. The initiative is slated for expansion.
- Gateway's Inaugural OSHA Safety Day, held in March, was a success. In conjunction with OSHA, ASSE, and Wiscon the conference offered a variety of safety related topics including OSHA Recordkeeping, Accident Investigation, Workers Comp 2012 and more.
- Supplemental Instruction (SI) is a new initiative to train SI Instructional Leaders to target courses where students need additional help. Faculty and students will be trained to be SI leaders. The program was piloted in May with an Introduction to Psychology class. It will be expanded to include General Chemistry with Fall 2012 courses.
- A nursing symposium on industry-specific entrepreneurship was delivered to more than 300 nursing students, as part of a US EDA grant, to expose Gateway students outside of business to entrepreneurship.
- Gateway students and graduates can now use the new Resume Bank feature on Wisconsin TechConnect's website. When an employer posts a job on TechConnect that matches the student's or graduate's program of study, it will automatically upload their resume to the employer's Resume Bank.
- Several new workshops were offered during "Spring into a Better You" for students to get tips on academic, financial, and personal success. Some employability skills workshops included "Dress for Success", "Mock Interview", and "Resume and Cover Letter Clinic".

Gateway Technical College Governance

The 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. The Board of Trustees, with Administration have developed, approved, and are conducting business according to the following Mission, Values and Vision statements.

Mission We collaborate to ensure economic growth and viability by providing education, training, leadership, and technological resources to meet the changing needs of students, employers, and communities.

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

Gateway's efforts are focused in terms of strategic planning, linking to the budgetary process, through Vision 2012. Introduced in early 2007, Vision 2012 urged each employee to contribute the critical degree of difference that will take Gateway from its status of a terrific education and training organization to the exceptional. Over the last five years Gateway has been successful in meeting its Vision 2012 goals and has risen to a college of national recognition. The college surpassed its Vision 2012 goal of 6,000 full-time equivalent students with a high of 6,382 in fiscal year 2011 and 6,217 in 2012. As fiscal year 2012 closes the college has begun the process of developing a new Vision 3.2.1– Three Communities – Two Centuries – One Vision.

Our Vision: Gateway will be the community technical college of choice for academic achievement, occupational advancement, and personal development.

Five key strategic directions will 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.

College-wide committees are being created around the five strategic directions with goals and measures outlined for each strategy. The link being made between a unified strategic planning effort and the budgetary process is key to both this initiative's and Gateway's ultimate success.

Management Systems and Controls

Gateway 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 and the internal audit staff of Gateway. 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 funds, debt service fund, capital projects fund, and enterprise 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 upcoming 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 June board meeting.

An active council of 17 members of Gateway Technical College staff manage the operating budgets. The primary responsibility of the Budget Council is to ensure alignment of the Budget to its vision and develop a balance between the revenue and expenses of the college. The group meets regularly throughout the year to monitor actual operating results compared to the Budget, and is proactive in resolving issues. The Budget Council facilitates the budget process by working closely with operations, the organizational units, and the academic programs. The process is a continuance of improvements and allows the college to react responsibly to the needs of the community.

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.

Cash Management

In keeping with existing District policy, all investments of excess funds are made in a prudent, conservative and secure manner. Cash temporarily idle during the year is invested in overnight repurchase agreements, the State of Wisconsin Local Government Investment Pool, and overnight repurchase agreements.

Risk Management
Since July 2004, the District maintains a comprehensive risk management program through Districts Mutual Insurance Company (DMI). DMI is an insurance company jointly created by all sixteen Wisconsin technical colleges. Its risk management services include insurance for property, casualty and liability, an active safety committee, risk management training and specialized services to assist in the District's risk management efforts.

As of fiscal year 2012 DMI has been in operation for eight years. The DMI model continues to be viewed as a unique and specialized approach for meeting the insurance and risk management needs of our college partners. Based on industry benchmarks DMI is performing exceptionally well. Since the formation of DMI it has saved the technical colleges over $10 million.

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 Excellence in Financial Reporting by the Association of School Business Officials (ASBO) for Gateway's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011.

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 ASBO for their review.

Acknowledgment
The preparation of this report was accomplished by the Finance Department with the cooperative efforts of Jayne Herring and the Marketing and Communications Department, the Research and Planning Department, 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

Mark W. Zlevor, CPA
CFO & Vice President of Administration

GATEWAY TECHNICAL COLLEGE

DISTRICT BOARD AND PRINCIPAL OFFICIALS
As of June 30, 2012

District Board

Chairperson	Roger Zacharias	Employee Member
Vice Chairperson	Ram Bhatia	Additional Member
Secretary	Gary Olsen	Employer Member
Treasurer	Neville H. Simpson	Additional Member
Member	Todd Battle	Employer Member
Member	R. Scott Pierce	School District Administrator
Member	Leslie Scherrer	Additional Member
Member	Jennifer Trick	Employee Member
Member	Pamela Zenner-Richards	Elected Official

Principal Officials

President	Bryan D. Albrecht, Ed.D.
Executive Vice President / Provost for Academic and Campus Affairs	Zina R. Haywood
Chief Financial Officer / Vice President Administration	Mark W. Zlevor, CPA
Vice President Human Resources	William R. Whyte
Vice President Learning Innovation / Chief Information Officer	Jeffrey D. Robshaw
Vice President Community and Government Relations	Stephanie L. Sklba
Vice President Workforce & Economic Development	Deborah J. Davidson
Associate Provost / Vice President Institutional Effectiveness and Student Success	John Thibodeau, Ph.D.

Gateway Technical College District Board of Trustees Fiscal Year 2012

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.

Ram Bhatia
Racine County

Leslie Scherrer
Walworth County

Jennifer Trick
Racine County

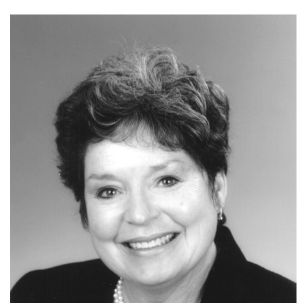
Todd Battle
Kenosha County

R. Scott Pierce
Kenosha County

Neville H. Simpson
Kenosha County

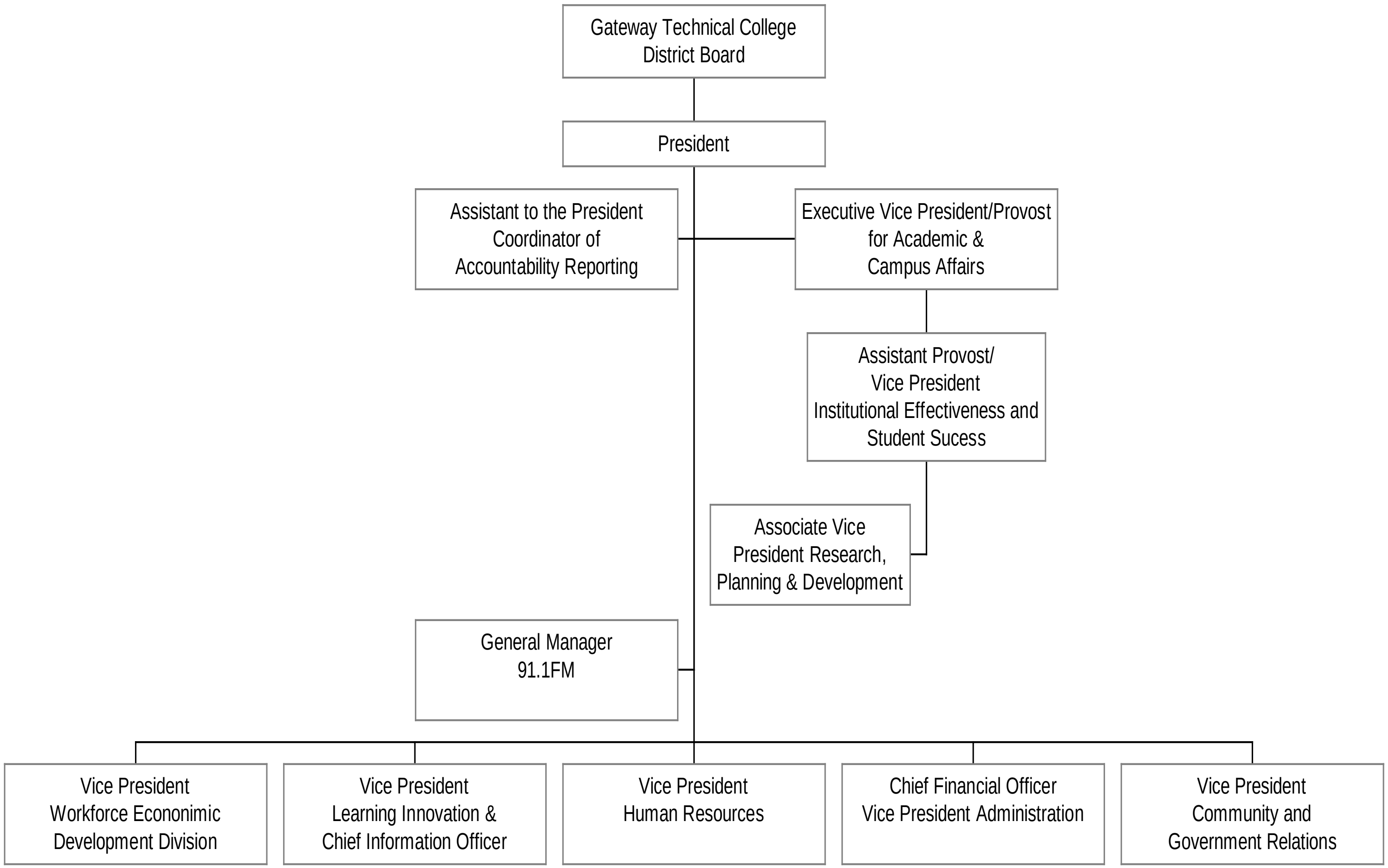
Gary Olsen
Walworth County

Roger Zacharias
Kenosha County



Pamela Zenner-Richards
Racine County

Gateway Technical College
Organizational Chart
as of June 30, 2012



Association of School Business Officials International

This Certificate of Excellence in Financial Reporting

is presented to

Gateway Technical College

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2011
upon recommendation of the Association's Panel of Review
which has judged that the Report substantially conforms
to principles and standards of ASBO's Certificate of Excellence

President

John D. Musso
Executive Director

JSSCO

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Financial Section

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Schenck SC
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INDEPENDENT AUDITORS' REPORT

To the District Board
Gateway Technical College District

We have audited the accompanying basic financial statements of the Gateway Technical College District (the District) as of and for the years ended June 30, 2012 and 2011 as listed in the table of contents. These financial statements are the responsibility of Gateway Technical College District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated October 29, 2012, on our consideration of Gateway Technical College District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant and 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* and should be considered in assessing the results of our audits.

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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of funding progress and the schedule of employer contributions on pages 23 through 39 and 75 through 76 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 the financial reporting for placing the 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 response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The introductory section, the financial information listed in the table of contents as supplemental information and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections haven 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 on them.

Schenck SC
Certified Public Accountants

Green Bay, Wisconsin
October 29, 2012

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, 2012.

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.

Statement of Net Assets

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

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

Stated in Thousands ($000)

	2012	2011	Incr (Decr) 2012-2011	2010	Incr (Decr) 2011-2010
Assets					
Current Assets					
Cash and cash equivalents	$ 14,285	$ 13,140	$ 1,145	$ 12,296	$ 844
Other	25,759	26,550	(791)	22,480	4,070
Total Current Assets	40,044	39,690	354	34,776	4,914
Non-Current Assets					
Debt issuance costs	244	161	83	83	78
Capital Assets - Net of Depreciation	55,134	50,929	4,205	47,862	3,067
Total Assets	95,422	90,780	4,642	82,721	8,059
Liabilities					
Current	14,744	13,411	1,333	12,388	1,023
Non-Current	36,615	33,105	3,510	29,677	3,428
Total Liabilities	51,359	46,516	4,843	42,065	4,451
Net Assets					
Invested in Capital Assets, Net of Related Debt	18,916	19,615	(699)	17,580	2,035
Restricted	2,392	2,096	296	1,887	209
Unrestricted	22,755	22,553	202	21,189	1,364
Total Net Assets	$ 44,063	$ 44,264	$ (201)	$ 40,656	$ 3,608

Total assets increased $4.6 million or 5.1% in FY 2012 and increased $8.1 million or 9.7% in FY 2011. Total liabilities increased by $4.8 million or 10.4% in FY 2012 as compared to an increase of $4.5 million or 10.6% in FY 2011. Overall, net assets decreased by $.2 million or .5% in FY 2012 while FY 2011 experienced a $3.6 million or 8.9% increase for the fiscal year.

Fiscal Year 2012 Compared to Fiscal Year 2011

- The increase in cash and cash equivalents for FY 11/12 reflects a steady trend of increases for the last few years. For FY 11/12 it increased by $1.1 million or 8.7% as compared to a $.8 million increase or 6.9% in FY 10/11. While cash received from tuition and fees decreased almost 33.0% or ($5.2 million), the funds disbursed for goods, services, and financial aid payments to students decreased by 12.0% or ($6.2) million.

- Other current assets decreased by ($.8 million) or 29.8% mainly due to a few factors. Accounts receivable decreased by ($.3 million) or 16.0%, while Federal and state aid receivables increased by $.5 million or 9.0%. The most significant reduction was in prepaid expenses which decreased ($1.1 million) or 66.7%. Due to a change in health insurance plans as of July 1, 2012 there was not the customary $1.2 million prepayment in June for the July health premium.

- Capital assets, net of depreciation, increased by $4.2 million or 8.3**%.** Besides a net capital equipment addition of approximately $1.6 million there were various remodeling/constructions projects at all campuses. Major Racine projects included an HVAC retrofit, as well as the addition of a maintenance garage and parking lot renovations. In Elkhorn the projects included the student support services addition and the remodeling of the old library space into a Student Learning Resource Center.

- Overall current liabilities increased 9.9% in FY 2012 as compared to 8.3% in FY 2011. General accounts payable was up by 31.4% or $639,000, while the accrued payroll and benefits liability remained relatively flat. The accounts payable increase was mainly due to remodeling/construction invoices due as of June 30, 2012. The other significant increase was $9.1% or $576,000 for the current portion of general obligation debt.

- Long-term liabilities increased by a comparable rate between the years. It increased 10.6% or $3.5 million in FY 2012 as compared to 11.6% or $3.4 million in FY 2011. Similar to FY 2011 general obligation debt increased by approximately $3.0 million in FY 2012. $105,000 of deferred bond premiums was added in FY 2012 as compared to $309,000 in FY 2011. In FY 2012 the long-term liability for other post-employment benefits (OPEB) increased by $508,000 or 27.0%. Additional information can be found in footnote #7 in the notes to the financial statements.

- Total net assets decreased in FY 2012 by ($.2 million), while net assets had increased in FY 2011 by $3.6 million or 8.9%. The decrease in FY 2012 reflects a decrease of ($.7 million) invested in capital assets, net of related debt, offset by a $.5 million total increase in restricted and unrestricted assets.

Fiscal Year 2011 Compared to Fiscal Year 2010

- The increase in cash and cash equivalents for FY 10/11 was not as significant as compared to FY 09/10. For FY10/11 it increased by .8 million or 6.9% as compared to a $2.9 million increase or 30.9% in FY 09/10. While cash received from tuition and fees and Federal/state revenue both increased by over 40% the funds disbursed for goods, services, and financial aid payments to students increased by over 60%.

- Other current assets increased by $4.0 million or 18.1% due to an increase in the federal and state aid receivables by $4.7 million. This is primarily relating to federal funds due to the college for financial aid remitted to students.

- Capital assets, net of depreciation, increased by $3.1 million or 6.4%. Major projects at the Racine campus included remodeling the Student Commons area, roof replacement and various exterior site remodeling. Another major project was the remodeling of the Surgical Tech/Dental facilities on the Kenosha campus, which was funded by a Federal grant.

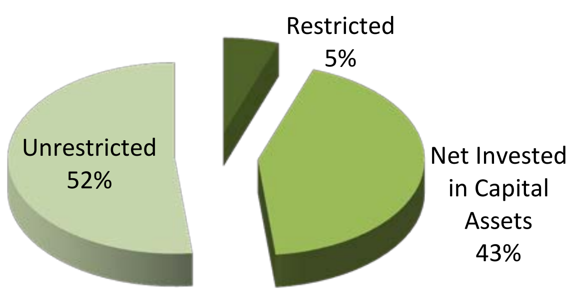
- Overall current liabilities increased 8.3% in FY 2011 as compared to 12.1% in FY 2010. General accounts payable was down by 27.4% or ($767,000), while the accrued payroll and benefits liability increased by 20.1% or $483,000. The most significant increase was the $1.1 million addition to unearned revenue. This is due to tuition and fees received in FY 2011 but were deferred as it is revenue earned for FY 2012.

- Long-term liabilities increased by 11.6% or $3.4 million in FY 2011 as compared to 15.6% or $4.0 million in FY 2010. General obligation debt increased by approximately $3.0 million plus $309,000 of deferred bond premiums were added in FY 2011. In FY 2011 the long-term liability for other post-employment benefits (OPEB) increased by $642,000 or 51.9%. Additional information can be found in footnote #7 in the notes to the financial statements.

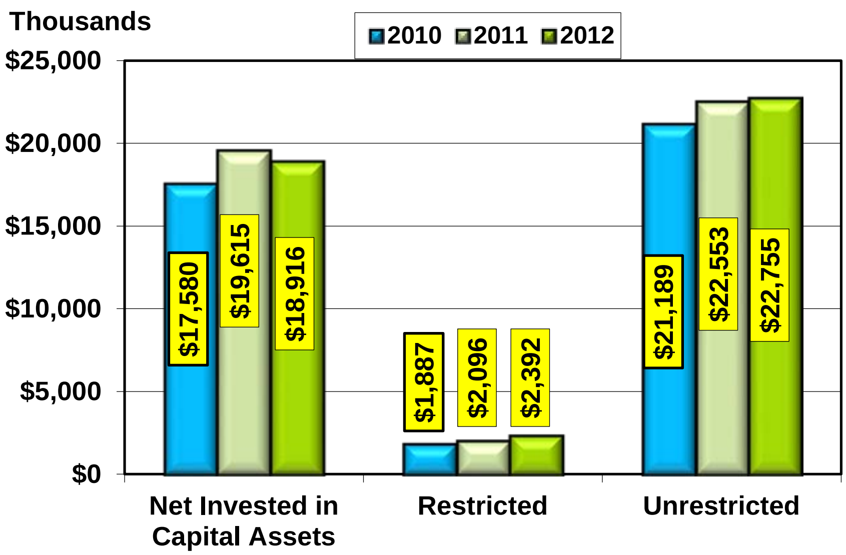
- Total net assets increased in FY 2011 and FY 2010 by 8.9% and 10.5% respectively. The increase in FY 2011 reflects an increase of $2.0 million invested in capital assets, net of related debt and a $1.4 million increase in unrestricted assets.

The following is a graphical illustration of the District's net assets for the current fiscal year and comparative for the last three fiscal years:

Net Assets
June 30, 2012



Comparative Net Assets
Fiscal Years 2012, 2011 and 2010



Statement of Revenues, Expenses and Changes in Net Assets

The Statement of Revenues, Expenses and Changes in Net Assets presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or non-operating. In general, a public college such as 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 summary of the various components of the Statement of Revenues, Expenses and Change in Net Assets:

Stated in Thousands ($000)

	2012	2011	Incr (Decr) 2012-2011	2010	Incr (Decr) 2011-2010
Operating Revenues					
Student Fees	$ 10,410	$ 14,011	$ (3,601)	$ 11,602	$ 2,409
Federal Grants	42,666	43,429	(763)	25,324	18,105
State Grants	3,521	3,860	(339)	2,972	888
Contract Revenues	2,257	2,231	26	1,925	306
Auxiliary Revenues	257	286	(29)	725	(439)
Miscellaneous	1,203	1,504	(301)	1,247	257
Total Operating Revenues	$ 60,314	$ 65,321	$ (5,007)	$ 43,795	$ 21,526
Operating Expenses					
Instruction	$ 60,869	$ 58,458	$ 2,411	$ 54,075	$ 4,383
Instructional Resources	1,427	1,301	126	1,214	87
Student Services	10,087	9,832	255	9,328	504
General Institutional	8,373	8,089	284	7,675	414
Physical Plant	7,719	8,004	(285)	7,365	639
Student Aid	30,725	36,245	(5,520)	18,490	17,755
Public Services	344	337	7	252	85
Auxiliary Services	575	580	(5)	1,198	(618)
Depreciation	4,308	3,951	357	3,544	407
Total Operating Expenses	$ 124,427	$ 126,797	$ (2,370)	$ 103,141	$ 23,656
Non-operating Revenues (Expenses)					
Property Taxes	$ 59,004	$ 58,328	$ 676	$ 56,249	$ 2,079
State Appropriations	6,082	7,265	(1,183)	7,519	(254)
State Capital Grants	35	17	18	21	(4)
Federal Capital Grants	-	515	(515)	5	510
Other Grants	35	41	(6)	538	(497)
Donated Capital Assets	-	148	(148)	107	41
Gain (loss) on Sale of Capital Assets	(14)	(44)	30	(15)	(29)
Investment Income	33	77	(44)	69	8
Interest Expense	(1,263)	(1,264)	1	(1,280)	16
Total Non-operating Revenues (Expenses)	$ 63,912	$ 65,083	$ (1,171)	$ 63,213	$ 1,870
Net increase (decrease) in assets	(201)	3,607		3,867	
Net Assets - beginning of year	44,264	40,657		36,790	
Net Assets - end of year	$ 44,063	$ 44,264		$ 40,657	

Operating revenues represent the charges for services offered by the District. During FY 2012 the District generated $60.3 million of operating revenue which is a 7.7% decrease over FY 2011. Significant changes for the fiscal years are as follows:

Fiscal Year 2012 Compared to Fiscal Year 2011

- Student tuition and fees dropped by approximately ($3.6 million) or 25.7%. This is due in part to the District experiencing a 2.6% decrease in student FTE's (full-time equivalent). FTE's were 6,217 in FY 2012 as compared to 6,382 in FY 2011. But the reduction is mainly due to the $4.0 million increase in scholarship allowances, which reduces the net tuition and program fee revenue reflected. To eliminate the duplicate recording of revenue, the financial aid funds are recorded as revenue under Federal and state grants on the Statement of Revenues, Expenses and Changes in Net Assets and in conjunction the tuition and fee revenue is reduced by the financial aid tuition allowances applied.

- Federal grants decreased by 1.8% or ($.8 million) in FY 2012 compared to an increase of 71.5% or $18.1 million in FY 2011. It is mainly due to the combination of a decrease of ($1.5 million) in financial aid funds received for students while federal funds for grant projects increased by $.7 million.

- State grants declined by 8.8% or ($339,000) compared to an increase of 29.9% or $888,000 in FY 2011. Approximately ($240,000) related to the decrease in funds received for student financial aid.

- Miscellaneous revenues decreased by ($301,000) or 20.0% in FY 2012 compared to a $257,000 increase or 20.6% in FY 2011. This is mainly due to a special one-time settlement received from a Microsoft class action suit in FY 2011.

Fiscal Year 2011 Compared to Fiscal Year 2010

- Student tuition and fees grew by over $2.4 million or 20.8%. This is mainly due to the District experiencing a 6.6% increase in student FTE's (full-time equivalent), in addition to a 4.5% increase in program fee rates set by the state.

- Federal grants increased by 71.5% or $18.1 million in FY 2011 compared to an increase of 52.8% or $8.7 in FY 2010 million mainly due to the substantial increase in financial aid funds received and disbursed to students. In addition Federal grants received for projects increased by almost $1.0 million or 50.1% over FY 2010.

- State grants increased by 29.9% or $888,000 compared to a decrease of 2.4% or ($73,000) in FY 2010. This is mostly due to grants received to disburse for student financial aid assistance.

- Auxiliary revenues decreased by 60.5% or approximately ($439,000), due to the closure of the child care facility.

Operating expenses are costs incurred for providing education, training and related services. Operating expenses decreased by 1.9% or ($2.4 million) in FY 2012 as compared to a 22.9% or $23.7 million increase in FY 2011. The significant changes for the fiscal years are as follows:

Fiscal Year 2012 Compared to Fiscal Year 2011

- The main factor in the ($2.4 million) reduction in operating expenses relates to the ($5.5 million) or 15.2% reduction in the student aid expense. As additional financial aid funds are applied against the student tuition and fees (tuition allowance) and less funds are directly refunded to the students, the student aid expense decreases.

- An offset to the ($5.5 million) student aid expense reduction is the $2.4 million increase in instructional expenses. Instructional expenses increased 4.1% or $2.4 million over FY 2011. A significant portion of the increase is due to retiree fringe expense. Health benefits for retirees increased by almost $900,000 in FY 12. $100,000 relates to an increase in health insurance premiums while $800,000 relates to a one-time grievance settlement liability for long-term care benefits. Due to collective bargaining agreements ending as of June 30, 2012 there was a surge in retirements during the fiscal year which increased retiree related expenses. Other instructional increases, of approximately $847,000, relates to purchases of non-capitalized equipment for instructional purposes.

- Both student services and general institutional expenses increased by approximately $300,000. Due to the preliminary implementation of additional student support services the corresponding expenses increased, while the majority of the general institutional increase is due to additional staff increases. Physical plant experienced an almost ($300,000) decrease due in part to a reduction in the following: building repair expenses, snow removal expenses and an over $100,000 reduction in the gas utility expense.

- Depreciation expense increased $357,000 or 9.0% as compared to a FY 2011 increase of $407,000 or a 11.5%.

Fiscal Year 2011 Compared to Fiscal Year 2010

- Over 75% of the $23.7 million increase in operating expenses in FY 2011 is due to the $17.8 million increase in student aid. Similar to FY 2010, the Federal grants and loans disbursed to students in the form of tuition payments and/or cash disbursements increased significantly.

- Over 18% of the $23.7 million increase in operating expenses in FY 2011 is due to instructional expenses. It increased 8.1% or $4.4 million over FY 2010. The majority of the increase is due to instructional salaries and fringes increasing by $3.3 million. Due to the increase in course offerings to accommodate the 6.6% FTE enrollment increase, additional funds were expended in instructors, adjunct, and overload instructional salaries.

- Both student services and general institutional expenses increased 5.4%. Due to the continued growth in enrollment student support services increased, while the majority of the general institutional increase is the addition to the OPEB liability expense. Physical plant increased by 8.7% due to an increase of facility repair expenses and rental facility costs. The facility rental increase is primarily due to

Gateway's rental of the newly constructed HERO Center effective September 2010.

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 16 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, decreased by ($1.2 million) or 1.8% in FY 2012 compared to $1.9 million increase or 3.0% in FY 2011. The significant components of the fiscal years are as follows:

- Property taxes are the primary source of revenue for the District comprising 47.0% of our revenue source in FY 2012. Overall property taxes revenues for the year were $59.0 million, an increase of 1.2% over the $58.3 million recognized in FY 2011.

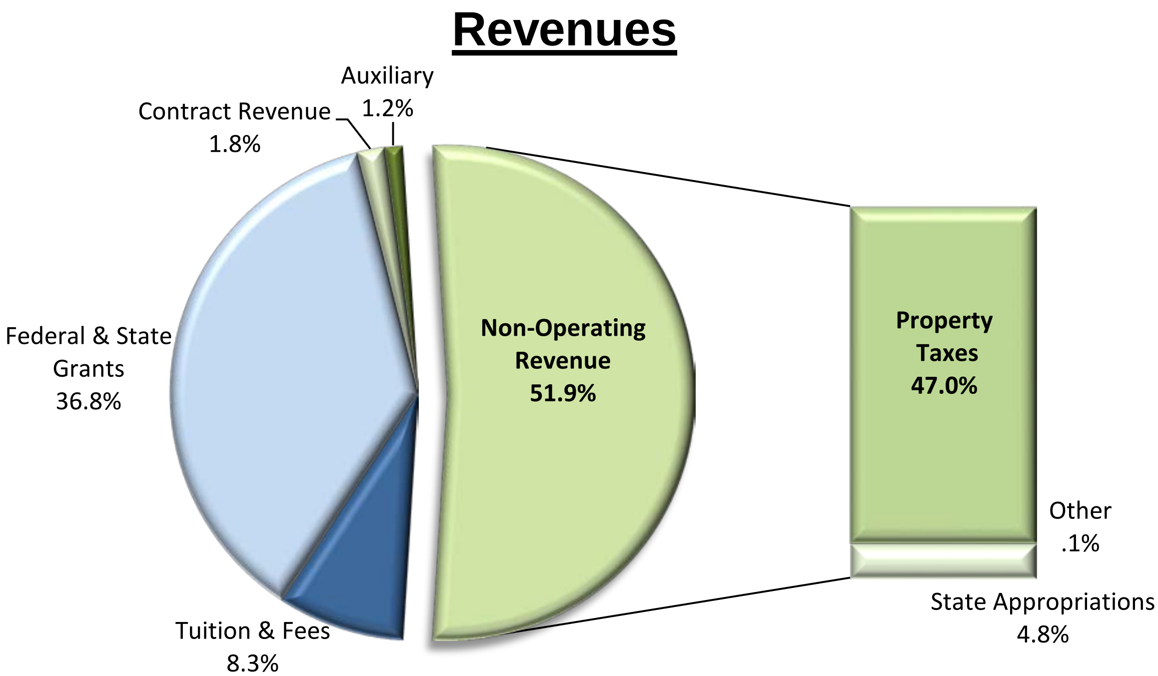
  The FY 2012 operating levy of $51.2 million remained the same as FY 2011 in accordance with the Wisconsin State Biennium Approved Budget. The state budget included provisions requiring a tax levy freeze for operations for the Wisconsin Technical Colleges for 2012 and 2013. The FY 2012 Debt service levy was $7.7 million which was an increase of 7.8% over FY 2012 levy of $7.2 million.

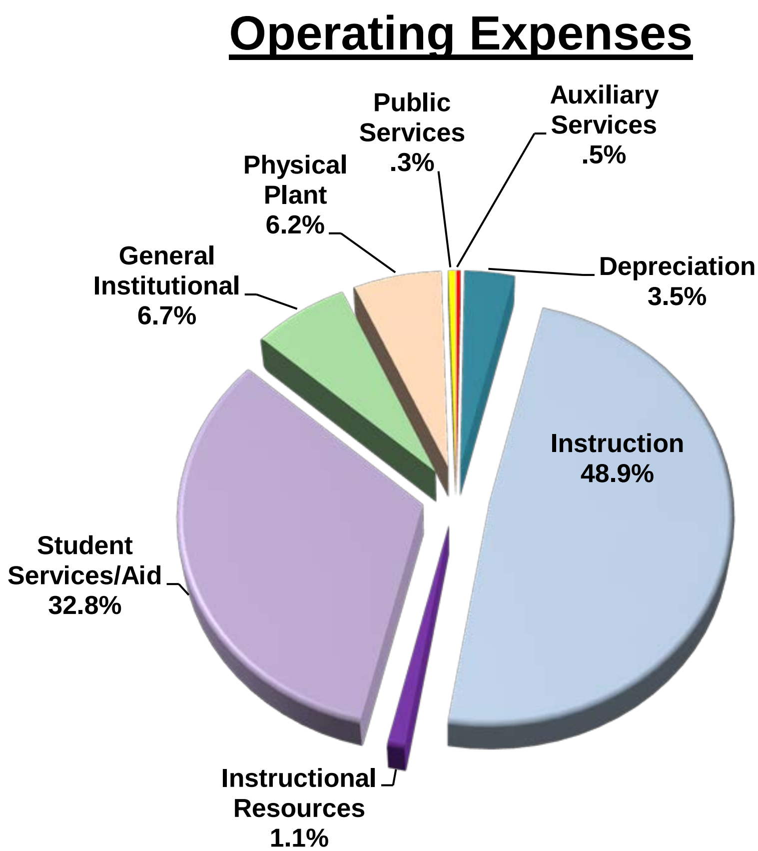
- The District experienced a 16.3% or ($1.2 million) decrease in state operating appropriations for FY 2012 as compared to a 3.4% or ($254,000) decrease in FY 2011. The significant decrease in FY 2012 is due to a 30% cut in state funding. In addition, the amount of state aids received is based on a complicated formula that takes into consideration activities of the other fifteen technical colleges in Wisconsin, including actual expenditures, student FTE's, and equalized property valuations of each district. Final state aid payments are not received until November following the fiscal year end. In FY 2012 the district received a prior year state aid adjustment increase of $441,000, as compared to a ($82,000) decrease in FY 2011.

- The other significant changes were Federal capital grants were down by ($515,000) and donated capital assets decreased by ($148,000) as none were received in FY 2012.

Non-operating expenses consist of interest expense on long-term debt. This expense was basically flat during FY 2012 and FY 2011 at $1.3 million.

The following graphs represent the distribution of revenues and operating expenses for the fiscal year ended June 30, 2012.





Statement 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)

	2012	2011	Incr (Decr) 2012-2011	2010	Incr (Decr) 2011-2010
Cash Used By Operating Activities	$ (57,700)	$ (59,648)	$ 1,948	$ (54,913)	$ (4,735)
Cash Provided By Non-Capital Financing Activities	64,986	65,374	(388)	62,716	2,658
Cash Used By Capital and Related Financing Activities	(6,174)	(4,918)	(1,256)	(4,938)	20
Cash Provided By (Used for) Investing Activities	33	36	(3)	41	(5)
Net Increase (Decrease) in Cash and Cash Equivalents	$ 1,145	$ 844	$ 301	$ 2,906	$ (2,062)

Fiscal Year 2012 Compared to Fiscal Year 2011

The cash and cash equivalents balance increased from $13.1 million in FY 2011 to $14.3 million in FY 2012. Overall, in FY 2012, cash and cash equivalents increased by $1.1 million or 8.7% as compared to the FY 2011 increase of $.8 million or 6.9%.

The District used $1.9 million or 3.4% less cash for operating activities in FY 2012 compared to $4.7 million or 8.6% more in FY 2011. A few of the significant factors were: Even though tuition and fees revenue received was down by $5.2 million, Federal and state revenue was up by $3.1 million. Student tuition was down due to a 2.6 % decrease in enrollments and federal and state financial aid funds received to cover the tuition and fees are reflected in the statements as federal and state revenue and not as tuition. Payments to employees, including benefits, were up by $1.9 million or 2.8%. This is due to the 2.0% increase in wages for represented staff, as per union contracts, while administrative staff salaries were frozen from FY 2011 to FY 2012. The District recognized the need to freeze wages in FY 2012, for those not restricted by contracts. An increase in disbursals for benefits was mainly due to retiree health expenses increasing by 11.5% due to an increase in retirements during FY 2012. The most significant factor, where less operating funds were spent, was in the disbursals for materials and services. Disbursals were down by $6.2 million or 12.0% in FY 2012 compared to FY 2011. Approximately $5.8 million relates to the reduction in student aid fund disbursals and $1.1 million reduction in prepaid expenses. Due to a change in our health insurance carrier effective July 2012 there was no prepayment in June 2012 for the July premium as compared to June 2011 when there was a $1.1 million prepayment for insurance premiums.

Cash provided by non-capital financing activities decreased by approximately $.4 million or .6% due to the increase in tax levy revenue receipts of $.8 million while state appropriations decreased by $1.2 million or 16.6%. The significant decrease in FY 2012 is due to the Wisconsin Technical Colleges experiencing a 30% cut in state funding as a result of the Wisconsin State Biennium Approved Budget. Various factors affect the state aid received; the net reduction for the District was $1.2 million. The operating cash balance increased; therefore, short term borrowing was not necessary in FY 2012. Please see footnote #5 for additional information.

Net cash used for capital and related financing activities overall increased by $1.3 million in FY 2012 as compared to a basically flat or .40% reduction in FY 2011. No Federal aid was received for capital assets in FY 2012 as compared to $515,000 in FY 2011 Purchases of capital assets and funds spent on construction/remodeling actually increased by $1.1 million or 14.8% compared to $338,000 or 4.3% reduction in FY 2011.The District had several major renovation projects that occurred in FY 2012. Please see footnote #5 for further details.

Cash provided by investing activities remained flat as the rate of return on investments remained very low.

Fiscal Year 2011 Compared to Fiscal Year 2010

Overall, in FY 2011, cash and cash equivalents increased by $844,000 or 6.9% compared to FY 2010 year end balances.

Net cash used for operating activities increased by 8.6% from $(54.9 million) in FY 2010 to $(59.6 million) in FY 2011. Following the same pattern as FY 2010 the significant increases in the receipt and disbursal of FY 2011 funds relates to the Federal/state funds received and subsequently disbursed to students. Of the $20.2 million increase in payments for goods and services, $17.2 million or a 112.6% increase relates to cash disbursed to students for financial aid funds. Cash received for tuition and fees increased by 42.3% or $4.7 million due to the 6.6% increase in FTE and 4.5% program fee increases set by the WTCS state office. Payments for employees' salaries and fringe benefits increased by $3.8 million or 5.7%.

Cash provided by non-capital financing activities increased by approximately $2.7 million or 4.2% due to the increase in tax levy revenue receipts of $2.7 million State aid appropriations decreased slightly. Due to the increase in available operating cash balances, short-term borrowing needs decreased in FY 2011 by $2.0 million. Please see footnote #5 for additional information.

Net cash used for capital and related financing activities overall was consistent with FY 2010 net results. In FY 2011 Federal aid received for capital assets was up by almost $500,000 which was offset by a ($500,000) decrease in other gifts/grants received for capital assets. Purchases of capital assets and funds spent on construction/remodeling actually decreased by $338,000 or 4.3% compared to FY 2010. Please see footnote #5 for further details.

Cash provided by investing activities remained flat as the rate of return on investments remained very low.

Capital Asset and Debt Administration

Stated in Thousands ($000)

	2012	2011	Incr (Decr) 2012-2011	2010	Incr (Decr) 2011-2010
Land and Land Improvements	$ 7,170	$ 6,442	$ 728	$ 5,084	$ 1,358
Less Accumulated Depreciation	(1,293)	(1,049)	(244)	(868)	(181)
Buildings, Improvements and Leasehold Interest/Improvement	65,736	60,967	4,769	58,530	2,437
Less Accumulated Depreciation	(30,408)	(28,232)	(2,176)	(26,222)	(2,010)
Equipment	27,226	25,639	1,587	22,896	2,743
Less Accumulated Depreciation	(15,932)	(14,338)	(1,594)	(12,644)	(1,694)
Construction in Progress	2,634	1,500	1,134	1,086	414
Cost of Capital Assets Net of Accumulated Depreciation	$ 55,133	$ 50,929	$ 4,204	$ 47,862	$ 3,067
Outstanding Capital Debt at Year End	$ 39,735	$ 36,135	$ 3,600	$ 33,145	$ 2,990

Fiscal Year 2012 Compared to Fiscal Year 2011

Capital assets, net of accumulated depreciation, increased by $4.2 million from FY 2011 to FY 2012. The largest increase was in Building and Building Improvements, net of accumulated depreciation, by $2.6 million or 7.9%. The majority of the additions/improvements were $2.5 million at the Elkhorn campus for the new student center expansion and the Learning Services Center remodel. Approximately $1.7 million was spent on the Racine campus including $1.0 million for an HVAC retrofit and $.5 million for a maintenance garage addition. The investment in equipment, net of depreciation, remained relatively flat. Although approximately $4.5 million in equipment purchases occur each fiscal year only items $5,000 or more in value are capitalized. Construction in progress increased by $1.1 million, from FY 2011 to FY 2012, reflecting a 76.0% increase. Various projects in Racine make up $.7 million of $2.6 million while the construction/remodeling of the Pike Creek Horticulture Center comprises $1.6 million. Additional information regarding capital asset activity can be found in footnote #4 in the notes to financial statements.

The district had a total general obligation debt, relating to capital assets, outstanding of $39.7 million at June 30, 2012, an increase of $3.6 million, as compared to $36.1 million at June 30, 2011. 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.

Fiscal Year 2011 Compared to Fiscal Year 2010

Capital assets, net of accumulated depreciation, increased by $3.1 million from FY 2010 to FY 2011. The largest increase was in Land Improvements with a net increase of $1.2 million or 27.9%. The majority of the increase, or $1.1 million related to exterior site improvements on the Racine campus. Investment in equipment, net of depreciation, increased by 10.2% or 1.0 million. Additional information regarding capital asset activity can be found in footnote #4 in the notes to financial statements.

The district had a total general obligation debt, relating to capital assets, outstanding of $36.1 million at June 30, 2011, an increase of $3.0 million from the previous year-end. 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.

Budgetary Variances

The District budgets on a fund basis, as reflected in the Supplementary section of this report. Budgetary adjustments in the General Fund were as follows:

	Budget Amounts Original	Budget Amounts Final	Actual on a Budgetary Basis	Variance with Final Budget-Over (Under)
Revenues				
Local government - tax levy	$ 48,830,000	$ 48,830,000	$ 48,853,225	$ 23,225
Intergovernmental revenue:				
State aids	5,100,000	5,100,000	6,176,745	1,076,745
Federal	-	-	36,727	36,727
Tuition and fees:				
Statutory program fees	17,935,000	17,935,000	17,544,686	(390,314)
Material fees	950,000	950,000	843,688	(106,312)
Other student fees	1,735,000	1,735,000	1,771,420	36,420
Miscellaneous - institutional revenue	3,190,000	3,190,000	3,167,289	(22,711)
Total revenues	77,740,000	77,740,000	78,393,780	653,780
Expenditures				
Instruction	55,521,000	55,521,000	54,334,091	(1,186,909)
Instructional resources	1,306,000	1,353,000	1,312,328	(40,672)
Student services	7,939,000	7,939,000	7,784,714	(154,286)
General institutional	7,198,000	7,051,000	6,885,048	(165,952)
Physical plant	7,556,000	7,656,000	7,635,163	(20,837)
Total expenditures	79,520,000	79,520,000	77,951,344	(1,568,656)
Revenues over (under) expenditures	(1,780,000)	(1,780,000)	442,436	2,222,436
Other financing sources (uses)				
Transfers in	1,000,000	1,229,250	1,229,250	-
Transfers out	-	(229,250)	(229,250)	-
Total other financing sources (uses)	1,000,000	1,000,000	1,000,000	-
Net change in fund balance	(780,000)	(780,000)	1,442,436	2,222,436
Fund balance				
Beginning of year	19,747,585	19,747,585	19,747,585	-
End of year	$ 18,967,585	$ 18,967,585	$ 21,190,021	$ 2,222,436

Overall the District favorably exceeded its budget parameters for the fiscal year. It was originally projected that $780,000 in fund balance would be used to balance the budget in addition to a $1,000,000 transfer from the Special Revenue – Operational Fund. The District actually exceeded its revenues over expenditures by $442,436. With the addition of the net fund transfer, the net favorable budget variance was $2,222,436.

In order to align with actual expenditures, a budget revision was approved by the district board to reallocate the budget between functions. Instructional Resources and Physical

Plant were increased $47,000 and $100,000 respectively while General Institutional was reduced by $147,000.

The most significant budget to actual variations was:

- State aids exceeded budget by $1.1 million. The $5.1 million budgeted was 30% less than the FY 2011 budget of $7.2 million because of the Wisconsin State Biennium Budget and Budget Repair Bill. The state budget provisions reduced state aid to the Wisconsin Technical College system by 30%. But due to other factors the District received additional state aids. 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 expenditures, student FTE's, and equalized property valuations of each district. During FY 2012 the District received a $441,000 relating to an adjustment for the prior fiscal year of 2011.

- Program fees and material fees comprised the other larger revenue variances to budget. This is due to the decrease in student enrollment. FTE's dropped 2.6% from 6,382 in FY 2011 to 6,217 in FY 2012.

- Overall expenses were under budget by almost $1.6 million. The decrease is due largely in part to savings of 7% or $1.9 in Administration and Instructor salaries and 7.4% or $.5 million in Clerical, Custodial, and Mechanic salaries. There was an increase of 20.8% or $1.1 million Adjunct and Other Casual salaries. As in past years, the increase in Adjunct and Other Casual salaries is offset by the decrease in hiring full time faculty to accommodate change in enrollment.

- Employee benefits including WRS and FICA were favorable by $1.0 million due to the unfilled full time positions. Long term care was unfavorable by $.9 million due to the long term care settlement.

Financial Position

Gateway's financial position remains strong for fiscal year 2012 as evidenced by the following indicators:

- Cash and cash equivalents increased by $1.1 million or 8.7%.

- The current ratio, current assets compared to current liabilities, was at 2.72 times as of June 30, 2012.

- Total General Fund reserves were $21.2 million at June 30, 2012, a healthy 27% of total General Fund revenues.

- For fiscal year 2012, the General Fund experienced an increase to fund balance of $1.4 million. This result includes revenues over expenditures by $442,000 and a $1.0 million transfer from the Special Revenue Fund.

- The District's financial position is evaluated periodically by Moody's Investors Services. The most recent credit report cites the following: *"Assignment of the*

Aaa rating reflects the district's substantial tax base strategically located between the cities of Milwaukee and Chicago; sound financial operating supported by healthy reserves; and an average debt burden with rapid principal amortization."

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. During the past fiscal year the District has addressed financial challenges due to several factors:

- The Wisconsin 2011-2013 State Biennium budget imposed a tax levy freeze for operations and reduced state aid to the technical colleges by 30%. The tax levy freeze capped the operational levy at the higher of the FY 2011 levy amount or the amount of revenue generated from the FY 2011 mill rate without a referendum. The District's equalized property values declined by 1.96% so the FY 2012 adopted levy amount was held to the FY 2011 amount. Property taxes are the District's primary source of revenues comprising 62.3% of the General Fund resources. Based on these revenue limitations and reductions the District's budget utilized $780,000 in reserves from the General Fund and transferred $1.0 million from the Special Revenue Fund to cover FY 2012 expenses.

- The District addressed these cuts by budgeting conservatively and effectively managing expenses. Non-represented staff salaries were frozen at the FY 2011 levels, and they began contributing ½ of the WRS pension contribution rates and increasing health insurance premium contributions from 3% to 12%.

- The passage of Act 10 and 32 legislation in June 2011 limited collective bargaining. It allows only the ability to bargain for base wages, limited to increases based on the Consumer Price Index (CPI). Any exceptions to the base salary bargaining restrictions must be approved by local voters via referendum. As the District's collective bargaining contracts ended June 30, 2012 the represented employees will begin covering their employee WRS contribution and funding 12% of their health insurance premiums. The pension and health insurance reforms have helped ease the District's budgetary pressures from the state aid cuts and operational levy freeze.

- Due to the collective bargaining agreements ending June 30, 2012, the District experienced a surge in retirements. During FY 2012 retirements were 75 as compared to 21 in FY 2011. The FY 2013 budget for retiree health expense is 56% higher than FY 2012. While retiree expenses are increasing the District will realize savings in lower salaries for new hires as well as reduced health and pension expenses for active employees.

Economic Factors

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 provides a leadership role in delivering training services to meet the needs these needs. In order to ensure continued growth and offer the programs needed to provide skilled workers to meet the requirements of employers the District needs to address the economic factors that can affect our strong financial position.

- The current economic recession has caused equalized property values to decline throughout the Gateway district. District valuations (TID out) declined by 1.96% and 7.13% in 2011 and 2012 respectively. The state average decline for years 2011 and 2012 were 1.8% and 3.3% respectively. Due to this negative growth of valuations, the District experienced increasing mill rates for FY 2011 and FY 2012. An increase is anticipated for FY 2013 as the valuations continue to decline.

- Market indications such as property sales data are beginning to show a recovery and property values are expected to stabilize.

- The unemployed rate remained high in 2012 as a result of the economic recession. As of June 2012, the rates were 8.6% for Kenosha, 9.2% for Racine and 7.8% for Walworth Counties. The state average was 7.6%.These conditions create the need for more program offerings and training services to meet the needs of dislocated workers.

- During a recession, the technical college system tends to experience an increase in enrollments. As the economy improves and people go back to work the enrollment tends to stabilize or decrease. The District has seen enrollments increase over the prior three fiscal years averaging 9.8% per year from FY 2009 to FY 2011 while FY 2012 FTE decreased by 2.6%. FY 2013 enrollment is expected to decrease slightly.

These challenges can only be met through strong planning processes, fiscal policies, and practices. Gateway continues to be successful in collaborating with local companies for supporting our training and technology needs. Our communities' need for our services has never been greater. Gateway's commitment to meet these needs is reflected in our Vision 3.2.1 strategic plan.

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 Chief Financial Officer / Vice President Administration, 3520 – 30th Avenue, Kenosha WI 53144-1690.

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BASIC FINANCIAL STATEMENTS

GATEWAY TECHNICAL COLLEGE DISTRICT

Statements of Net Assets
June 30, 2012 and 2011

	2012	2011
ASSETS		
Current assets		
Cash and cash equivalents	$ 9,013,288	$ 6,672,901
Restricted assets - cash and cash equivalents	5,271,493	6,467,016
Receivables:		
Property taxes	17,130,425	17,024,318
Accounts, net of reserve of $477,705 and $571,605 for 2012 and 2011, respectively	1,618,700	1,928,154
Federal and state aid	6,411,356	5,880,719
Inventory	-	11,223
Prepaid expenses	560,110	1,680,676
Debt issuance costs	38,677	25,091
Total Current assets	40,044,049	39,690,098
Non-current assets		
Debt issuance costs	244,281	160,689
Capital assets	102,766,750	94,548,037
Less: accumulated depreciation	(47,633,481)	(43,618,693)
Total Non-current assets	55,377,550	51,090,033
Total Assets	95,421,599	90,780,131
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	2,674,902	2,035,985
Accrued payroll and benefits	2,825,324	2,813,986
Accrued interest payable	303,160	288,270
Due to students and other groups	419,063	378,830
Unearned revenue	1,649,173	1,598,908
General obligation debt - current portion	6,872,334	6,295,598
Total Current liabilities	14,743,956	13,411,577
Non-current liabilities		
General obligation debt	33,393,959	30,320,667
Other postemployment benefits	2,388,695	1,880,288
Unearned revenue	832,035	903,773
Total Non-current liabilities, less current portion	36,614,689	33,104,728
Total Liabilities	51,358,645	46,516,305
NET ASSETS		
Invested in capital assets, net of related debt	18,916,039	19,615,422
Restricted for:		
Debt service	1,202,227	1,062,183
Student financial assistance:		
Expendable	175,355	179,117
Student organizations	1,014,702	854,549
Unrestricted	22,754,631	22,552,555
Total Net Assets	$ 44,062,954	$ 44,263,826

GATEWAY TECHNICAL COLLEGE DISTRICT

Statements of Revenues, Expenses and Changes in Net Assets
For the years ended June 30, 2012 and 2011

	2012	2011
Operating revenues		
Student tuition and program fees, net of scholarship allowances of $ 10,995,399 and $ 6,990,637 for 2012 and 2011, respectively	$ 10,409,936	$ 14,010,675
Federal grants	42,666,119	43,428,693
State grants	3,520,742	3,860,476
Contract revenue	2,256,918	2,231,194
Auxiliary enterprise revenues	256,823	286,282
Miscellaneous - institutional revenue	1,203,156	1,503,587
Total operating revenues	60,313,694	65,320,907
Operating expenses		
Instruction	60,869,404	58,458,128
Instructional resources	1,426,902	1,300,576
Student services	10,087,038	9,831,728
General institutional	8,373,179	8,089,118
Physical plant	7,718,475	8,004,016
Student aid	30,725,417	36,245,389
Public services	344,410	337,025
Auxiliary services	574,483	580,525
Depreciation	4,307,822	3,950,810
Total operating expenses	124,427,130	126,797,315
Net operating loss	(64,113,436)	(61,476,408)
Non-operating revenues (expenses)		
Property taxes	59,003,731	58,328,021
State appropriations	6,081,694	7,265,517
State capital grants	35,183	17,045
Federal capital grants	-	515,516
Other grants	35,679	41,002
Donated capital assets	-	147,722
Loss on sale of capital assets	(13,933)	(43,980)
Investment income	33,320	76,959
Interest expense	(1,263,110)	(1,264,089)
Total non-operating revenues (expenses)	63,912,564	65,083,713
Change in net assets	(200,872)	3,607,305
Net assets - beginning of year	44,263,826	40,656,521
Net assets - end of year	$ 44,062,954	$ 44,263,826

The accompanying notes are an integral part of this statement.

GATEWAY TECHNICAL COLLEGE DISTRICT

Statements of Cash Flows
For the years ended June 30, 2012 and 2011

Cash flows from operating activities	2012	2011
Tuition and fees received	$ 10,551,414	$ 15,800,186
Federal and state grants received	45,655,472	42,574,886
Contract revenues received	2,441,159	2,478,196
Payments to employees, including related benefits	(72,182,511)	(70,238,414)
Payments for materials and services	(45,583,779)	(51,838,212)
Auxiliary enterprise revenues received	256,823	291,789
Other receipts	1,161,814	1,283,034
Net cash used for operating activities	(57,699,608)	(59,648,535)
Cash flows from non-capital financing activities		
Local government property taxes received	58,897,624	58,077,787
State appropriations received	6,088,083	7,296,448
Proceeds from short-term borrowing	-	500,000
Payments on short-term borrowing, including interest	-	(500,500)
Net cash provided by noncapital financing activities	64,985,707	65,373,735
Cash flows from capital and related financing activities		
State and federal grants received for capital assets	29,546	521,493
Gifts and other grants received for capital assets	35,679	41,002
Proceeds from sale of capital assets	6,308	2,963
Purchases of capital assets	(8,606,315)	(7,495,998)
Proceeds from issuance of capital debt	10,000,000	9,000,000
Premium received on debt issuance	117,362	368,847
Debt issuance costs paid	(135,855)	(135,775)
Principal paid on capital debt	(6,400,000)	(6,010,000)
Interest paid on capital debt	(1,221,280)	(1,210,541)
Net cash used for capital and related financing activities	(6,174,555)	(4,918,009)
Cash flows from investing activities		
Investment income received	33,320	36,466
Net increase in cash and cash equivalents	1,144,864	843,657
Cash and cash equivalents		
Beginning of year	13,139,917	12,296,260
End of year	$ 14,284,781	$ 13,139,917

Reconciliation of cash and cash equivalents to the statement of net assets

Cash and cash equivalents	$ 9,013,288	$ 6,672,901
Restricted assets - cash and cash equivalents	5,271,493	6,467,016
	$ 14,284,781	$ 13,139,917

GATEWAY TECHNICAL COLLEGE DISTRICT

Statements of Cash Flows - Continued
For the years ended June 30, 2012 and 2011

Reconciliation of operating loss to net cash used for operating activities:	2012	2011
Operating loss	$ (64,113,436)	$ (61,476,408)
Adjustment to reconcile operating loss to net cash used by operating activities:		
Depreciation	4,307,822	3,950,810
Changes in assets and liabilities:		
(Increase) decrease		
Receivables	(221,935)	(3,700,813)
Prepaid expenses	1,120,566	(127,074)
Increase (decrease)		
Accounts payable and accrued liabilities	713,246	(187,683)
Accrued payroll and benefits	11,338	482,789
Other post employment benefits	508,407	642,160
Due to agency organizations	40,233	(225,013)
Unearned revenue	(77,072)	992,697
Net cash used for operating activities	$ (57,699,608)	$ (59,648,535)

Non Cash Capital and Related Financing Activities:		
Donated capital assets	$ -	$ 147,722

(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 and Racine, as well as an aviation center at the Kenosha airport and learning centers in the surrounding communities. All of the instructional programs are fully accredited by 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 May 2002, GASB issued statement No. 39, “Determining Whether Certain Organizations are Component Units.” This statement amends Statement 14, “The Financial Reporting Entity,” to provide additional guidance to determine whether certain organizations for which the District is not financially accountable should be reported as component units based on the nature and significance of their relationship with the District. Generally, it requires reporting, as a component unit, a separate affiliated organization whose economic resources entirely or almost entirely benefit the primary government. Additional criteria includes the primary government has access to a majority of economic resources of the affiliated organization and those resources are significant to 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. The financial resources of the Foundation are not significant to the District as a whole and accordingly, financial information related to the Foundation is not presented in these financial statements.

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

(1) Summary of Significant Accounting Policies (continued)

(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 and Student Receivables

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 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.

(1) Summary of Significant Accounting Policies (continued)

(d) Property Tax and Student Receivables (continued)

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.

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

(e) 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 ninety days, from when purchased, are considered cash equivalents. Investments are stated at cost, which approximates fair value.

(f) Inventory

Inventories are recorded at cost, which approximates market, using the first-in, first-out method. The cost is recorded as an expense at the time the inventory items are consumed rather than purchased.

(g) Prepaid Expenses

Prepaid expenses represent payments made by the District for which benefits extend beyond the fiscal year end.

(h) Capital Assets

Capital assets include land, land improvements, buildings, 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 fair 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)

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, ten to twenty years for land improvements, twenty years for the leasehold interest and leasehold improvements, and forty years for buildings and 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. Vacation benefits 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. Included in accrued payroll and benefits is the amount of compensated absences outstanding at June 30, 2012 and 2011, which was $534,500 and $411,000 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) 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.

(k) 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.

(1) Summary of Significant Accounting Policies (continued)

(l) 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.

(m) 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 nonexchange 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

(n) Net Assets

Net assets are classified according to restrictions or availability of assets for satisfaction of District obligations.

Invested in capital assets, net of related debt: This represents the net book value of capital assets (land, buildings and equipment), less the debt incurred to acquire or construct the assets, net of unexpended proceeds.

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

(1) Summary of Significant Accounting Policies (continued)

(n) Net Assets (continued)

- Restricted net assets for debt service can only be used to repay debt service costs (principal and interest) as they are levied for that specific purpose.
- Restricted net assets for student financial assistance or student organizations can only be used for student financial assistance activities or student organizations respectively.
- Restricted net assets for student financial assistance that are to be held permanently as endowment funds.

Unrestricted net assets: Unrestricted net assets represent 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.

(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 Statement of Net Assets and Statement of Cash Flows as follows:

Cash and Cash Equivalents	2012	2011
Cash on hand	$ 28,918	$ 22,918
Demand deposits	9,655,150	8,123,569
Wisconsin Local Government Investment Pool	4,600,713	4,993,430
Total Cash and Cash Equivalents	$ 14,284,781	$ 13,139,917

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

Restricted for		
Capital Projects	$ 3,517,770	$ 4,821,078
Debt Service	1,753,723	1,645,938
	5,271,493	6,467,016
Unrestricted	9,013,288	6,672,901
Total Cash and Cash Equivalents	$ 14,284,781	$ 13,139,917

The cash and demand deposits are fully insured or collateralized by securities being held by the Bank of New York Mellon Trust Company, N.A. in the District's name. The value of the collateral for the deposits as of June 30, 2012 and 2011 was $11,680,737 and $17,608,093 respectively. Certificates of deposit are fully insured through the combination of Federal Deposit Insurance Corporation (FDIC) and the Wisconsin Public Deposit Guarantee Fund.

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.
- 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.

(2) Cash and Cash Equivalents (continued)

- 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, 2012 Investment Type	Fair Value	Investment Maturities (in Years) Less than 1	 1-2
Wisconsin Local Government Investment Pool	$ 4,600,713	$ 4,600,713	$ -

June 30, 2011 Investment Type	Fair Value	Investment Maturities (in Years) Less than 1	 1-2
Wisconsin Local Government Investment Pool	$ 4,993,430	$ 4,993,430	$ -

As of June 30, 2012 and 2011, the fair value of the District's share of investments was equal to the carrying value.

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.

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

(2) Cash and Cash Equivalents (continued)

investments. The District places no limit on the amount the District may invest in any one issuer. As of June 30, 2012 and June 30, 2011 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, 2012 and 2011 mature in less than one year.

(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.

The combined tax rate for the fiscal years ended June 30, 2012, and 2011, were as follows:

	2012		2011	
	Mill Rate	Amount Levied	Mill Rate	Amount Levied
Operating levy	1.24443	$ 51,161,000	1.21998	$ 51,161,000
Debt service levy	0.18812	7,734,000	0.17114	7,177,000
Total Property Tax Levy		$ 58,895,000		$ 58,338,000

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 $165,521 and $171,910 in state aid revenue in lieu of property tax for the year ended June 30, 2012, and 2011, respectively. The District is limited by state law to an operational property tax mill rate of $1.50 per $1,000 of equalized valuation as determined by the State of Wisconsin Department of Revenue. 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 $59,003,731 and $58,328,021 for the years ended June 30, 2012, and 2011, 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, 2012 and 2011:

	2012			
	Balance July 1, 2011	Additions	Disposals	Balance June 30, 2012
Capital assets, not being depreciated:				
Land	$ 2,379,913	$ -	$ -	$ 2,379,913
Construction in progress	1,499,793	5,268,433	4,134,157	2,634,069
Total capital assets not depreciated	3,879,706	5,268,433	4,134,157	5,013,982
Capital assets, being depreciated:				
Land improvements	4,062,295	728,023	-	4,790,318
Buildings and improvements	57,761,906	4,726,824	-	62,488,730
Equipment	25,638,965	1,913,520	326,275	27,226,210
Leasehold interest	958,193	-	-	958,193
Leasehold improvement	2,246,972	42,345	-	2,289,317
Total capital assets being depreciated	90,668,331	7,410,712	326,275	97,752,768
Total Cost of Capital Assets	94,548,037	12,679,145	4,460,432	102,766,750
Less: Accumulated depreciation for				
Land improvements	1,049,103	244,062	-	1,293,165
Buildings and improvements	27,402,662	1,989,450	-	29,392,112
Equipment	14,338,062	1,887,230	293,034	15,932,258
Leasehold interest	372,454	48,811	-	421,265
Leasehold improvement	456,412	138,269	-	594,681
Total Accumulated Depreciation	43,618,693	4,307,822	293,034	47,633,481
Net Capital Assets	50,929,344	$ 8,371,323	$ 4,167,398	55,133,269
Plus capital project funds borrowed but not spent	4,821,078			3,517,770
Less: General obligation debt	(36,135,000)			(39,735,000)
Total Invested in Capital Assets, Net of Related Debt	$ 19,615,422			$ 18,916,039

(4) Capital Assets (continued)

	2011			
	Balance July 1, 2010	Additions	Disposals	Balance June 30, 2011
Capital assets, not being depreciated:				
Land	$ 2,379,913	$ -	$ -	$ 2,379,913
Construction in progress	1,085,579	3,132,362	2,718,148	1,499,793
Total capital assets not depreciated	3,465,492	3,132,362	2,718,148	3,879,706
Capital assets, being depreciated:				
Land improvements	2,704,350	1,357,945	-	4,062,295
Buildings and improvements	55,695,525	2,066,381	-	57,761,906
Equipment	22,896,314	2,856,051	113,400	25,638,965
Leasehold interest	958,193	-	-	958,193
Leasehold improvement	1,876,379	370,593	-	2,246,972
Total capital assets being depreciated	84,130,761	6,650,970	113,400	90,668,331
Total Cost of Capital Assets	87,596,253	9,783,332	2,831,548	94,548,037
Less: Accumulated depreciation for				
Land improvements	867,741	181,362	-	1,049,103
Buildings and improvements	25,564,991	1,837,671	-	27,402,662
Equipment	12,643,976	1,760,543	66,457	14,338,062
Leasehold interest	323,643	48,811	-	372,454
Leasehold improvement	333,988	122,424	-	456,412
Total Accumulated Depreciation	39,734,339	3,950,811	66,457	43,618,693
Net Capital Assets	47,861,914	$ 5,832,521	$ 2,765,091	50,929,344
Plus capital project funds borrowed but not spent	2,862,963			4,821,078
Less: General obligation debt	(33,145,000)			(36,135,000)
Total Invested in Capital Assets, Net of Related Debt	$ 17,579,877			$ 19,615,422

(4) Capital Assets (continued)

Burlington Buildings and Leasehold Improvements

On October 25, 2004 the District entered into a twenty year lease with Burlington Area School District (BASD) for an instructional facility (496 Building). BASD coordinated construction of the building for which the District was to contribute $1,000,000 in the form of leasehold improvements. As of June 30, 2006 the construction was completed and $1,002,233 was reflected as a leasehold improvement in the accompanying capital asset footnote and it is being amortized over the life of the lease or 20 years. Through fiscal year ending June 30, 2012 approximately $206,100 of leasehold improvements were added to the building.

Effective March 15, 2011 the District extended its lease through June 30, 2030, on the newly remodeled Health and Emergency Response Occupations Center (HERO Center), with Burlington Area School District. Through fiscal year ending June 30, 2012 approximately $218,500 of leasehold improvements were added to the building.

(5) Long-Term and Short-Term Obligations

The following is a summary of the changes in long-term obligations for the years ended June 30, 2012, and 2011:

	July 1, 2011	Additions	Reductions	June 30, 2012	Due Within One Year
General Obligation Debt	$ 36,135,000	$ 10,000,000	$ 6,400,000	$ 39,735,000	$ 6,805,000
Plus deferred premium	481,265	117,362	67,334	531,293	67,334
Total General Obligation Debt	36,616,265	10,117,362	6,467,334	40,266,293	6,872,334
Accrued OPEB obligation	1,880,288	1,751,026	1,242,619	2,388,695	-
Total	$ 38,496,553	$ 11,868,388	$ 7,709,953	$ 42,654,988	$ 6,872,334

	July 1, 2011	Additions	Reductions	June 30, 2012	Due Within One Year
General Obligation Debt	$ 33,145,000	$ 9,000,000	$ 6,010,000	$ 36,135,000	$ 6,240,000
Plus deferred premium	172,025	364,838	55,598	481,265	55,598
Total General Obligation Debt	33,317,025	9,364,838	6,065,598	36,616,265	6,295,598
Accrued OPEB obligation	1,238,128	1,756,847	1,114,687	1,880,288	-
Total	$ 34,555,153	$ 11,121,685	$ 7,180,285	$ 38,496,553	$ 6,295,598

(5) Long-Term and Short-Term Obligations (continued)

General obligation debt outstanding at June 30, 2012, and 2011, consists of the following notes and bonds:

	2012	2011
General obligation Applied Technology Center Bonds, 3.75% to 4.75%, payable in annual installments of $75,000 to $530,000, plus interest, to April 1, 2012 (issued for $5,000,000 on June 1, 2002, through R. W. Baird & Co., to finance the construction of two technology centers, the Bioscience in Kenosha and CATI in Racine).	$ -0-	$ 530,000
General obligation promissory notes, 2.00% to 3.70%, payable in annual installments of $190,000 to $215,000, plus interest, to April 1, 2013 (issued for $3,750,000 on October 15, 2003, through R.W. Baird & Co., to finance the acquisition of equipment and various campus remodeling projects).	215,000	420,000
General obligation promissory notes, 3.00% to 3.65%, payable in annual installments of $105,000 to $2,825,000, plus interest, to April 1, 2014 (issued for $4,500,000 on September 1, 2004, through R.W. Baird & Co., to finance the acquisition of equipment and construct the Kenosha Campus Student Commons addition).	235,000	345,000
General obligation promissory notes, 3.00% to 4.50%, payable in annual installments of $105,000 to $410,000, plus interest, to April 1, 2015 (issued for $2,000,000 on April 1, 2005, through R.W. Baird & Co., to finance the acquisition of equipment, various facility remodeling projects and the district's share of the cost of the Burlington Center building project).	345,000	450,000
General obligation promissory notes, 3.125% to 3.60%, payable in annual installments of $50,000 to $2,510,000, plus interest, to April 1, 2015 (issued for $4,500,000 on September 1, 2005, to Piper Jaffray, to finance the acquisition of equipment and various facility remodeling projects).	690,000	1,115,000
General obligation promissory notes, 3.60% to 3.75%, payable in annual installments of $35,000 to $200,000, plus interest, to April 1, 2013 (issued for $1,000,000 on April 1, 2006, to Harris N.A., to finance various facility remodeling projects).	200,000	390,000

(5) Long-Term and Short-Term Obligations (continued)

	2012	2011
General obligation promissory notes, 4.00% to 4.25%, payable in annual installments of $80,000 to $185,000, plus interest, to April 1, 2016 (issued for $1,800,000 on February 15, 2007 through R.W. Baird & Co., to finance the remodeling and construction of an addition for the Horizon Center).	$ 695,000	$ 850,000
General obligation promissory notes, 4.00% to 4.375%, payable in annual installments of $80,000 to $170,000, plus interest, to April 1, 2016 (issued for $1,000,000 on March 15, 2007 through R.W. Baird & Co., to finance various facility remodeling projects).	640,000	785,000
General obligation promissory notes, 3.95% to 4.25%, payable in annual installments of $395,000 to $660,000, plus interest, to April 1, 2017 (issued for $4,500,000 on September 6, 2007 through R.W. Baird & Co., to finance the acquisition of equipment and various facility remodeling projects).	3,050,000	3,590,000
General obligation promissory notes, 4.0%, payable in annual installments of $135,000 to $160,000, plus interest, to April 1, 2017 (issued for $1,000,000 on December 6, 2007 through R.W. Baird & Co., to finance various facility remodeling projects).	745,000	875,000
General obligation promissory notes, 3.75% to 4.00%, payable in annual installments of $125,000 to $160,000, plus interest, to April 1, 2017 (issued for $1,000,000 on January 4, 2008 through R.W. Baird & Co., to finance various facility remodeling projects focusing on Energy Management).	745,000	875,000
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).	2,195,000	3,315,000
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).	820,000	925,000

(5) Long-Term and Short-Term Obligations (continued)

	2012	2011
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).	$ 805,000	$ 855,000
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).	805,000	905,000
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).	4,200,000	5,500,000
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).	1,000,000	1,000,000
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).	4,560,000	4,585,000
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).	3,450,000	4,325,000
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).	1,500,000	1,500,000

(5) Long-Term and Short-Term Obligations (continued)

	2012	2011
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).	$ 1,500,000	$ 1,500,000
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).	1,500,000	1,500,000
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).	4,340,000	-0-
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).	2,500,000	-0-
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.)	2,000,000	-0-
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).	1,000,000	-0-
Total General Long-Term Obligation Debt	$ 39,735,000	$ 36,135,000

(5) Long-Term and Short-Term Obligations (continued)

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
2013	$ 6,805,000	$ 1,136,567	$ 7,941,567
2014	7,115,000	922,347	8,037,347
2015	6,115,000	728,580	6,843,580
2016	5,690,000	558,408	6,248,408
2017	4,570,000	405,038	4,975,038
2018-2022	9,440,000	574,520	10,014,520
	$ 39,735,000	$ 4,325,460	$ 44,060,460

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, 2012, the 5% limitation was $2,145,720,926 and the District's outstanding general obligation debt (net of resources available to pay principal and interest) was $38,532,773. The 5% limit, as of June 30, 2011, was $2,197,977,946; the District's outstanding general obligation debt (net of resources available to pay principal and interest) was $35,072,817.

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, 2012, the 2% limitation was $858,288,371 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, 2011, was $879,191,179; the District's outstanding bonded indebtedness (net of resources available to pay principal and interest) was $518,075.

In prior years, the District advance refunded $3,040,000 of general obligation bonds. As a result, the refunded notes are also considered to be defeased and the liability has been removed from the statement of net assets.

As of June 30, 2012 and 2011, $0 and $3,040,000 of outstanding general obligation bonds are considered defeased.

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(5) Long-Term and Short-Term Obligations (continued)

Short-Term Debt

The following is a summary of changes in short-term obligations for the year ending June 30, 2011. No short-term debt was issued during the year ending June 30, 2012.

	July 1, 2010	Additions	Reductions	June 30, 2011
Promissory notes interest rates (4.50%)	$ -	$ 500,000	$ 500,000	$ -

In fiscal year 2011 the short-term debt was issued to temporarily finance the District's operations in anticipation of tax levy receipts.

(6) Retirement System

The District participates in a public employee retirement system which covers substantially all full-time and certain part-time employees. A summary of information related to the retirement plan follows:

Wisconsin Retirement System

The District makes contributions to the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit public employee retirement system (PERS), on behalf of all eligible employees (instructors, administrators, and all other staff). The Wisconsin Department of Employee Trust Funds (ETF) is the plan administrator.

All permanent employees (with WRS service prior to July 1, 2011) expected to work over 600 hours a year (440 hours for teachers) are eligible to participate in the WRS. 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 are immediately vested.

Effective June 29, 2011 Wisconsin Acts 10 and 32 contained a number of provisions, which affected the retirement and health insurance programs administered by the ETF. Employees are now responsible for the full employee contribution and eligibility requirements were modified. All permanent employees (initially working for a WRS employer on or after July 1, 2011) expected to work over 1,200 hours a year (880 hours for teachers) and expected to be employed for at least one year are eligible to participate in the WRS. Also new employees are not eligible for a WRS retirement annuity or lump sum retirement benefit until they have five years of creditable service.

Currently, covered employees in the General/Teacher/Educational Support Personnel category are required by statute to contribute 5.9 percent of their salary to the plan. In addition, the District is required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits (currently 5.9 percent of covered employee's salary). The District's policy is to fund retirement costs accrued.

(6) Retirement System (continued)

Prior to the passage of Act 10 legislation in June 2011, the District paid both the employee and employer required contributions to the plan. Effective July 1, 2011 non-represented employees started contributing the employee portion which equals 50% of the annual required contribution for general WRS members. For fiscal year 2011-12 this equates to 5.8% of the employee's annual salary, based on rates effective June 29, 2011 and as of January 1, 2012 the employee's annual rate was 5.9%. Effective July 1, 2012 all represented employees, eligible to be members of the WRS, began contributing the employee portion of the WRS contribution rate.

The payroll for Gateway Technical College employees covered by the WRS for the year ended June 30, 2012 was $45,880,171; the employer's total payroll was $50,172,135. The total required contribution paid for the year ended June 30, 2012 was $5,366,557, which consisted of $2,588,671 for the employer's share and $2,777,886 for the employees' share. As of January 2012, the contributions rates are 5.9% for both the employer portion and the employee portion. Of the employee's $2,777,886 share $286,266 was paid by employees and the District paid $2,491,620.

Total contributions for the years ended June 30, 2011 and 2010 were $4,971,492 and $4,499,459, respectively, equal to the required contributions for each year.

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

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

(7) Other Post-Employment Benefits (OPEB)

(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, 2012, the date of the latest actuarial valuation, was 530 active and 105 retired employees receiving benefits. In addition 217 retirees are receiving life insurance only benefits.

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 May 1, 2011, the long-term care benefit was discontinued for non-represented employees and for retirees that were classified as non-represented staff while employed. Effective July 1, 2012 the long-term care benefit is discontinued for all employees and retirees.

The District provides 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.

(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 with July 1, 2012 the collective bargaining agreements are 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

(7) Other Post-Employment Benefits (OPEB-continued)

(b) Funding Policy (continued)

year they retired. Effective July 1, 2012 new retirees will be required to pay the same insurance contribution rates as active employees. Retiree health insurance premiums will no longer be frozen at the time of retirement. Retirees not meeting eligibility requirements may continue coverage by paying the full premium.

For life insurance the retiree pays for coverage until age 67 and then the District funds 100% of the cost at age 67 and later. 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 2012, the District contributed $1,242,619 of which $873,596 paid the current year normal cost and an additional $369,023 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:

Component	2012	2011
Annual required contribution	$ 1,780,369	$ 1,776,169
Interest on net OPEB	75,212	49,525
Adjustment to annual required contribution	(104,555)	(68,847)
Annual OPEB cost (expense)	1,751,026	1,756,847
Contributions made	(1,242,619)	(1,114,687)
Change in net OPEB obligation	508,407	642,160
OPEB obligation - beginning of year	1,880,288	1,238,128
OPEB obligation - end of year	$ 2,388,695	$ 1,880,288

(7) Other Post-Employment Benefits (OPEB-continued)

(c) Annual OPEB Cost and Net OPEB Obligation

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
6/30/10	$ 1,661,746	58.4%	$ 1,238,128
6/30/11	$ 1,756,847	63.4%	$ 1,880,288
6/30/12	$ 1,751,026	71.0%	$ 2,388,695

(d) Funded Status and Funding Progress

The funded status as of June 30, 2012, the most recent actuarial valuation date was as follows:

Actuarial accrued liability (AAL)	$ 17,861,024
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	$ 17,861,024
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	$ 42,051,198
Ratio of UAAL to covered payroll	42%

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. 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. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

(7) Other Post-Employment Benefits (OPEB-continued)

(e) 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, 2012
Actuarial cost method	Projected Unit Credit
Amortization method	Level ; 30-year closed amortization period
Remaining amortization period	26 years
Actuarial assumptions:	
Discount rate	4.00%
Healthcare cost trend rate	10 % initial
reduced by decrements to:	6% ultimate after 9+ years
Projected salary increases	4%

(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 $350,000,000 per occurrence; general liability, auto, and educators' legal liability at $5,000,000 per occurrence; and workers' compensation at the statutorily required limits.

At this time, settled claims have not approached the coverage limits as identified above. 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,

(8) Risk Management (continued)

set policy matters, and control the financial affairs of the company.

For the fiscal years 2012 and 2011, the District paid a premium of $452,832 and $482,790 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.

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

- Foreign liability: $2,000,000 aggregate general; $1,000,000 auto per accident; $1,000,000 employee benefits; includes benefit for accidental death and dismemberment, repatriation, and medical expenses; $1,000 deductible for employee benefits.

- Crime: $750,000 coverage for employee dishonesty, forgery, computer fraud and funds transfer fraud; $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.

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 medical services expense coverage of $1,000 per person / $6,000 each occurrence; $1,000,000 aircraft physical damage; hangar keeper's liability; $250,000 per aircraft / $250,000 each loss; $5,000 deductible.

Arthur J. Gallagher

- Multimedia liability: $5,000,000 limit each claim; $10,000 deductible each claim.
- International SOS coverage: $1,000,000 Evacuation and repatriation coverage

(9) Operating Leases

The District leases vehicles, equipment, classroom, office, and aviation facilities under noncancelable operating leases. As of July 1, 2005, the District signed a ten year lease agreement with Kenosha Unified School District to lease the Lakeview Advanced Technology Center at the annual rate of $44,800, subject to increases after four years. Also, 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 a term of twenty years and annual lease payments averaging under $200,000 per year.

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 are currently $160,000 per year.

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.

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

Year Ending June 30	Amount
2013	$ 852,736
2014	790,896
2015	547,445
2016	396,263
2017	394,563
2018 - 2022	1,903,503
2023 - 2027	1,044,644
2028 - 2029	171,015
Total required minimum lease payments	$ 6,101,065

Rental expenses for all operating leases aggregated $958,089 and $963,315 for the years ended June 30, 2012 and 2011, 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, 2012 and June 30, 2011, the cost of the lease assets is $1,089,035 for both years and the depreciation is $347,541 and $308,932 respectively. Effective with fiscal year 2008/09, the District is leasing facilities furniture (15 year lease) to Racine County Economic Development Corporation at our Center for Advanced Technology & Innovation.

(7) Operating Leases (continued)

The commitments under the noncancelable leases provide for future minimum rentals as follows:

Year Ending June	Amount
2013	$ 1,668
2014	1,668
2015	1,668
2016	1,668
2017	1,668
2018-2022	8,340
2023	1,664
Total future minimum lease revenue	$ 18,344

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, 2012 and 2011 was $226,212 and $213,967 respectively.

(10) Expenses Classification

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

	2012	2011
Salaries and wages	$ 49,060,461	$ 48,410,278
Fringe benefits	23,133,387	22,310,925
Travel, memberships, professional dev.	957,520	826,946
Supplies and minor equipment	8,724,938	7,664,080
Contract services	3,207,743	2,800,111
Bank/Agency credit/collection fees	87,761	118,761
Rentals	958,089	963,315
Repairs and maintenance	709,408	809,862
Insurance	574,587	633,985
Utilities	1,618,643	1,766,539
Depreciation	4,307,822	3,950,810
Student aid	30,725,417	36,245,389
Student debt write-off	361,354	296,314
Total Operating Expenses	$ 124,427,130	$ 126,797,315

(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 is the fiscal agent for the consortium. Since 1997 and as of June 30, 2012, eight additional technical colleges have joined. As of June 30, 2012 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 software that comprises WISPALS. The hardware and software is permanently housed at 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, 2012 and 2011 was $68,390 and $51,603 respectively. The net assets for the joint venture decreased, by $3,518 for the fiscal year. WISPALS has no joint venture debt outstanding.

The WISPALS financial statements can be obtained through the District by directing the request to the Administration Center, 3520 30th Avenue, Kenosha, WI 53144.

(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 (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, 2012 the District has commitments outstanding for construction projects of approximately $1,002,353. As of June 30, 2011 the commitments for construction projects were $2,595,195.

(13) Subsequent Events

On July 12, 2012, the District issued $6,500,000 Series 2012-13A General Obligation Promissory Notes, the proceeds of which $5,000,000 is to be used for capital equipment purchases and $1,500,000 for construction and remodeling projects. Interest rates range from 2.00% to 4.00% with the first payment of principal due on April 1, 2015.

REQUIRED SUPPLEMENTARY INFORMATION

GATEWAY TECHNICAL COLLEGE DISTRICT

Schedules of Other Post-Employment Benefit Plan Information
June 30, 20112

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/10	$ -	$ 17,118,156	$ 17,118,156	0%	39,110,194	44%
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%

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution (ARC)	Employer Contribution	Percentage of ARC Contributed	Net OPEB Obligation
6/30/10	$ 1,670,281	$ 970,503	58.1%	$1,238,128
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

See Notes to Required Supplemental Information

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Required Supplemental Information
June 30, 20112

Note A - Governmental Accounting Standards Board Statement No. 45

The District implemented GASB Statement No. 45, "Accounting and Financial Reporting by Employers Postemployment Benefits Other Than Pensions" for the fiscal year ended June 30, 2009. Information for prior years is not available.

Note B - Schedule of Funding Progress

There have been no changes in actuarial assumptions that have a significant effect on the amounts presented in the schedule of funding progress for one year compared to the information presented for prior years.

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 required to be 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, 2012

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local government - tax levy	$ 48,830,000	$ 48,830,000	$ 48,853,225	$ 23,225
Intergovernmental revenue:				
State aids	5,100,000	5,100,000	6,176,745	1,076,745
Federal	-	-	36,727	36,727
Tuition and fees:				
Statutory program fees	17,935,000	17,935,000	17,544,686	(390,314)
Material fees	950,000	950,000	843,688	(106,312)
Other student fees	1,735,000	1,735,000	1,771,420	36,420
Miscellaneous - institutional revenue	3,190,000	3,190,000	3,167,289	(22,711)
Total revenues	77,740,000	77,740,000	78,393,780	653,780
Expenditures				
Instruction	55,521,000	55,521,000	54,334,091	1,186,909
Instructional resources	1,306,000	1,353,000	1,312,328	40,672
Student services	7,939,000	7,939,000	7,784,714	154,286
General institutional	7,198,000	7,051,000	6,885,048	165,952
Physical plant	7,556,000	7,656,000	7,635,163	20,837
Total expenditures	79,520,000	79,520,000	77,951,344	1,568,656
Revenues over (under) expenditures	(1,780,000)	(1,780,000)	442,436	2,222,436
Other financing sources (uses)				
Transfer in	1,000,000	1,229,250	1,229,250	-
Transfers out	-	(229,250)	(229,250)	-
Total other financing sources (uses)	1,000,000	1,000,000	1,000,000	-
Net change in fund balance	(780,000)	(780,000)	1,442,436	2,222,436
Fund balance				
Beginning of year	19,747,585	19,747,585	19,747,585	-
End of year	$ 18,967,585	$ 18,967,585	$ 21,190,021	$ 2,222,436

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, 2012

	Budget Amounts		Actual on a Budgetary	Variance with Final Budget- Over
	Original	Final	Basis	(Under)
Revenues				
Local government - tax levy	$ 2,286,000	$ 2,286,000	$ 2,286,000	$ -
Intergovernmental revenue:				
State aids	607,582	607,582	895,822	288,240
Federal	4,705,908	4,705,908	3,315,846	(1,390,062)
Miscellaneous - institutional revenue	44,400	44,400	57,334	12,934
Total revenues	7,643,890	7,643,890	6,555,002	(1,088,888)
Expenditures				
Instruction	5,097,949	5,097,949	4,198,030	899,919
Student services	1,231,393	1,231,393	1,049,363	182,030
General institutional	979,988	954,988	387,975	567,013
Public services	334,560	359,560	342,637	16,923
Total expenditures	7,643,890	7,643,890	5,978,005	1,665,885
Revenues over expenditures	-	-	576,997	576,997
Other financing uses				
Transfer out	(1,000,000)	(1,000,000)	(1,000,000)	-
Net change in fund balance	(1,000,000)	(1,000,000)	(423,003)	576,997
Fund balance				
Beginning of year	3,278,446	3,278,446	3,278,446	-
End of year	$ 2,278,446	$ 2,278,446	$ 2,855,443	$ 576,997

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, 2012

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Intergovernmental revenue:				
State aids	$ 1,887,500	$ 1,887,500	$ 2,529,869	$ 642,369
Federal	45,659,000	45,659,000	39,313,546	(6,345,454)
Tuition and fees - other student fees	875,000	875,000	910,988	35,988
Miscellaneous - institutional revenue	5,053,500	5,053,500	5,051,389	(2,111)
Total revenues	53,475,000	53,475,000	47,805,792	(5,669,208)
Expenditures				
Student services	52,974,000	52,874,000	47,010,782	5,863,218
General institutional	501,000	601,000	598,386	2,614
Total expenditures	53,475,000	53,475,000	47,609,168	5,865,832
Net change in fund balance	-	-	196,624	196,624
Fund balance				
Beginning of year*	1,412,496	1,412,496	1,412,496	-
End of year	$ 1,412,496	$ 1,412,496	$ 1,609,120	$ 196,624

*Special Revenue-Non-Aidable funds budgetary basis beginning balance was increased by $ 378,830 for fiduiciary fund balance previously classified as liability instead of fund balance in CAFR supplemental schedules. Reclassification completed to match the District's Budget Book presentation.

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, 2012

	Budget Amounts		Actual on a Budgetary	Variance with
	Original	Final	Basis	Final Budget
Revenues				
Local government - tax levy	$ -	$ 86,000	$ 85,506	$ (494)
Intergovernmental revenue:				
State	20,000	20,000	35,183	15,183
Federal	5,000	5,000	-	(5,000)
Miscellaneous - institutional revenue	300,000	300,000	90,270	(209,730)
Total revenues	325,000	411,000	210,959	(200,041)
Expenditures				
Instruction	3,500,000	3,565,000	3,544,566	20,434
Instructional resources	50,000	120,000	113,416	6,584
Student services	300,000	380,000	357,767	22,233
General institutional	1,230,000	1,430,000	1,416,168	13,832
Physical plant	5,225,000	5,896,000	5,129,632	766,368
Public services	20,000	20,000	1,773	18,227
Total expenditures	10,325,000	11,411,000	10,563,322	847,678
Revenues over (under) expenditures	(10,000,000)	(11,000,000)	(10,352,363)	647,637
Other financing sources				
Long-term debt issued	10,000,000	10,000,000	10,000,000	-
Transfers in	-	229,250	229,250	-
Total other financing sources	10,000,000	10,229,250	10,229,250	-
Net change in fund balance	-	(770,750)	(123,113)	647,637
Fund balance				
Beginning of year	2,102,188	2,102,188	2,102,188	-
End of year	$ 2,102,188	$ 1,331,438	$ 1,979,075	$ 647,637

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, 2012

	Budget Amounts		Actual on a Budgetary	Variance with
	Original	Final	Basis	Final Budget
Revenues				
Local government - tax levy	$ 7,734,000	$ 7,734,000	$ 7,734,000	$ -
Miscellaneous - institutional revenue	100,000	100,000	91,707	(8,293)
Total revenues	7,834,000	7,834,000	7,825,707	(8,293)
Expenditures				
Physical plant	7,745,000	7,745,000	7,717,922	27,078
Net change in fund balance	89,000	89,000	107,785	18,785
Fund balance				
Beginning of year	1,645,938	1,645,938	1,645,938	-
End of year	$ 1,734,938	$ 1,734,938	$ 1,753,723	$ 18,785

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 College 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 Funds Schedule of Revenues, Expenses, and Changes in Net Assets
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budget Amounts		Actual on a Budgetary	Variance with
	Original	Final	Basis	Final Budget
Operating Revenues				
Local government - tax levy	$ 45,000	$ 45,000	$ 45,000	$ -
Other student fees	200,000	245,000	231,258	(13,742)
Miscellaneous - institutional revenue	300,000	300,000	310,367	10,367
Total revenues	545,000	590,000	586,625	(3,375)
Operating Expenses				
Auxiliary services	545,000	590,000	574,483	15,517
Operating Income	-	-	12,142	12,142
Other financing uses				
Transfer out	-	(229,250)	(229,250)	-
Change in Net Assets	-	(229,250)	(217,108)	12,142
Net Assets				
Beginning of year	975,216	975,216	975,216	-
End of year	$ 975,216	$ 745,966	$ 758,108	$ 12,142

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 Statement of Net Assets
June 30, 2012

	General	Special Revenue Funds		Capital	Debt	Enterprise		Reconciling	Statement of
ASSETS	Fund	Operating	Non-Aidable	Projects Fund	Service Fund	Funds	Total	Items	Net Assets
Assets									
Cash and investments	$ 9,013,288	$ -	$ -	$ 3,517,770	$ 1,753,723	$ -	$ 14,284,781	$ -	$ 14,284,781
Receivables:									
Property taxes	17,130,425	-	-	-	-	-	17,130,425	-	17,130,425
Accounts, net of reserve of $ 477,705	1,567,964	1,239	49,497	-	-	-	1,618,700	-	1,618,700
Federal and state aid	-	1,551,909	4,859,447	-	-	-	6,411,356	-	6,411,356
Due from other funds	1,111,724	1,406,956	369,566	-	-	774,565	3,662,811	(3,662,811)	-
Prepaid expenditures	560,110	-	-	-	-	-	560,110	-	560,110
Debt issuance costs	-	-	-	-	-	-	-	282,958	282,958
Capital assets	-	-	-	-	-	-	-	102,766,750	102,766,750
Less: accumulated depreciation	-	-	-	-	-	-	-	(47,633,481)	(47,633,481)
Total Assets	$ 29,383,511	$ 2,960,104	$ 5,278,510	$ 3,517,770	$ 1,753,723	$ 774,565	$ 43,668,183	$ 51,753,416	$ 95,421,599
LIABILITIES AND FUND EQUITY									
Liabilities									
Accounts payable and accrued liabilities	$ 2,635,077	$ 23,604	$ -	$ -	$ -	$ 16,221	$ 2,674,902	$ -	$ 2,674,902
Employee-related payables	2,260,509	29,666	413	-	-	236	2,290,824	-	2,290,824
Accrued vacation payable	534,500	-	-	-	-	-	534,500	-	534,500
Accrued interest	-	-	-	-	-	-	-	303,160	303,160
Due to other funds	-	-	3,662,811	-	-	-	3,662,811	(3,662,811)	-
Due to students and other groups	-	-	-	-	-	-	-	419,063	419,063
Deferred revenue	2,731,559	48,109	-	130,000	-	-	2,909,668	(1,260,495)	1,649,173
Long-term liabilities	-	-	-	-	-	-	-	43,487,023	43,487,023
Total liabilities	8,161,645	101,379	3,663,224	130,000	-	16,457	12,072,705	39,285,940	51,358,645
Fund balances / net assets									
Investment in capital assets, net of related debt	-	-	-	-	-	-	-	18,916,039	18,916,039
Net assets									
Unreserved/unrestricted	-	-	-	-	-	758,108	758,108	21,996,523	22,754,631
Fund balances:									
Reserved for prepaid expenditures	560,113	-	-	-	-	-	560,113	(560,113)	-
Reserved for student organizations	-	-	1,433,765	-	-	-	1,433,765	(419,063)	1,014,702
Reserved for student financial assistance	-	-	175,355	-	-	-	175,355	-	175,355
Reserved for capital projects	-	-	-	1,979,075	-	-	1,979,075	(1,979,075)	-
Reserved for debt service	-	-	-	-	1,753,723	-	1,753,723	(551,496)	1,202,227
Unreserved - Designated for:									
Operations	19,889,908	2,855,443	-	-	-	-	22,745,351	(22,745,351)	-
OPEB - Other post employment benefits	740,000	-	-	-	-	-	740,000	(740,000)	-
Total fund balances / net assets	21,190,021	2,855,443	1,609,120	1,979,075	1,753,723	758,108	30,145,490	13,917,464	44,062,954
Reserve for encumbrances	31,845	3,282	6,166	1,408,695	-	-	1,449,988	(1,449,988)	-
Total Liabilities and Fund Equity	$ 29,383,511	$ 2,960,104	$ 5,278,510	$ 3,517,770	$ 1,753,723	$ 774,565	$ 43,668,183	$ 51,753,416	$ 95,421,599

GATEWAY TECHNICAL COLLEGE DISTRICT

Schedule to Reconcile the Budgetary (Non-GAAP) Basis Financial Statements
to the Statement of Revenues, Expenses and Changes in Net Assets
For the Year Ended June 30, 2012

	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 Assets	
Revenues										
Local government - tax levy	$ 48,853,225	$ 2,286,000	$ -	$ 85,506	$ 7,734,000	$ 45,000	$ 59,003,731	$ -	$ 59,003,731	
Intergovernmental revenue:										
State	6,176,745	895,822	2,529,869	35,183	-	-	9,637,619	-	9,637,619	(1)
Federal	36,727	3,315,846	39,313,546	-	-	-	42,666,119	-	42,666,119	(2)
Tuition and fees:										
Statutory program fees	17,544,686	-	-	-	-	-	17,544,686	(8,969,009)	8,575,677	
Material fees	843,688	-	-	-	-	-	843,688	(436,517)	407,171	
Other student fees	1,771,420	-	910,988	-	-	231,258	2,913,666	(1,486,578)	1,427,088	
Miscellaneous - institutional revenue	3,167,289	57,334	5,051,389	90,270	91,707	310,367	8,768,356	(4,982,460)	3,785,896	(3)
Total revenues	78,393,780	6,555,002	47,805,792	210,959	7,825,707	586,625	141,377,865	(15,874,564)	125,503,301	
Expenditures										
Instruction	54,334,091	4,198,030	-	3,544,566	-	-	62,076,687	(1,207,283)	60,869,404	
Instructional resources	1,312,328	-	-	113,416	-	-	1,425,744	1,158	1,426,902	
Student services	7,784,714	1,049,363	47,010,782	357,767	-	-	56,202,626	(46,115,588)	10,087,038	
General institutional	6,885,048	387,975	598,386	1,416,168	-	-	9,287,577	(914,398)	8,373,179	
Physical plant	7,635,163	-	-	5,129,632	-	-	12,764,795	(5,046,320)	7,718,475	
Student aid	-	-	-	-	-	-	-	30,725,417	30,725,417	
Public services	-	342,637	-	1,773	-	-	344,410	-	344,410	
Depreciation	-	-	-	-	-	-	-	4,307,822	4,307,822	
Auxiliary services	-	-		-	-	574,483	574,483	-	574,483	
Debt Service:										
Principal	-	-	-	-	6,400,000	-	6,400,000	(6,400,000)	-	
Interest and fiscal charges	-	-	-	-	1,317,922	-	1,317,922	(54,812)	1,263,110	
Total expenditures	77,951,344	5,978,005	47,609,168	10,563,322	7,717,922	574,483	150,394,244	(24,704,004)	125,690,240	
Revenues over (under) expenditures	442,436	576,997	196,624	(10,352,363)	107,785	12,142	(9,016,379)	8,829,440	(186,939)	
Other financing sources (uses)										
Long-term debt issued	-	-	-	10,000,000	-	-	10,000,000	(10,000,000)	-	
Gain/(loss) on sale/disposal of capital assets	-	-	-	-	-	-	-	(13,933)	(13,933)	
Transfers in	1,229,250	-	-	229,250	-	-	1,458,500	(1,458,500)	-	
Transfers out	(229,250)	(1,000,000)	-	-	-	(229,250)	(1,458,500)	1,458,500	-	
Total other financing sources (uses)	1,000,000	(1,000,000)	-	10,229,250	-	(229,250)	10,000,000	(10,013,933)	(13,933)	
Revenues and other fiinancing sources over (under) expenditures	1,442,436	(423,003)	196,624	(123,113)	107,785	(217,108)	983,621	(1,184,493)	(200,872)	
Fund balances/net assets										
Beginning of year*	19,747,585	3,278,446	* 1,412,496	2,102,188	1,645,938	975,216	29,161,869	15,101,957	44,263,826	(4)
End of year	$ 21,190,021	$ 2,855,443	$ 1,609,120	$ 1,979,075	$ 1,753,723	$ 758,108	$ 30,145,490	$ 13,917,464	$ 44,062,954	

*Special Revenue-Non-Aidable funds budgetary basis beginning balance was increased by $378,830 for fiduciary fund balance previously classified as liability instead of fund balance in CAFR supplemental schedules. Reclassification completed to match the District's Budget Book presentation.

GATEWAY TECHNICAL COLLEGE DISTRICT

Schedule to Reconcile the Budgetary (Non-GAAP) Basis Financial Statements
to the Statement of Revenues, Expenses and Changes in Net Assets (Continued)
June 30, 2012

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

Operating	$ 3,520,742
Non-operating - State Appropriations	6,081,694
Non-operating - Capital Grants	35,183
Total	$ 9,637,619

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

Operating	$ 42,666,119

(3) Other institutional revenue is reported in five separate lines on the Statement of Revenues, Expenses
and Changes in Net Assets as follows:

Auxiliary enterprise revenues	$ 256,823
Contract revenue	2,256,918
Miscellaneous income	1,203,156
Gifts and non-operating grants	35,679
Investment income	33,320
Total	$ 3,785,896

(4) Reconciliation of budgetary basis fund equity and net assets as presented on the Statement of Revenu
Expenses, and Changes in Net Assets as follows:

	2012	2011
Budgetary basis fund equity*	$ 30,145,490	$ 29,161,869
General fixed assets capitalized - cost	102,766,750	94,548,037
Accumulated depreciation on general fixed assets	(47,633,481)	(43,618,693)
General obligation debt	(39,735,000)	(36,135,000)
Other post employment benefits	(2,388,695)	(1,880,288)
Accrued interest on long-term debt	(303,160)	(288,270)
Summer school tuition and fees	1,332,233	1,228,938
Unamortized debt issuance costs	282,958	185,780
Unamortized premiums on notes payable	(531,293)	(481,265)
Deferred revenue for govt-wide basis	(903,773)	(975,512)
Encumbrances	1,449,988	2,897,060
Reclass fiduciary funds to liability	(419,063)	(378,830)
Net assets per basic financial statements	44,062,954	44,263,826

*Special Revenue-Non-Aidable funds budgetary basis beginning balance was increased by $378,830 for fiduciary fund balance
previously classified as liability instead of fund balance in CAFR supplemental schedules. Reclassification completed
to match the District's Budget Book presentation.

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 | **Page**

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement 34/35 for the fiscal year ended June 30, 2002; schedules presenting government-wide information include information beginning in that 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 Assets by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Invested in Capital Assets, net of Related Debt	$ 18,916,039	$ 19,615,422	$ 17,579,877	$ 16,438,878	$ 16,228,195	$ 14,108,750	$ 13,302,497	$ 12,834,119	$ 13,183,071	$ 10,846,911
Restricted-expendable	2,392,284	2,095,849	1,887,662	1,741,196	1,624,629	1,390,446	1,714,082	1,331,530	1,157,455	1,170,809
Restricted-nonexpendable	-	-	-	11,000	11,000	11,000	11,000	11,000	11,000	11,000
Unrestricted	22,754,631	22,552,555	21,188,982	18,598,688	17,032,962	17,166,821	16,234,066	15,741,589	16,387,471	16,140,333
Total Net Assets	$ 44,062,954	$ 44,263,826	$ 40,656,521	$ 36,789,762	$ 34,896,786	$ 32,677,017	$ 31,261,645	$ 29,918,238	$ 30,738,997	$ 28,169,053

GATEWAY TECHNICAL COLLEGE DISTRICT

Changes in Net Assets
Last Ten Fiscal Years

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Operating Revenues										
Student tuition and program fees, net of scholarship allowances[1]	$ 10,409,936	$ 14,010,675	$ 11,602,472	$ 10,761,259	$ 9,209,849	$ 9,204,502	$ 8,540,801	$ 8,835,736	$ 8,655,210	$ 8,184,769
Federal grants	42,666,119	43,428,693	25,323,977	16,575,978	13,092,509	12,791,779	13,584,444	7,955,313	7,907,194	6,273,891
State grants	3,520,742	3,860,476	2,971,504	3,044,816	2,692,464	2,706,640	2,554,174	2,255,096	2,067,520	2,084,383
Contract revenue	2,256,918	2,231,194	1,924,763	2,053,234	2,526,471	2,161,695	2,189,500	2,431,502	2,183,387	2,044,834
Auxiliary enterprise revenues	256,823	286,282	725,250	823,449	853,017	558,428	462,974	505,014	661,192	631,257
Miscellaneous - institutional revenue[1]	1,203,156	1,503,587	1,247,461	925,416	838,262	885,364	800,678	678,927	816,372	498,600
Total operating revenues	60,313,694	65,320,907	43,795,427	34,184,152	29,212,572	28,308,408	28,132,571	22,661,588	22,290,875	19,717,734
Operating Expenses										
Instruction	60,869,404	58,458,128	54,075,497	51,672,106	48,269,277	47,587,891	45,931,954	45,544,656	43,543,083	39,395,033
Instructional resources	1,426,902	1,300,576	1,214,433	1,070,094	1,017,882	1,225,491	1,227,300	1,050,064	1,224,316	1,167,795
Student services[1]	10,087,038	9,831,728	9,328,200	8,611,661	8,521,160	8,775,637	7,656,716	7,773,264	7,754,847	7,121,054
General institutional	8,373,179	8,089,118	7,675,036	7,242,051	6,574,419	6,893,336	7,115,812	6,820,544	6,365,357	6,651,562
Physical plant	7,718,475	8,004,016	7,364,494	6,939,730	6,471,693	6,237,124	5,911,484	5,795,086	5,149,322	6,744,323
Student aid[1]	30,725,417	36,245,389	18,489,556	11,842,905	9,151,817	8,919,036	9,784,156	5,146,925	4,782,520	4,225,503
Public service	344,410	337,025	252,494	384,102	335,213	317,558	300,708	297,502	274,186	249,069
Auxiliary enterprise services	574,483	580,525	1,198,058	1,149,043	1,298,310	993,729	891,585	976,406	818,088	1,044,474
Depreciation	4,307,822	3,950,810	3,543,647	3,186,169	2,897,941	2,583,246	2,501,129	2,281,202	2,012,339	1,608,085
Total operating expenses	124,427,130	126,797,315	103,141,415	92,097,861	84,537,712	83,533,048	81,320,844	75,685,649	71,924,058	68,206,898
Operating loss	(64,113,436)	(61,476,408)	(59,345,988)	(57,913,709)	(55,325,140)	(55,224,640)	(53,188,273)	(53,024,061)	(49,633,183)	(48,489,164)
Non-operating revenues (expenses)										
Property Taxes	59,003,731	58,328,021	56,248,873	53,910,836	51,079,902	49,101,201	47,291,043	45,118,323	43,321,592	41,946,643
State appropriations	6,081,694	7,265,517	7,518,927	6,825,727	6,627,536	7,131,956	7,464,990	7,621,031	8,458,088	8,108,577
State capital grants	35,183	17,045	20,442	1,504	-	-	1,305	2,168	7,442	40,470
Federal capital grants	-	515,516	4,793	2,562	19,247	7,900	1,730	9,261	556,641	-
Other grants	35,679	41,002	538,267	44,202	15,639	-	143,210	32,687	189,873	703,385
Donated capital assets	-	147,722	106,733	28,000	265,414	-	-	-	550,840	-
Gain (loss) on sale of capital assets	(13,933)	(43,980)	(14,631)	52,927	53,996	535,930	-	53,250	(28,442)	-
Investment income	33,320	76,959	69,363	210,390	617,039	911,205	714,778	412,183	201,753	319,905
Interest expense	(1,263,110)	(1,264,089)	(1,280,020)	(1,269,463)	(1,133,864)	(1,048,180)	(1,085,376)	(1,045,601)	(1,054,660)	(1,102,850)
Total non-operating revenues	63,912,564	65,083,713	63,212,747	59,806,685	57,544,909	56,640,012	54,531,680	52,203,302	52,203,127	50,016,130
Increase/(Decrease) in Net Assets	$ (200,872)	$ 3,607,305	$ 3,866,759	$ 1,892,976	$ 2,219,769	$ 1,415,372	$ 1,343,407	$ (820,759)	$ 2,569,944	$ 1,526,966

(1) Effective with FY 2005/06 the prior years' numbers were reclassified to conform to the current presentation.

GATEWAY TECHNICAL COLLEGE

Expenses by Use
Last Ten Fiscal Years
(accrual basis of accounting)

Expense Classifications	2012	% of Total	2011	% of Total	2010	% of Total	2009	% of Total	2008	% of Total	2007	% of Total	2006	% of Total	2005	% of Total	2004	% of Total	2003	% of Total
Salaries and wages	$ 49,060,461	39.0%	$ 48,410,278	37.8%	$ 46,108,596	44.2%	$43,890,665	47.0%	$41,139,413	48.0%	$40,010,460	47.3%	$39,186,439	47.6%	$38,745,098	50.5%	$37,692,488	51.6%	$35,347,582	51.0%
Fringe benefits	23,133,387	18.4%	22,310,925	17.4%	20,677,526	19.8%	19,747,456	21.2%	19,509,572	22.8%	19,975,483	23.6%	18,174,037	22.1%	16,810,431	21.9%	15,114,098	20.7%	13,644,307	19.7%
Travel, memberships and subscriptions	957,520	0.8%	826,946	0.6%	740,879	0.7%	780,231	0.8%	698,040	0.8%	705,682	0.8%	723,762	0.9%	757,681	1.0%	721,010	1.0%	629,687	0.9%
Supplies and minor equipment(1)	8,724,938	6.9%	7,664,080	6.0%	6,895,824	6.6%	6,056,363	6.5%	5,349,544	6.2%	5,032,988	6.0%	4,843,828	5.9%	6,049,499	7.9%	5,661,663	7.8%	7,112,153	10.3%
Contract services	3,207,743	2.6%	2,800,111	2.2%	2,405,619	2.3%	2,325,998	2.5%	2,116,237	2.5%	2,502,591	3.0%	2,193,068	2.7%	2,456,209	3.2%	2,556,530	3.5%	2,563,748	3.7%
Bank/Agency credit/collection fees	87,761	0.1%	118,761	0.1%	202,816	0.2%	196,348	0.2%	131,862	0.2%	132,267	0.2%	93,789	0.1%	72,761	0.1%	63,106	0.1%	53,770	0.1%
Rentals	958,089	0.8%	963,315	0.8%	827,786	0.8%	785,358	0.8%	737,152	0.9%	636,383	0.8%	664,383	0.8%	399,033	0.5%	442,924	0.6%	370,325	0.5%
Repairs and maintenance	709,408	0.6%	809,862	0.6%	664,938	0.6%	742,014	0.8%	521,508	0.6%	635,382	0.8%	641,042	0.8%	548,907	0.7%	692,438	0.9%	922,004	1.3%
Insurance	574,587	0.5%	633,985	0.5%	597,291	0.6%	518,683	0.6%	409,729	0.5%	629,031	0.7%	653,990	0.8%	636,080	0.8%	577,503	0.8%	416,838	0.6%
Utilities	1,618,643	1.3%	1,766,539	1.4%	1,631,363	1.6%	1,762,077	1.9%	1,728,450	2.0%	1,579,719	1.9%	1,709,410	2.1%	1,624,665	2.1%	1,507,900	2.1%	1,303,295	1.9%
Depreciation	4,307,822	3.4%	3,950,810	3.1%	3,543,647	3.4%	3,186,169	3.4%	2,897,941	3.4%	2,583,246	3.1%	2,501,129	3.0%	2,281,202	3.0%	2,012,339	2.8%	1,608,085	2.3%
Student aid	30,725,417	24.4%	36,245,389	28.3%	18,489,556	17.7%	11,842,905	12.7%	9,151,817	10.7%	8,919,036	10.5%	9,784,156	11.9%	5,146,925	6.7%	4,782,520	6.6%	4,225,503	6.1%
Student debt writeoff	361,354	0.3%	296,314	0.2%	355,584	0.3%	263,594	0.3%	146,447	0.2%	190,780	0.2%	151,811	0.2%	157,158	0.2%	99,539	0.1%	9,601	0.0%
Total operating expenses	124,427,130	99.0%	126,797,315	99.0%	103,141,425	98.8%	92,097,861	98.6%	84,537,712	98.7%	83,533,048	98.8%	81,320,844	98.7%	75,685,649	98.6%	71,924,058	98.5%	68,206,898	98.4%
Interest expense	1,263,110	1.0%	1,264,089	1.0%	1,280,050	1.2%	1,269,463	1.4%	1,133,864	1.3%	1,048,180	1.2%	1,085,376	1.3%	1,045,601	1.4%	1,054,660	1.4%	1,102,850	1.6%
Loss on disposal of assets	13,933	0.0%	76,959	0.1%	14,631	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.1%	28,442	0.0%	-	0.0%
Total non-operating expenses	1,277,043	1.0%	1,341,048	1.0%	1,294,681	1.2%	1,269,463	1.4%	1,133,864	1.3%	1,048,180	1.2%	1,085,376	1.3%	1,045,601	1.5%	1,083,102	1.5%	1,102,850	1.6%
Total Expenses	$125,704,173	100.0%	$128,138,363	100.0%	$ 104,436,106	100.0%	$93,367,324	100.0%	$85,671,576	100.0%	$84,581,228	100.0%	$82,406,220	100.0%	$76,731,250	100.0%	$73,007,160	100.0%	$69,309,748	100.0%

(1) Effective with FY 2006/07 these numbers were restated to provide further detail under the new categories listed.

GATEWAY TECHNICAL COLLEGE DISTRICT

Equalized Value and Tax Levy Distribution by Municipality
Fiscal Year 2012

County	Municipality	Taxable equalized valuation	Percent of total	Total tax levy
Kenosha	Town of:			
	Brighton	$ 191,675,400	0.466228 %	$ 274,585
	Paris	219,853,800	0.534769	314,952
	Randall	518,263,100	1.260615	742,439
	Salem	1,121,074,600	2.726884	1,605,998
	Somers	829,754,900	2.018283	1,188,668
	Wheatland	324,099,500	0.788334	464,290
	Village of:			
	Bristol	605,808,500	1.473559	867,853
	Genoa City	437,700	0.001065	627
	Paddock Lake	240,730,300	0.585549	344,859
	Pleasant Prairie	2,254,806,200	5.484555	3,230,128
	Silver Lake	190,451,000	0.463250	272,831
	Twin Lakes	863,426,800	2.100186	1,236,904
	City of Kenosha	5,552,310,900	13.505353	7,953,977
Racine	Town of:			
	Burlington	688,139,400	1.673819	985,796
	Dover	331,439,900	0.806189	474,805
	Norway	327,338,128	0.796212	468,929
	Raymond	453,202,900	1.102364	649,237
	Waterford	744,160,500	1.810084	1,066,049
	Yorkville	494,396,100	1.202561	708,248
	Village of:			
	Caledonia	2,150,984,600	5.232021	3,081,399
	Elmwood Park	40,391,100	0.098247	57,862
	Mount Pleasant	2,646,329,300	6.436889	3,791,006
	North Bay	36,130,000	0.087882	51,758
	Rochester	344,527,600	0.838023	493,554
	Sturtevant	355,367,500	0.864390	509,083
	Union Grove	301,369,600	0.733047	431,728
	Waterford	407,621,800	0.991493	583,940
	Wind Point	260,866,200	0.634527	373,705
	City of:			
	Burlington	691,848,600	1.682842	991,109
	Racine	3,637,256,950	8.847206	5,210,562

GATEWAY TECHNICAL COLLEGE DISTRICT

Equalized Value and Tax Levy Distribution by Municipality (continued)
Fiscal Year 2012

County	Municipality	Taxable equalized valuation	Percent of total	Total tax levy
Walworth	Town of:			
	Bloomfield	$ 503,298,900	1.224216 %	$ 721,002
	Darien	170,328,800	0.414305	244,005
	Delavan	1,031,847,000	2.509848	1,478,175
	East Troy	784,257,300	1.907615	1,123,490
	Geneva	936,644,900	2.278280	1,341,793
	Lafayette	254,199,300	0.618310	364,154
	LaGrange	805,024,000	1.958128	1,153,239
	Linn	1,836,947,100	4.468161	2,631,523
	Lyons	466,851,300	1.135562	668,789
	Richmond	242,463,200	0.589764	347,341
	Sharon	77,944,600	0.189591	111,660
	Spring Prairie	241,034,700	0.586289	345,295
	Sugar Creek	374,160,000	0.910101	536,004
	Troy	260,851,600	0.634491	373,684
	Walworth	235,839,800	0.573653	337,853
	Whitewater	316,091,600	0.768856	452,818
	Village of:			
	Darien	85,822,700	0.208754	122,946
	East Troy	329,355,600	0.801119	471,819
	Fontana	1,211,298,200	2.946342	1,735,248
	Genoa City	111,905,900	0.272198	160,311
	Mukwonago	9,726,000	0.023657	13,933
	Sharon	78,305,400	0.190469	112,177
	Walworth	207,196,600	0.503982	296,820
	Williams Bay	727,785,900	1.770255	1,042,592
	City of:			
	Burlington	594,100	0.001445	851
	Delavan	629,260,000	1.530602	901,448
	Elkhorn	624,154,000	1.518182	894,133
	Lake Geneva	1,229,758,700	2.991245	1,761,694
	Whitewater	504,918,600	1.228156	723,322
	Totals	$ 41,111,928,678	100 %	$ 58,895,000

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: Amount	Collected within the Fiscal Year of the Levy: Percentage of Levy	Collections in Subsequent Year	Total Collections to Date: Amount	Total Collections to Date: Percentage of Levy
2003	41,928,338	30,552,660	72.87	11,375,678	41,928,338	100.00
2004	43,338,000	31,921,546	73.66	11,416,454	43,338,000	100.00
2005	45,043,000	33,447,366	74.26	11,595,634	45,043,000	100.00
2006	47,295,000	35,128,253	74.27	12,166,747	47,295,000	100.00
2007	49,093,282	35,811,604	72.95	13,281,678	49,093,282	100.00
2008	51,075,834	36,774,363	72.00	14,301,471	51,075,834	100.00
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	-	41,764,575	70.91

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
2011 Equalized Valuation and Tax Levy

Municipality	County	Equalized value	Tax levy	Percentage of total tax levy
City of Kenosha	Kenosha	$ 5,552,310,900	$ 7,953,977	13.51 %
City of Racine	Racine	3,637,256,950	5,210,562	8.85
Village of Mount Pleasant	Racine	2,646,329,300	3,791,006	6.44
Village of Pleasant Prairie	Kenosha	2,254,806,200	3,230,128	5.48
Village of Caledonia	Racine	2,150,984,600	3,081,399	5.23
Town of Linn	Walworth	1,836,947,100	2,631,523	4.47
City of Lake Geneva	Walworth	1,229,758,700	1,761,694	2.99
Village of Fontana	Walworth	1,211,298,200	1,735,248	2.95
Town of Salem	Kenosha	1,121,074,600	1,605,998	2.73
Town of Delavan	Walworth	1,031,847,000	1,478,175	2.51
Total principal taxing districts		$ 22,672,613,550	$ 32,479,710	55.1 %
County:				
Racine		$ 13,911,370,178	$ 19,928,770	33.8 %
Kenosha		12,912,692,700	18,498,111	31.4
Walworth		14,287,865,800	20,468,119	34.8
		$ 41,111,928,678	$ 58,895,000	100.0 %

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 PropertyTaxpayers by County
Current Year and Nine Years Ago

			Year Ended June 30, 2012			Year Ended June 30, 2003		
County	Name of Business	Type of Business	2011 Equalized Valuation	Rank	Percent of District equalized valuation	2002 Equalized Valuation	Rank	Percent of District equalized valuation
Racine	S. C. Johnson & Son, Inc.	Manfacturing	$ 121,811,821	1	0.30 %	$ 94,983,700	1	0.41 %
	Racine Joint Venture (Regency Mall)	Shopping center	113,927,474	2	0.28	63,880,000	2	0.27
	Centerpoint Properties Trust(2)	Insurance	60,746,846	3	0.15	-		-
	Continental 81 Fund LLC	Retail-Wal-Mart Stores	57,011,842	4	0.14	15,908,700	9	0.07
	All Saints Health Care	Health care services	41,833,844	5	0.10	20,320,300	5	0.09
	CNH Global(1)	Manufacturing	32,091,891	6	0.08	32,991,400	3	0.14
	Aurora Medical Group	Health care provider	31,003,131	7	0.08	23,488,300	4	0.10
	Inland Southeast Mount Pleasant	Village Center strip mall	30,168,543	8	0.07	-		-
	Bombardier Motor Corp	Manufacturing	20,111,361	9	0.05	19,491,900	6	0.08
	High Ridge Improvements	DLC Management Corp	16,360,734	10	0.04	16,285,000	7	0.07
	American National Insurance	Insurance	-		-	16,000,800	8	0.07
	Rudd Lighting Inc.	Manufacturing	-		-	14,534,500	10	0.06
Racine county total			$ 525,067,487		1.28 %	$ 317,884,600		1.36 %

(1) Formerly known as J.I. Case Corporation (2)Formerly American National Insurance

			Year Ended June 30, 2012			Year Ended June 30, 2003		
Kenosha	Route 165 LLC	Commerical	$ 96,486,527	1	0.23 %	$ -		- %
	Centerpoint Properties Trust	Commerical	70,334,100	2	0.17	-		-
	Prime Outlets at Pleasant Prairie	Retail Mall	63,096,061	3	0.15	-		-
	Affliated Foods Midwest Coop.	Manufacturing	52,909,781	4	0.13	-		-
	Chicagoland DC 2008 LLC	Commercial	65,545,277	5	0.16	-		-
	CV II Lakeview LLC	Commercial	43,359,538	6	0.11	-		-
	Southport Plaza Ltd. Partners	Commercial Real Estate	38,391,555	7	0.09	30,979,700	3	0.13
	Ohiocubco	Property development	32,356,040	8	0.08	27,312,259	4	0.12
	Edward Rose Assoc. Apartments	Property management	26,793,047	9	0.07	23,127,999	7	0.10
	Inland Diversified Pleasant Prairie	Commercial	26,753,226	10	0.07	-		-
	Wispark Corporation	Industrial park	-		-	58,047,807	1	0.25
	First Horizon Group Ltd.	Property management	-		-	36,923,769	2	0.16
	Dairyland Greyhound Park	Recreation/dog track	-		-	26,710,596	5	0.11
	Daimler-Chrysler Corp	Automotive	-		-	24,336,902	6	0.10
	Bit Holdings Forty-Nine, Inc.	Commerical	-		-	22,222,242	8	0.10
	Petretti Realty et Al.	Developer/Builder	-		-	20,989,781	9	0.09
	Waste Management	Land fill	-		-	19,258,190	10	0.08
Kenosha county total			$ 516,025,152		1.26 %	$ 289,909,245		1.24 %

(3) Estimated equalized valuations for 2011

			Year Ended June 30, 2012			Year Ended June 30, 2003		
Walworth	Grand Geneva Resort (Marcus Hotels)	Resort	$ 28,823,718	1	0.07 %	$ 32,833,800	2	0.14 %
	DLK Enterprises, Inc.	Farm/Real Estate	28,424,157	2	0.07	33,670,500	1	0.14
	Kikkoman Foods Inc.	Manufacturing	22,289,819	3	0.05	13,399,500	4	0.06
	Lake Geneva Investors LLC	Investor	17,301,163	4	0.04	-		-
	Wal-Mart Associates	Retail	14,335,002	5	0.03	-		-
	Lake Geneva Shopping Center	Retail	13,864,449	6	0.03	-		-
	Honey Creek of East Troy, LLP	Real Estate	11,750,495	8	0.03	-		-
	Lowe's Home Center	Retail	11,719,223	8	0.03	-		-
	Fettig Industries	Business	7,808,904	9	0.02	12,830,900	5	0.05
	Delavan Resort (Lake Lawn Lodge)	Resort	9,848,520	10	0.02	14,493,200	3	0.06
	Geneva Lakes Cold Storage	Private business	-		-	11,698,000	6	0.05
	ABKA (The Abbey)	Resort	-		-	10,997,925	7	0.05
	Home Depot	Retail store	-		-	10,731,100	8	0.05
	Edwin Kowalski	Developer	-		-	8,040,900	9	0.03
	Midwest Track Associates	Dog track	-		-	7,500,000	10	0.03
Walworth county total			$ 166,165,450		0.40 %	$ 156,195,825		0.67 %
Grand total			$ 1,207,258,089		2.94 %	$ 763,989,670		3.27 %
Total District Equalized Valuation			$ 41,111,928,678			$ 23,361,009,349		

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 2003-2012

		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	2003	1.37	0.19	1.56	8.15	7.22	4.76	1.06	22.75	(1.38)	21.37
	2004	1.30	0.18	1.48	8.12	7.04	4.59	1.11	22.34	(1.25)	21.09
	2005	1.24	0.17	1.41	8.03	6.71	4.33	1.11	21.59	(1.11)	20.48
	2006	1.17	0.16	1.33	7.17	6.36	4.07	1.06	19.99	(1.00)	18.99
	2007	1.09	0.15	1.24	7.86	5.99	3.35	0.96	19.40	(1.14)	18.26
	2008	1.05	0.15	1.20	7.84	5.90	3.30	1.05	19.29	(1.27)	18.02
	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
Kenosha	2003	1.37	0.19	1.56	9.22	6.54	5.00	0.73	23.05	(1.31)	21.74
	2004	1.30	0.18	1.48	9.31	6.22	4.80	0.80	22.61	(1.24)	21.37
	2005	1.24	0.17	1.41	9.35	5.81	4.51	0.86	21.94	(1.14)	20.80
	2006	1.17	0.16	1.33	8.47	5.45	4.18	0.83	20.26	(1.05)	19.21
	2007	1.09	0.15	1.24	8.46	5.14	3.91	0.86	19.61	(1.24)	18.37
	2008	1.05	0.15	1.20	8.55	5.05	3.80	0.92	19.52	(1.35)	18.17
	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
Walworth	2003	1.37	0.19	1.56	9.43	3.73	5.13	1.19	21.04	(1.46)	19.58
	2004	1.30	0.18	1.48	9.03	3.48	4.94	1.25	20.18	(1.33)	18.85
	2005	1.24	0.17	1.41	8.98	3.41	4.75	1.22	19.77	(1.22)	18.55
	2006	1.17	0.16	1.33	8.01	3.16	4.40	1.03	17.93	(1.09)	16.84
	2007	1.09	0.15	1.24	7.43	2.88	4.11	1.03	16.69	(1.22)	15.47
	2008	1.05	0.15	1.20	7.62	2.72	3.91	1.10	16.55	(1.27)	15.28
	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

(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.

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

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Distribution of Real Property of Merged Equalized Values
Racine, Kenosha, and Walworth Counties[(1)]
Calendar Years 2002-2011
(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
2002	21,373,420	4,374,347	1,008,832	123,209	101,417	477,245	629,738	28,088,208	26,953,225	1.55559
% of Total	76.1%	15.6%	3.6%	0.4%	0.4%	1.7%	2.2%			
2003	23,455,469	4,700,585	1,038,551	87,813	119,114	503,104	646,437	30,551,073	29,223,904	1.48297
% of Total	76.8%	15.4%	3.4%	0.3%	0.4%	1.6%	2.1%			
2004	26,018,470	5,046,556	1,068,047	82,788	107,327	513,950	635,552	33,472,690	32,011,437	1.40709
% of Total	77.7%	15.1%	3.2%	0.2%	0.3%	1.5%	1.9%			
2005	29,295,258	5,508,464	1,042,155	83,169	113,746	544,035	649,894	37,236,721	35,561,554	1.32995
% of Total	78.7%	14.8%	2.8%	0.2%	0.3%	1.5%	1.7%			
2006	32,963,886	6,119,859	1,055,082	87,329	158,764	613,183	697,942	41,696,045	39,735,348	1.23551
% of Total	79.1%	14.7%	2.5%	0.2%	0.4%	1.5%	1.7%			
2007	35,800,611	6,463,027	1,111,595	93,500	137,506	627,055	666,620	44,899,914	42,651,718	1.19751
% of Total	85.9%	15.5%	2.7%	0.2%	0.3%	1.5%	1.6%			
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	88.5%	16.4%	2.7%	0.2%	0.3%	1.6%	1.8%			
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	87.2%	17.5%	2.7%	0.2%	0.4%	1.6%	1.8%			
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	82.8%	17.3%	2.6%	0.2%	0.4%	1.6%	1.9%			
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	80.8%	16.9%	2.5%	0.2%	0.4%	1.5%	1.8%			

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 2003-2012

						Net debt[5]			
	Population[1]	Personal Income[2]	Equalized Value-TID in[3]	Gross Debt [4]	Debt Service Net Assets Available	Amount	Ratio to equalized valuation	Ratio to Personal Income	Per Capita
				(Dollars in thousands, except per capita)					
2003	440,943	13,256,698	27,733,860	23,820	735	23,085	0.08	0.17	52
2004	444,957	14,107,953	30,180,566	23,740	725	23,015	0.08	0.16	52
2005	449,954	14,940,945	33,048,145	25,810	848	24,962	0.08	0.17	55
2006	453,979	15,730,631	36,761,650	26,715	1,035	25,680	0.07	0.16	57
2007	457,155	14,153,727	41,173,445	27,000	672	26,328	0.06	0.19	58
2008	459,730	16,484,553	44,361,307	28,460	840	27,620	0.06	0.17	60
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	(6)	43,959,559	36,135	1,062	35,073	0.08	(6)	76
2012	464,739	(6)	42,914,419	39,735	1,202	38,533	0.09	(6)	83

(1) Wisconsin Department of Administration, Demographic Services Center. (2012 is an 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.

(5) Details regarding the District's outstanding debt can be found in the notes to the basic financial statements.

(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 2011

2011 Equalized Valuation - TID In		$ 42,914,418,528
		x 5%
Total debt limit - 5% of total equalized valuation		2,145,720,926
Debt applicable to limit:		
Total gross indebtedness (includes general obligation notes and bonds)	$ 39,735,000	
Less Net Assets Restricted for Debt Service (GAAP basis)	(1,202,227)	
Total amount of debt applicable to debt limit		38,532,773
Legal debt margin		$ 2,107,188,153

Legal Debt Margin, Last Ten Fiscal Years

Fiscal Year	Equalized Valuation TID In	Legal Debt Limit 5%	Debt Applicable to Limit (Dollars in thousands) General Obligation Bonds	General Obligation Notes	Less Net Assets Available	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Debt Limit
2003	27,733,860	1,386,693	-	23,820	735	23,085	1,363,608	1.66
2004	30,180,566	1,509,028	4,925	18,815	725	23,015	1,486,013	1.53
2005	33,048,145	1,652,407	4,825	20,985	848	24,962	1,627,445	1.51
2006	36,761,650	1,838,083	4,725	21,990	1,035	25,680	1,812,403	1.40
2007	41,173,445	2,058,672	4,625	22,375	672	26,328	2,032,344	1.28
2008	44,361,307	2,218,065	4,525	23,935	839	27,621	2,190,444	1.25
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

(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.

GATEWAY TECHNICAL COLLEGE DISTRICT

Computation of Direct and Overlapping Debt
Year ended June 30, 2012

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	$ 39,735,000	100%	$ 39,735,000
Towns:			
Racine County[3]	2,847,715	varies	2,573,579
Kenosha County	50,042,773	100%	50,042,773
Walworth County	6,854,596	100%	6,854,596
Town Total	59,745,084		59,470,948
Villages:			
Racine County	76,894,746	100%	76,894,746
Kenosha County	113,337,928	100%	113,337,928
Walworth County	75,266,178	100%	75,266,178
Village Total	265,498,852		265,498,852
Cities:			
Racine County	129,583,992	100%	129,583,992
Kenosha County	180,109,914	100%	180,109,914
Walworth County	72,569,456	100%	72,569,456
City Total	382,263,362		382,263,362
Counties:			
Racine County	52,990,000	96.67%	51,225,433
Kenosha County	93,740,000	100%	93,740,000
Walworth County	30,555,000	100%	30,555,000
County Total	177,285,000		175,520,433
School Districts:			
Racine County	87,794,529	96.67%	84,870,971
Kenosha County	190,562,883	100%	190,562,883
Walworth County	98,414,320	100%	98,414,320
School District Total	376,771,732		373,848,174
Sanitary Districts Total	51,027,718	varies	43,572,061
Total Direct and Overlapping debt	$ 1,352,326,748		$ 1,339,908,830

Source: Survey of each governmental unit-June 2011. (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 39.20% in the Gateway District

GATEWAY TECHNICAL COLLEGE DISTRICT

Demographic Statistics for Kenosha, Racine, and Walworth Counties
Historical Comparisons
2003-2012

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)
2003	440,943	186,430	13,256,698	29,749	6.2%	85,646
2004	444,987	189,824	14,107,953	31,119	5.6%	86,145
2005	449,954	193,235	14,940,945	30,760	5.5%	85,875
2006	453,979	196,208	15,730,631	32,182	5.2%	84,526
2007	457,155	198,488	14,153,727	33,676	5.1%	87,500
2008	459,730	199,841	16,484,553	35,145	5.3%	87,861
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	(6)	(6)	8.8%	86,767
2012	464,739	203,752	(6)	(6)	8.7%	86,827

(1) Wisconsin Department of Administration, Demographic Services Center. (2012 is a preliminary estimate)
(2) U.S. Department of Commerce Bureau of Economic Anyalysis.
(3) U.S. Department of Commerce Bureau of Economic Anyalysis. (Amounts in thousands.)
(4) Wisconsin Department of Workforce Development, Office of Economic Advisors. (2011 is a preliminary estimate.)
(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	Year Ended June 30, 2012 Number of Employees	Rank	Percent of District Population		Year Ended June 30, 2003 Number of Employees	Rank	Percent of District Population	
Racine	CNH Global[1]	Manufacturing, agricultural & construction equipment	4,510	1	0.97	%	2,367	5	0.54	%
	All Saints Health Care	Health care services	2,691	2	0.58		3,500	1	0.79	
	Racine School District	Education	2,674	3	0.58		2,651	3	0.60	
	S. C. Johnson & Son, Inc.	Manufacturing, commerical & institutional cleaning products	1,496	4	0.32		2,500	4	0.57	
	City of Racine[2]	Government	1,255	5	0.27		1,337	6	0.00	
	Wheaton Franciscan Healthcare	Hospital	1,079	6	0.23		-		-	
	Gateway Technical College[2]	Education	1,042	7	0.22		983	10	0.22	
	Racine Joint Venture (Regency Mall)	Retail shopping center	1000+	8	na		2,800	2	0.64	
	In-Sink-Erator Division	Manufacturing	1,000	9	0.22		1,000	9	0.23	
	Racine County	Government	830	10	0.18		1,207	7	0.27	
	Lincoln Lutheran of Racine	Nursing home	-		-		1,050	8	0.24	
		Racine county sub-total	17,577		3.78	%	19,395		4.40	%

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

(2)Includes full-time and part-time employees.

County	Name of Business	Type of Business	2012 Number of Employees	Rank	Percent of District Population		2003 Number of Employees	Rank	Percent of District Population	
Kenosha	Kenosha Unified School District No. 1[1]	Education	2,624	1	0.56	%	2,324	1	0.53	%
	Kenosha Memorial Hospital	Health care services	2,253	2	0.48		1,275	3	0.29	
	Kenosha County	Government	1,212	3	0.26		782	5	0.18	
	Aurora Medical Center	Health care services	1,188	4	0.26		-		-	
	Snap-On Tools Corporation	Manufacturer, hand tools & electronics	1,056	5	0.23		1,028	4	0.23	
	City of Kenosha[2]	Government	733	6	0.16		756	6	0.17	
	University of Wisconsin-Parkside	Education	650	7	0.14		600	7	0.14	
	Jockey International	Manufacturer, clothing	370	8	0.08		-		-	
	Ocean Spray Cranberries	Manufacturers cranberry & other fruit products	303	9	0.07		-		-	
	Albany-Chicago Co.	Aluminum die casting	300	10	0.06		-		-	
	Daimler-Chrysler Corp.	Manufacturer, jeep engines	-				2,275	2	0.52	
	Tri-Clover, Inc.	Greyhound racing	-		-		521	8	0.12	
	Dairyland Greyhound Park	Education	-		-		395	9	0.09	
	Carthage College	Manufacturer, pumps & valves	-		-		390	10	0.09	
		Kenosha county sub-total	10,956		2.36	%	10,346		2.35	%

(1)Regular full-time only.

(2)Full-time only.

County	Name of Business	Type of Business	2012 Number of Employees	Rank	Percent of District Population		2003 Number of Employees	Rank	Percent of District Population	
Walworth*	University of Wisconsin-Whitewater[1]	College	1,000+	1	na	%	2,400-2,500	1	na	%
	County of Walworth	Government agency	500-999	2	na		1,467	2	0.33	
	Grand Geneva, LLC	Resort	500-999	3	na		1,000	3	0.23	
	Pentair, Inc.	Water & fluid power pumps	500-999	4	na		-		-	
	Wal-Mart	Discount department store	500-999	5	na		-		-	
	Aurora Health Care of Southern Lakes	Medical/Surgical Hospital	500-999	7	na		-		-	
	Miniature Precision Components	Automotive industry parts supplier	250-499	6	na		500	6	0.11	
	Elkhorn Area School District	Elementary/Secondary school	250-499	8	na		-		-	
	School District of Delavan-Darien	Elementary/Secondary school	250-499	9	na		-		-	
	Live Nation Worldwide, Inc.	Event promoter	250-499	10	na		-		-	
	Sta-Rite Industries	Manufacturer, pumps & plastic products	-		-		950	4	0.22	
	Lakeland Medical Center[2]	Nursing home	-		-		731	5	0.17	
	Marcus Hotels & Resorts	Resort	-		-		500	7	0.11	
	Waukesha Cherry Burrell	Manufacturer, fluid handling equip.	-		-		373	8	0.08	
	Trostel Ltd.	Packaging seals & assemblies	-		-		367	9	0.08	
		Walworth county sub-total[3]	6,250		1.34	%	8,338		1.89	%
		Total	34,783		7.48	%	38,079		8.64	%

*Estimates, not FTE figures

(1)Based on median of ranges, student employment is included in total.

(2)Includes part-time.

Source: Robert W. Baird reports

GATEWAY TECHNICAL COLLEGE DISTRICT

Employment Trends by Equal Employment Opportunity Categories
Historical Comparisons
2002-2011

Category	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Administrative/Managerial:	57	56	56	55	54	53	54	52	55	60
Female percent	51	54	54	58	59	62	59	62	62	65
Minority percent	11	13	12	9	9	8	7	10	7	8
Faculty:	252	255	264	266	266	263	265	265	266	268
Female percent	57	57	56	57	57	57	58	58	59	58
Minority percent	7	8	8	8	9	9	10	11	10	11
Professional/Noninstructional:	39	38	39	35	34	34	33	32	33	32
Female percent	67	68	67	83	71	71	73	75	76	78
Minority percent	10	11	18	20	21	24	24	25	24	22
Secretarial/Clerical:	113	114	113	110	106	106	104	96	108	98
Female percent	96	97	96	97	88	99	99	99	99	97
Minority percent	18	18	19	18	22	21	23	23	23	22
Technical/Paraprofessional:	100	100	109	108	104	104	101	97	105	103
Female percent	65	64	62	62	62	62	61	61	59	55
Minority percent	22	22	26	25	26	37	24	23	25	22
Service/Maintenance:	33	33	35	35	36	35	38	37	39	38
Female percent	15	18	17	14	11	11	8	8	10	11
Minority percent	36	42	37	34	36	34	34	35	33	32
Total:	594	596	616	609	600	595	595	579	606	599
Female percent	63	64	63	64	62	64	64	64	64	63
Minority percent	14	15	16	15	16	16	17	17	17	17

Information provided by the 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
2003	8,512	3,296	12,892	8,097	0	28,524
2004	8,910	3,480	11,714	7,813	0	27,511
2005	8,747	3,001	12,049	7,181	0	26,955
2006	9,008	2,746	10,874	6,918	0	25,540
2007	9,046	2,803	9,425	6,595	0	23,999
2008	8,564	2,989	8,599	6,456	0	22,789
2009	9,197	3,478	8,203	6,721	0	23,085
2010	10,003	4,281	8,057	7,347	0	24,322
2011	11,256	4,559	7,050	6,481	0	23,756
2012	12,823	4,787	7,069	5,976	0	23,703

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
2003	3,216	575	208	981	0	4,980
2004	3,330	576	197	912	0	5,015
2005	3,296	534	200	821	0	4,851
2006	3,580	426	183	853	0	5,042
2007	3,600	414	158	831	0	5,003
2008	3,477	401	148	807	0	4,833
2009	3,910	394	140	744	0	5,188
2010	4,634	430	152	769	0	5,985
2011	5,157	437	128	660	0	6,382
2012	5,075	455	139	548	0	6,217

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. (VE215350A)

(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. (VE215570A)

GATEWAY TECHNICAL COLLEGE DISTRICT

Per Credit Course Fee History
Last Ten Fiscal Years

	Post Secondary/ Vocational Adult[1]				Non-Aidable[2]	
Year	Resident Program Fees	Percent change	Out of State Program Fees[3]	Percent change	Avocational programs	Percent change
2003	67.00	4.7	513.70	2.8	100.00	3.1
2004	70.00	4.5	489.75	(4.7)	105.00	5.0
2005	76.00	8.6	488.10	(0.3)	108.00	2.9
2006	80.50	5.9	510.30	4.5	115.00	6.5
2007	87.00	8.1	536.30	5.1	120.00	4.3
2008	92.05	5.8	570.55	6.4	127.00	5.8
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

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 21 material fee categories ranging from $4.00 per credit to $300 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 charges for any non-exempt enrollment is $4.00, 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, and student organizations and clubs. The fee was set at 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
2002	1,429	1,180	1,057	89	67	74	14.15	97
2003	1,799	1,473	1,316	87	63	71	13.70	97
2004	2,029	1,600	1,404	89	61	68	14.10	97
2005	1,782	1,439	1,254	88	66	65	15.12	98
2006	1,745	1,403	1,213	91	66	57	15.51	96
2007	1,795	1,379	1,157	92	67	60	16.04	95
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

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	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Racine	Racine Campus										
	Main Building	10,080	10,080	10,080	16,115	16,115	16,115	16,115	16,115	16,115	16,115
	Lake Building	79,172	79,172	79,172	76,362	76,362	76,362	76,362	76,362	76,362	76,362
	Tech Building	87,605	85,589	85,589	109,336	109,336	109,336	109,336	109,336	109,336	109,336
	Racine Building	68,786	68,786	68,786	69,490	69,490	69,490	69,490	69,490	69,490	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	248,913	246,897	246,897	274,573	274,573	274,573	274,573	274,573	274,573	274,573
	iMET (formerly CATI)	37,370	37,370	37,370	42,186	42,186	42,186	42,186	42,186	42,186	42,186
	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 Job Center (Leased)	-	-	-	-	-	-	-	1,440	1,440	1,440
	Racine County Sub-Total	287,723	285,707	285,707	318,199	318,199	318,199	318,199	319,639	319,639	319,639
Kenosha	Kenosha Campus										
	Administration Building	17,772	17,772	17,772	17,353	17,353	17,353	17,353	17,353	17,353	17,353
	Conference Building	29,954	29,954	29,954	29,365	29,365	29,365	29,365	29,365	29,365	29,365
	Bioscience Building	28,352	28,352	28,352	30,405	30,405	30,405	30,405	30,405	30,405	-
	Child Care (ECP)	18,085	18,085	18,085	18,085	18,085	18,085	18,085	18,085	18,085	-
	Academic Building	88,000	88,000	88,000	113,965	113,965	113,965	113,965	113,965	96,835	96,835
	Horticultural Buildings	6,502	6,502	6,502	5,873	5,873	5,873	5,873	5,873	5,873	5,873
	Science Building	41,302	41,302	41,302	55,992	55,992	55,992	55,992	55,992	55,992	55,992
	Student Commons(1)	17,130	17,130	17,130	13,456	13,456	13,456	13,456	13,456	13,456	13,456
	Storage Buildings	4,310	4,310	4,310	2,350	2,350	2,350	2,350	2,350	2,350	2,350
	Technical Building	49,480	49,480	49,480	63,634	63,634	63,634	63,634	63,634	63,634	63,634
	Kenosha Campus Sub-Total	300,887	300,887	300,887	350,478	350,478	350,478	350,478	350,478	333,348	284,858
	Leased Facilities:										
	Horizon Center (Land lease)(2)	38,755	38,755	38,755	24,277	24,277	24,277	23,477	23,477	23,477	23,477
	Horizon Center Storage Bldg	1,800	1,800	1,800	-	-	-	-	-	-	-
	Lakeview Technology Center	14,000	14,000	14,000	23,200	23,200	23,200	23,200	23,200	23,200	23,200
	Kenosha County Job Center	1,162	1,162	1,162	1,026	1,026	1,026	1,026	1,026	1,026	1,026
	Kenosha County Sub-Total	356,604	356,604	356,604	398,981	398,981	398,981	398,181	398,181	381,051	332,561
Walworth	Elkhorn Campus										
	Alternative High School	7,600	7,600	7,600	7,474	7,474	7,474	7,474	7,474	7,474	7,474
	South Building	39,072	39,072	39,072	38,596	38,596	38,596	38,596	38,596	38,596	38,596
	North Building	49,341	42,241	42,241	42,230	42,230	42,230	42,230	42,230	42,230	42,230
	Job Center Building	6,468	6,468	6,468	6,500	6,500	6,500	6,500	6,500	6,500	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 Sub-Total	104,154	97,054	97,054	96,473	96,473	96,473	96,473	96,473	96,473	96,473
	Burlington Campus (Leased)										
	380 Building	19,694	19,694	9,439	9,439	9,439	9,439	12,000	12,000	12,000	12,000
	496 Building	33,512	33,512	33,512	33,000	33,000	33,000	33,000	33,000	33,000	33,000
	Walworth County Sub-Total	157,360	150,260	140,005	138,912	138,912	138,912	141,473	141,473	141,473	141,473
	Total District Square Footage	801,687	792,571	782,316	856,092	856,092	856,092	857,853	859,293	842,163	793,673

Source: Effective with 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) Formerly known as the Service Building.

(2) Formerly known as the Aviation Center.

GATEWAY TECHNICAL COLLEGE DISTRICT

CAFR - FY12 - INSURANCE SUMMARY

Type of Coverage	Insurance Company	Policy Period	Details of Coverage	Limits of Coverage	Annual Premium
Property Coverage	**DMI**	**7/1/11 - 6/30/12**	Covers all real and personal property, all risk; $25,000 Deductible		**$ 76,309**
			Blanket Property Limit (Per Occurrence)	$ 350,000,000	
			Certified Terrorism	350,000,000	
			Non-Certified Terrorism	350,000,000	
			Accounts Receivable	15,000,000	
			Fine Arts	15,000,000	
			Valuable Papers and Records	15,000,000	
			Extra Expense	20,000,000	
			Electronic Data Processing Equipment	20,000,000	
			Miscellaneous Unnamed Locations	15,000,000	
			Newly Acquired Property (180 days reporting)	15,000,000	
			Building Ordinance including Demolition & ICC & Increased Time to Rebuild	25,000,000	
			Debris Removal - the greater of 25% of the loss or	15,000,000	
			Earth Movement and Volcanic Action (Annual Aggregate)	25,000,000	
			Flood and Water Damage (Annual Aggregate)	25,000,000	
			Flood in FEMA Zones designated using letters A or V (Annual Aggregate)	10,000,000	
			Property in the Course of Construction	20,000,000	
			Transit	2,500,000	
			Ingress/Egress (1 mile limitation, 30 days limitation)	5,000,000	
			Interruption by Civil Authority (1 mile radius limitation, 30 day limitation)	5,000,000	
			Leasehold Interest	1,000,000	
			Service Interruption - Property Damage & Time Element Combined (Water, Communication including overhead transmission lines, Power including overhead transmission lines)	10,000,000	
			Mobile Equipment	1,000,000	
			Expediting Expenses	5,000,000	
			Pollutant Clean-Up and Removal (Annual Aggregate)	475,000	
			Claims Preparation Expenses (Subject to max. 5% of combined PD & TE Loss)	250,000	
			Defense Costs	250,000	
			Exhibition, Exposition, Fair or Trade Show	325,000	
			Fire Department Service Charges	325,000	
			Protection of Property	325,000	
			Radioactive Contamination	250,000	
			Royalties	250,000	

Equipment Breakdown	**DMI**	**7/1/11 - 6/30/12**	Comprehensive coverage; $25,000 deductible	$ 100,000,000	**$ 4,276**
			Combined property/time element	1,000,000	
			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)	15,000,000	
			Broad Comprehensive Coverage (Including Production Machines, Computer Equipment)	Included	
			Repair or Replacement	Yes	

***Special Provisions: Same Site Requirement (Deleted) - Joint Loss Agreement, Brands & Labels, Errors & Omissions (Included) -*
Connected Ready for Use Restriction (None) - Extended period of Restoration (30 days) -
Property Perils, i.e. lightning, explosion, wind, flood, earthquake, earth movement, freeze, ice, snow, sleet, hail, etc. (Excluded)
Water Damage (Excluded if Covered Elsewhere) - Deliberate Acts (Excluded) -
Computer Date Recognition (date recognition losses excluded, but not excluded resultant accidents)

Notice of Cancellation (90 days/10 days Non-Payment) - Safety and Efficiency Improvement Valuation (Additional 25% of PD Loss)

Workers' Compensation	**DMI**	**7/1/11 - 6/30/12**	**Workers' Compensation - Wisconsin Benefits**	**Statutory**	**$ 297,441**
			- Bodily injury by accident, each accident	100,000	
		Employer's Liability	- Bodily injury by disease, policy limit	500,000	
			- Bodily injury by disease, each employee	100,000	

General Liability	**DMI**	**7/1/11 - 6/30/12**	Each occurrence limit	5,000,000	**$ 73,310**
(Includes Professional, Automobile and Educators Legal Liability)			Fire Damage limit (any one fire)	500,000	
			Limited Above Ground Pollution Liability - Each Claim and Policy Aggregate	1,000,000	
			Under/Uninsured motorists	100,000	
			Garagekeepers Coverage (ACV up to...)	350,000	
			- Comprehensive deductible (each customer auto/each event)	500/2,500	
			- Collision deductible (each customer auto)	500	
			Policy Deductible	5,000	
			Automobile Physical Damage Deductible	2,500	
			Employment Practices, and Employee Benefits Liability)		
Educators Legal Liability (includes, Directors & Officers,			- Per Wrongful Act and Aggregate Limit	5,000,000	
			- Per Wrongful Act and Aggregate Deductible	100,000	

GATEWAY TECHNICAL COLLEGE DISTRICT

CAFR - FY12 - INSURANCE SUMMARY

Type of Coverage	Insurance Company	Policy Period	Details of Coverage	Limits of Coverage	Annual Premium
Campus Violent Acts*	**DMI**	**7/1/11 - 6/30/12**	Policy Aggregate Limit	250,000	**$ 1,496**
			Policy Deductible	25,000	
			Equipment or Property Improvements	25,000	

TOTAL ANNUAL INSURANCE PREMIUMS PAID TO DISTRICT MUTUAL INSURANCE: $ 452,832

Insurance Coverages Purchased through Wisconsin Technical College Insurance Trust

Crime	**Travelers Casualty and Surety Company**	**7/1/11 - 6/30/12**	Employee Theft	750,000	**$ 4,542**
			Forgery or Alteration	750,000	
			ERISA Fidelity	750,000	
			On-Premises / In-Transit	500,000	
			Computer Fraud	750,000	
			Computer Program and Electronic Data Restoration	100,000	
			Funds Transfer Fraud	750,000	
			Personal Accounts Forgery or Alteration	750,000	
			Identity Fraud Expense Reimbursement	25,000	
			Claim Expense	25,000	
			Single Loss Retention	15,000	

Foreign Travel Liability*	**ACE American Insurance Company**	**7/1/11 - 6/30/12**	Foreign general liability - Each occurrence	1,000,000	**$ 2,500**
			Products - Completed Operations - Aggregate	2,000,000	
			Personal and Advertising Injury - Aggregate	1,000,000	
			Premises Damage Limit - Each Occurrence	1,000,000	
			Medical Expense Limit - Any one person	10,000	
			Contingent Auto Liability - Combined Single Limit		
			- Each Accident	1,000,000	
			Foreign Hired Auto Physical Damage		
			- Any One Accident	25,000	
			- Any one policy period	25,000	
			Foreign Employee Benefits Liability ($1,000 Deductible)		
			- Each Claim	1,000,000	
			- Aggregate	1,000,000	
			Foreign Voluntary Workers' Compensation		
			- State of Hire Benefits	Statutory	
			- North American	State of Hire Benefits	
			- Third Country Nationals	Country of Origin	
			- Local Nationals	Country of Origin	
			Foreign Employers Liability		
			- Bodily injury by accident, each accident	1,000,000	
			- Bodily injury by disease, each employee	1,000,000	
			- Bodily injury by disease, policy limit	1,000,000	
			Executive Assistance (per covered person)	50,000	
			Kidnap and Extortion (per cause of loss)	50,000	

Business Travel Accident (for Local Boards of Director Members)	**CIGNA**	**7/1/11 - 6/30/12**	Principal Sum	100,000	**$ 281**
			- Loss of Life		
			- Other Covered Losses as Scheduled		

*This coverage is provided on a request basis

TOTAL ANNUAL INSURANCE PREMIUMS PAID TO WTCS INSURANCE TRUST: $ 7,323

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

Multimedia Liability WGTD 91.1 FM	**Arthur J. Gallagher** Executive Risk Indemnity Policy No. 8177-2134	**7/1/11 - 6/30/12**	Errors and Omissions		**$ 4,525**
			Maximum Limit of liability for each claim	5,000,000	
			Retentions each and every claim	10,000	
International SOS Coverage		**7/1/10 - 6/30/11**	Global Traveler features:		**$ 5,734**
			Evacuation and Repatriation Coverage	1,000,000	
			Global Alarm Centers located throughout the world		
			Assistance with medical issues/emergencies		
			International SOS Online for over 200 locations		
			E-mail health and safety alerts		

TOTAL ANNUAL PREMIUMS PAID TO ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES, INC.: $ 10,259

Aviation Insurance Coverages Purchased through Wenk Insurance Agency

Aviation Insurance	**Wenk Aviation Insurance Agencies**	**7/1/11 - 6/30/12**	Liability Coverage		**$ 23,618**
	Coverages & Premiums renewed with Old Republic Insurance through Phoenix Aviation Managers Policy AVC 1037 08		Single Limit Including Passengers and Property Damage	3,000,000	
			Expenses for Medical Services Each Occurrence	6,000	
			Aircraft Physical Damage Coverages as indicated in policy	1,000,000	
			Hangarkeepers (per occurrence)	250,000	
			Deductible	5,000	
			Products	1,000,000	

TOTAL ANNUAL INSURANCE PREMIUMS PAID TO WENK INSURANCE AGENCY: $ 23,618

TOTAL ANNUAL PREMIUMS: $ 494,032

CAMPUSES

2012-2013 Associate Degree Programs

at Gateway Technical College *(current as of date printed)*

Most programs may be started on any campus.

ASSOCIATE DEGREES

Elkhorn	Kenosha	Racine		Program	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 (10-601-1A)	2 Years
				Geothermal Technician (Option Area 10-601-1B)	
■		■		Architectural – Structural Engineering Technician (10-614-6)	2 Years
■	■			Automated Manufacturing Systems Technology (10-628-3)	2 Years
	■			Automotive Technology (10-602-3)	2 Years
	■		*	Broadcast Captioning (shared program with LTC) (10-170-1)	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 - Law Enforcement (10-504-1)	2 Years
		■		Culinary Arts (10-316-1)	2 Years
	■			Diesel Equipment Technology (10-412-1)	2 Years
		■		Early Childhood Education (10-307-1)	2 Years
		■		Electrical Engineering Technology (10-662-1A)	2 Years
				Biomedical Engineering Technology (Option Area 10-662-1B)	
				Sustainable Energy Systems (Option Area 10-662-1C)	
	■			Electro - Mechanical Technology (10-620-1)	2 Years
		■		Electronics (10-605-1)	2 Years
		■		Fire Protection Technician (10-503-2)	2 Years
■		■		Graphic Communications (10-204-3)	2 Years
		■	+	Health Information Technology (10-530-1)	2 Years
	■			Horticulture (10-001-1)	2 Years
				Greenhouse and Floral (Option Area 10-001-1A)	
				Nursery and Landscaping (Option Area 10-001-1B)	
■				Hotel/Hospitality Management (10-109-1)	2 Years
		■		Human Service Associate (10-520-3)	2 Years
■	■	■	+	Individualized Technical Studies (10-825-1)	2 Years
				Technical Studies – Journeyworker (10-499-5)	
		■		Industrial Mechanical Technician (10-462-1)	2 Years
■	■			Information Technology – Computer Support Specialist (10-154-3)	2 Years
■		■		Information Technology – Network Specialist (10-150-2A)	2 Years
				Security Analyst (Option Area 10-150-2B)	
	■			Information Technology – Programmer/Analyst (10-152-1)	2 Years
		■		Information Technology – Web Developer/Administrator (10-152-3)	2 Years
■				Instructional Assistant – Associate Degree(10-522-2)	2 Years
	■			Interior Design (10-304-1)	2 Years
	■		*	Judicial Reporting (shared program with LTC) (10-106-1)	
■		■		Land Survey Technician (10-607-7)	2 Years
	■	■		Marketing (10-104-3)	2 Years
				General Marketing (Option Area 10-104-3A)	
				Business to Business (Option Area 10-104-3B)	
■		■		Mechanical Design Technology (10-606-1)	2 Years
				Mechanical Engineering Tech (Option Area 10-606-1A)	
				Mechatronics (Option Area 10-606-1B)	
■	■		+	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
■			+	Radiography (10-526-1)	2 Years
■		■		Supervisory Management (10-196-1)	2 Years
	■		+	Surgical Technology (10-512-1)	2 Years

■ Most courses taught on this campus – some travel may be required to other locations.
General Studies courses are offered on all campuses.
+ Special Conditions; Contact Student Services
* Shared program

CAMPUSES

2012-2013 Technical Diploma Programs

at Gateway Technical College *(current as of date printed)*

Most programs may be started on any campus.

TECHNICAL DIPLOMAS

Elkhorn	Kenosha	Racine		Program	Length of Program (full time)
	■			Automotive Maintenance Technician (31-404-3)	1 Year
		■		Barber/Cosmetologist (31-502-1)	1 Year
		■		CNC Production Technician (31-444-2)	1 Year
■		■		Community Pharmacy Technician (30-536-1)	18 Weeks
	■			Criminal Justice – Law Enforcement Academy (30-504-1)	13 Weeks
	■		+	Dental Assistant (31-508-1)	1 Year
	■			Diesel Equipment Mechanic (31-412-1)	1 Year
■			+	Emergency Medical Technician (EMT) – Basic (30-531-3)	20 Weeks
■				EMT – Intermediate (30-531-7)	20 Weeks
■				EMT – Intermediate Technician (30-531-6)	20 Weeks
■				EMT – Paramedic (31-531-1)	1 Year
	■			Facilities Maintenance (31-443-2)	1 Year
		■	+	Health Unit Coordinator (30-510-2)	18 Weeks
■		■		Medical Assistant (31-509-1)	1 Year
■	■	■		Nursing Assistant (30-543-1)	6 Weeks
■	■	■		Office Assistant (31-106-1)	1 Year
■	■		+	Practical Nursing (31-543-1) ..... (Program listed on Nursing (10-543-1) curriculum sheet)	1 Year
	■			Small Business Entrepreneurship (31-145-1)	1 Year
■		■	+	Welding (31-442-1)	1 Year
				Robotics (Option Area 31-442-1A)	
				Advanced Welding (Option Area 31-442-1B)	
				Pipe Welding (Option Area 31-442-1C)	
■		■	+	Welding/Maintenance and Fabrication (30-442-2)	18 Weeks

CAMPUSES

2012-2013 Advanced Technical Certificates

at Gateway Technical College *(current as of date printed)*

See Student Services for Enrollment Information

ATCs

Elkhorn	Kenosha	Racine	Program
■		■	Computer Animation (10-810-18)
■		■	Digital Photography (10-810-17)
■			Financial Planning (10-809-8)
	■		Game Programming (10-810-16)
	■		Geothermal Specialist (10-810-19)
■	■		Gerontological and Rehabilitative Nursing Care (10-810-21)
	■		IBM Enterprise Programming and Administration (10-810-11)
	■		Mobile Applications Development (10-810-22)
		■	Multimedia (10-810-2)
■	■	■	Network Security (10-810-10)
		■	Oracle (10-810-4)
		■	Telecommunication Engineering Tech (10-810-14)
	■		Urban Farming (10-810-20)

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* 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

iMET integrated Manufacturing & Engineering Technology Center
2320 Renaissance Blvd.
Sturtevant, WI 53177-1763
262.898.7500

Center for Bioscience and Information Technology
3520 - 30th Avenue
Kenosha, WI 53144-1690
262.564.3600

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

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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