we are future makers

2010 Comprehensive Annual Financial Report

(With Independent Auditors Report)

For Fiscal Year Ended June 30, 2010

Serving Southeastern Wisconsin





WISCONSIN'S TECHNICAL COLLEGES | we are futuremakers

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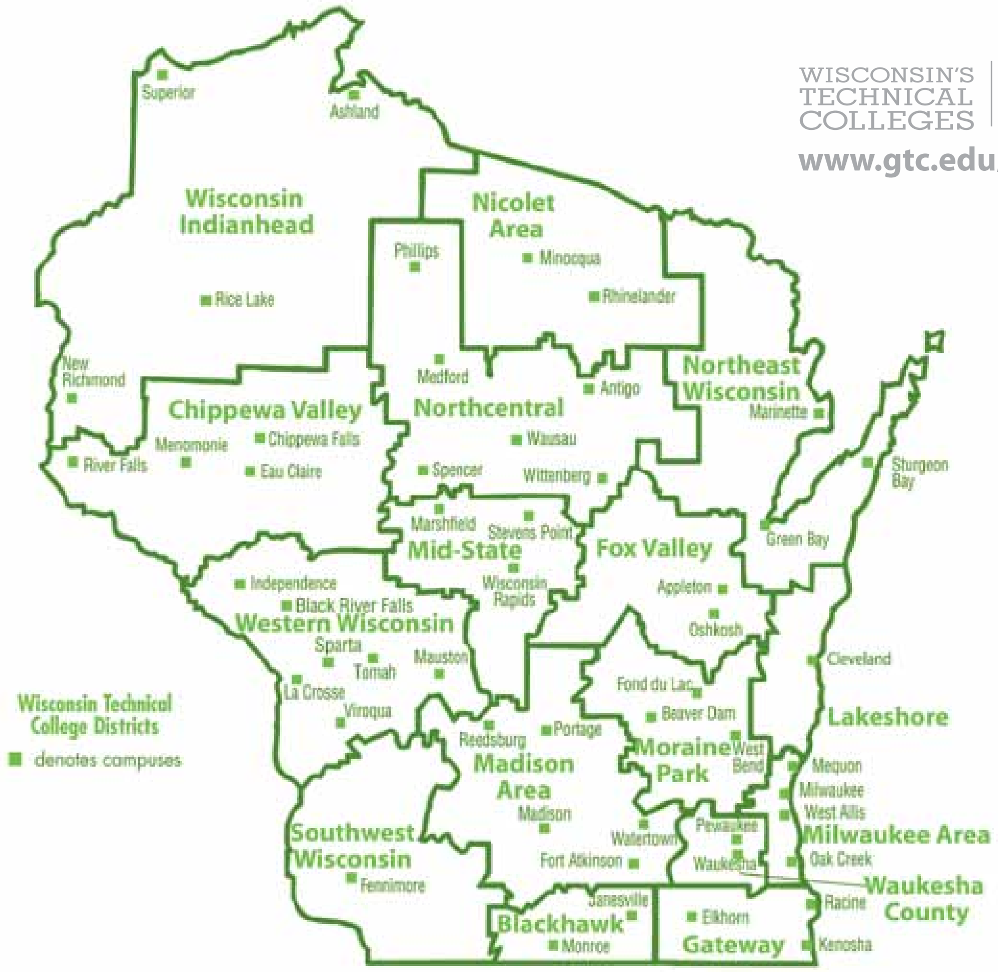
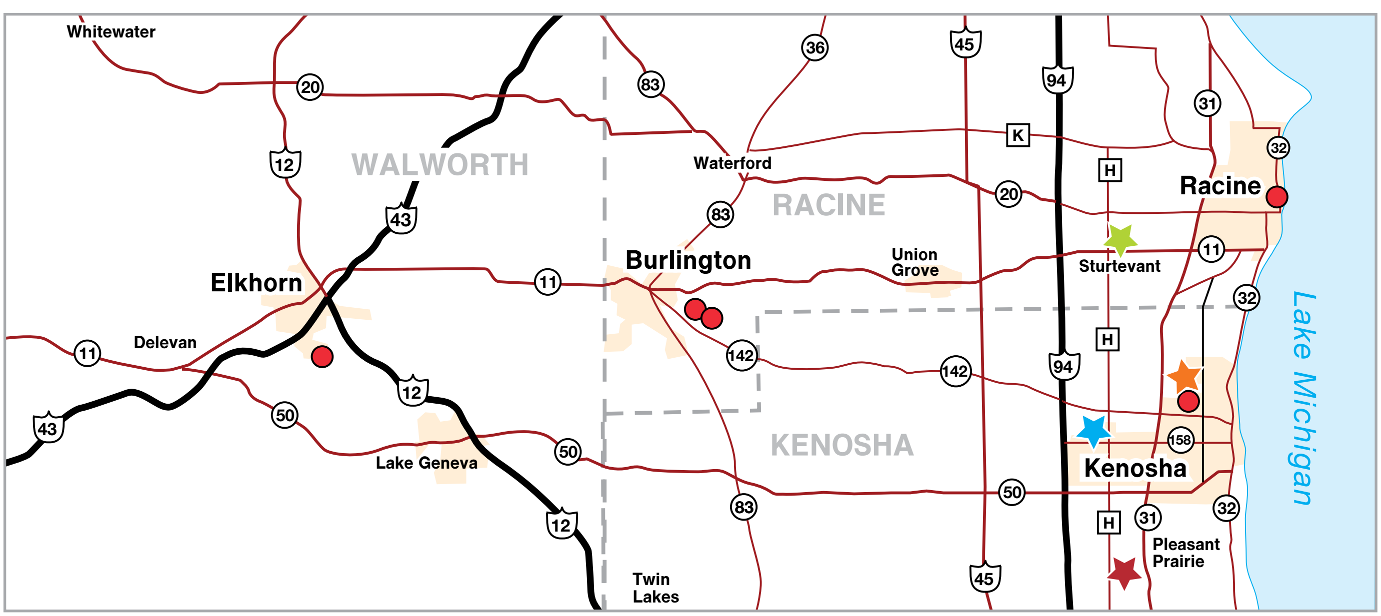


Gateway Technical College



GATEWAY TECHNICAL COLLEGE DISTRICT

Racine/Kenosha/Elkhorn, Wisconsin

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2010
(With Independent Auditors' Report)

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GATEWAY TECHNICAL COLLEGE DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2010

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Introductory Section

Bryan D. Albrecht
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October 18, 2010

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, 2010, 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 MD & A and should be read in conjunction with it. The District's MD & A can be found immediately following the report of the independent auditors.

Gateway – We are Future Makers

Gateway Technical College District is one of 16 technical colleges in the Wisconsin Technical College System (WTCS). Technical and adult education in Wisconsin began as the first comprehensive statewide continuation school system in the United States as a result of state legislation passed in 1911. The nation's first publicly supported technical institution – Racine Technical Institute began that same year as the name predecessor to Gateway Technical College. Kenosha County established the first Vocational, Technical and Adult Education District under state law in 1965 which allowed district formation on July 1, 1966. By 1971 all three campuses, Racine, Kenosha, and Elkhorn had evolved to form Gateway. In addition to these three campuses, 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 Center for Advanced Technology and Innovation (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.

Southeastern Wisconsin's communities turn to Gateway first to ensure economic growth and viability by providing education, training, leadership, and technological resources. Each year, Gateway serves approximately 24,000 residents, involves more than 400 business and industry representatives in our programs and supports more than 50 businesses through customized training. Gateway continues to help our communities of Kenosha, Racine, and Walworth counties and beyond during the current economic situation by providing high quality innovative training that addresses the needs of dislocated workers. Our renowned short-term Boot Camps and Smart Career Restart programs, in collaboration with the local workforce development centers, are successful in placing skilled workers back into the workforce. Over 1,980 students graduated from postsecondary programs this fiscal year. In a recent survey of Gateway graduates, 86 percent reported being employed, despite a slow economy. The effort demonstrated by our students to learn and master technical knowledge and skills provides graduates with an edge in job acquisition.

We are future makers. In 2010 Gateway opened the Advanced Propulsion Lab, an addition to its Horizon Center for Transportation Technology, which will provide students nationally recognized vehicle training for today's technology as well as training in alternative propulsion methods and beyond. Students will be introduced to "green" propulsion methods such as hybrid biodiesel and electricity. The lab also provides training in torque technology; training needed for today's wind industry technicians.

Gateway offers over 70 associate of applied science degree programs, technical diploma programs, and advanced technical certificates, as well as apprenticeship programs, and other adult education services. Programs and courses are approved by the WTCS and selected programs are accredited by organizations such as the National League of Nursing and the Federal Aviation Administration, in addition the College itself receives accredited status. In 2010 Gateway was granted another 10 years of regional accreditation through 2020 from the Higher Learning Commission (HLC), a national independent organization which evaluates the quality of higher education institutions. The HLC team of evaluators highlighted many strengths of Gateway in their report including:

- Gateway has exemplary support from the community
- Gateway has highly respected leadership and has positioned the college so it is a major asset to the community
- Gateway is committed to sustainability and is a leader in learning on a global scale

- Gateway responds to community needs and offers resources to meet the needs of its community
- Gateway's facilities, in general, and the technology centers, in particular, are equipped with state-of-the-art equipment which facilitates effective teaching and learning

In addition to being reaccredited this past year, we were also recognized as one of the top ten places to work among large employers in Southeastern Wisconsin by the Milwaukee Journal Sentinel's Top 100 Workplaces 2010 list. Per President Albrecht, "Gateway's Top Workplaces recognition symbolizes the dedication and commitment of past and present employees toward the mission of serving our community through education and training."

As future makers, we are looking forward to meeting our communities changing needs…new programs…new training…new facilities…and a celebration of 100 years of service to our communities.

Major Initiatives and Accomplishments

Gateway's Vision 2012, established under the leadership of President Bryan D. Albrecht, continues to be the strategic direction that has guided Gateway Technical College faculty, staff, and administration to accomplish many activities over the past year. The following is a list representative of some of the major initiatives and accomplishments:

Technical College and Education Community Leadership

Gateway continues to be recognized nationally and internationally, as a model college, as evidenced by the requests for our leadership to serve on boards and share our best practices.

- President Bryan Albrecht's exemplary leadership continued to be in demand as he was appointed to several regional and national committees during the year as well as representing Gateway at various conferences. Some examples include:
  - Represented the United States at the Second International Conference on Vocational & Technical Education held in Singapore, spotlighting the college's innovative programs on the world stage. The Institute of Technical Education, Singapore, sponsored his participation.
  - Received the 2010 International Exemplary Leaders Award at the Annual International Chair Academy Leadership Conference in Minneapolis. He was recognized for his leadership in developing business partnerships, as well as his work with the U.S. Department of Education's international education initiatives.
  - Named the chairman of the executive committee of the Wisconsin Campus Compact. It is a coalition of college and university presidents and chancellors who are committed to fulfilling the public purpose of higher education. It builds civic engagement into campus and academic life.
  - Elected as a trustee for the National Occupational Competency Testing Institute (NOCTI) Board of Trustees.
- Zina Haywood, Executive Vice President/Provost was awarded the 2010 Eagle Management Leadership Award in recognition of her outstanding leadership while President of the WTCS Instructional Services Administrators.
  - Zina was invited to make various presentations throughout the year. In honor of Black History Month, she presented on "Women through the Glass Ceiling: Encompassing Diversity Makes us all Stronger."
- Debbie Davidson, Vice President of Workforce and Economic Development Division (WEDD) was selected as the president-elect of the National Coalition of Advanced Technology Centers (NCATC) for 2010. Debbie and Ed Knudson presented at the NCATC Fall Conference on "Modeling a New Education".

- Stephanie Sklba, Vice President of Community and Government Relations, was invited to serve on the American Association of Community Colleges Sustainability Advisory Board.
- John Thibodeau, Assistant Provost/Vice President of Institutional Effectiveness and Student Success, presented on "Incorporating Appreciative Inquiry" at the Higher Learning Commission's annual meeting, highlighting the methodology used in Gateway's successful reaccreditation process.
- Dr. Therese Fellner, Director of Business Development, was appointed to the Wisconsin Business Development Opportunity (WBD) Fund, LLC board. Its main focus is to deliver small business loans and development services for disadvantaged businesses in underserved areas in the state.
- Health Occupations Dean Mike O'Donnell was named an Ambassador of the National League for Nursing. (NLN). He was also recognized by the Accreditation Council for Continuing Medical Education for his long-term service as a reviewer.
- Engineering instructor, Steve Whitmoyer, presented on Gateway's Nodal delivery methods at the EDULEARNIN09 conference in Barcelona, Spain, while Zina Haywood and Pat Hoppe co-presented from Kenosha as part of the demonstration.
- WEDD division instructor, Rosemary VanTreeck was invited to serve on the APICS International Voice of the Customer Committee for a two year term.
- Gateway was featured as a national leading college by the Washington D.C.-based Workforce Strategy Center in their "Employers, Low-Income Young Adults, and Post-Secondary Credentials" publication. It featured Gateway's boot camp learning concept, the partnerships forged with community and business partners, and the impact it has had in the area community. Debbie Davidson presented on Gateway's boot camps on the Workforce Strategy Centers national webinar in April.
- Gateway's partnership with Snap-on Incorporated in creating the Horizon Center for Transportation Technology was featured by the U.S. Chamber of Commerce as a quality model of partnership between business and education and a strong "best practices" example for other technical colleges.
- WGTD was one of two media outlets in the state that won an award from the State Bar of Wisconsin for an "Education Matters" program.

<u>Partnerships</u>

- National Coalition of Certification Centers (NC3) opened its inaugural office at the Advanced Propulsion Lab of Gateway's Horizon center in May. NC3 will develop industry-recognized portable certifications that have strong validation and assessment standards. Charter members of NC3 include Gateway Technical College, Snap-on Incorporated, Business Education Partners Group, Francis Tuttle Technology Center (OK), Shoreline Community College (WA), South Seattle Community College (WA)
- Gateway continues to build partnerships with other educational institutions:
    - A transfer agreement between Gateway and Ottawa University provides a seamless opportunity for Gateway associate degree graduates to continue their education. The students will be able to transfer up to 80 credits toward the 128 credits needed to earn a degree at Ottawa University.
    - A similar articulation agreement was made with Mount Mary College. It encompasses five specific programs as well as the ability to transfer any Gateway associate degree into Mount Mary's Liberal Studies degree program. Gateway graduates can transfer up to 64 credits to Mount Mary.
    - Gateway signed a new articulation agreement with UW-Stout for our Culinary and Hotel Hospitality programs.
    - Gateway signed an articulation agreement with UW-Parkside to provide education and training in Fresh Water Resources and Geoexchange Technology. Credits from two Gateway programs will transfer into UW-Parkside's programs.

    - Gateway is collaborating with Kenosha Unified School District to offer Apprenticeship Carpentry classes at Bradford High School in the evenings.
    - Gateway is partnering with Milwaukee Area Technical College in the Milwaukee Fresh-H20 initiative. The initiative will pull together Southeastern Wisconsin technical colleges and the region's workforce development boards, school districts, and other higher education institutions to address the growing need for highly-trained technicians in the water industry.
- In partnership with UW-Parkside and other community agencies, Gateway is involved in the Strengthening Communities Fund project. It involves working with non-profits in Racine and Kenosha counties to address economic recovery issues.
- In conjunction with Gateway's collaboration with the Wisconsin Campus Compact, a pilot service learning project is planned for nursing students to travel to Belize for community health work. It will be coordinated with Peacework, an organization that partners with business and education to address poverty.
- President Albrecht launched the Gateway Gives Back service campaign to encourage and measure the impact Gateway staff members, have on the communities we serve. A goal set for the fiscal year was giving back to our community with at least 5,000 hours of community service.

Economic Condition and Development

The counties that comprise Gateway Technical College's District were still experiencing higher unemployment rates as of June 2010 as compared to the state average. Kenosha County was 10.3%, Racine County was 9.7%, and Walworth County was 8.6% while the State of Wisconsin average was 8.1%. The College is also challenged by reductions in the equalized valuations (a 4.34% decrease as compared to the WTCS average decrease of 3.06%) of the properties within the District, which affects its largest funding source of tax levy revenue. But the College continues to address these challenges and is instrumental in improving the economy as evidenced by:

- As one of Wisconsin's 16 technical colleges we continue to be an integral part of Southeastern Wisconsin's economic development, as the principal providers of workforce education and training. Gateway has experienced a 15% growth in full time equivalent (FTE) credits this fiscal year as dislocated workers seek a new career and members of the current workforce seek training to upgrade their skills for job security. The overall WTCS has seen a 10% increase in FTE. As part of the 16 technical college system we are providing critical strategies to secure and strengthen Wisconsin's economic future:
    - Promoting pathways for a qualified workforce
    - Supporting academic success for all students
    - Endorsing measures to maintain affordability
    - Fostering system-wide and regional collaboration
- At the opening of Gateway's Advanced Propulsion Center, Jane Oates, U.S. Department of Labor Assistance Secretary, spoke of the quality of training provided at the center, with its cutting-edge technology, saying it creates a perfect vehicle to bolster the economy and sustain careers. Nicholas T. Pinchuk, Snap-on Incorporated chairman, president, and chief executive officer indicated the technology and innovation of the lab is what's needed in America today.
- Gateway was recognized in a study done by the Workforce Strategy Center in New York, a study funded by the Bill and Melinda Gates Foundation. Our Bootcamp program was recognized as a national model of excellence in successfully addressing the challenge of providing disadvantaged young adults with the technical and postsecondary education that may qualify them for skilled positions.

- Our Smart Career Restart programs (short-term training courses), in partnership with Southeastern Wisconsin Workforce Development centers, helped dislocated workers get back on their feet and re-enter the workforce.
- At Gateway's Center for Advanced Technology and Innovation (CATI), the Business Incubation and Growth program provides entrepreneurs with an array of targeted resources and services. Currently the two incubator tenants at CATI are start-up advanced technology businesses that within 18 months of locating at CATI have created 13 full-time professional jobs and provided student internships.
- As a result of the recession Gateway has seen a sharp increase in Financial Aid applicants and the number of students who are significantly below poverty levels. The number of applicants awarded in FY 2010 compared to FY 2009 increased by 35% while the funds awarded increased from $16.5 million in FY 2009 to $25.2 million in FY 2010. We believe education is the key to climbing out of poverty and the answer to our nation's economic recovery.
- The Walworth County Job Fair hosted by Gateway attracted over 1,000 job-seekers. It was a one-stop shop for job-seekers in many categories to find employment.

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 a result of signing the President's Climate Commitment to demonstrate our intent to reduce the global emission of greenhouse gases, we have begun accessing and measuring our carbon footprint.
- Gateway began several "green" career courses and programs including geoexchange technology, fresh water resources engineering, and torque technology to support the wind industry.
- One of the bays in the new Advanced Propulsion Lab at the Horizon Center is a "green" training area that focuses on environmentally conscious tools, equipment, and chemicals.
- In support of our district-wide effort to use alternative energy sources the Elkhorn campus began using solar energy in September 2009 to heat water for the campus' health careers wing.
- Gateway introduced its Green Scholars Program. Students, who get involved in the sustainability efforts at Gateway, as well as in the community, can earn points towards graduating with a Green Scholar distinction.
- Gateway erected a vertical axis Mariah Power Windspsire® at the Center for Advanced Technology and Innovation. (CATI) It will be a learning tool for students.
- A wind turbine and a solar tracker were installed at the Horizon Center. A 24-hour online web access to the solar power information will be used by students in future energy career programs.
- Information Technology's server virtualization/consolidation project and the move towards Thin Client hardware prototyping is reducing our energy consumption.
- The Racine Campus hosted a Green Revival Ecology Fair, spearheaded by instructor Jill Fall for her Leadership Racine service project.
- The Celebrate Earth Day event on the Kenosha Campus this year included a presentation by the founder and CEO of TerraCycle, a sustainable business that turns recyclable materials into new products.
- HVAC and geoexchange instructor Tom Niesen presented Geoexchange Systems for Residences and Business applications and Larry Hobbs presented on Torque Training at the 2010 Green Energy Summit in Milwaukee.

Facilities

- A newly remodeled and expanded 6,600 square-foot Health Occupations education wing opened at our Elkhorn Campus for Fall 2009 courses. The new facility is designed as a working clinical model with technology that provides state-of-the-art training and hands on labs for our students.
- A new 9,000 square-foot welding lab opened in Fall 2009 at the Racine Campus. Students have the opportunity to train on a wide variety of high-tech equipment they will find in the workplace and space to work and train on larger fabrication projects.
- The 12,800-square foot Advanced Propulsion Center addition to the Horizon Center opened in May. The facility hosts the Diesel Technology program, diesel diagnostics certification workshops, with exposure to advanced propulsion technologies. Snap-On Incorporated donated approximately $1 million in funds and equipment to help fund the center.

Student Success

- IT students traveled to Germany in 2010 to collaborate with students in Hanau to complete the development of a global website for the Hispanic Community & Resource Center of Racine.
- Gateway engineering students attended a Belden conference in Canada and participated in Belden IBDN 303 network design and concepts training alongside Canadian students.
- Seven culinary arts students earned bronze medals at the Wisconsin Restaurant Expo College Culinary Arts Competition.
- Gateway's Business Professionals of America (BPA) students hosted the State Leadership Conference in Elkhorn again this year. Three students won the top award in the Small Business Management Team category.
- Gateway's Marketing and Management Association (GMMA) captured the Wisconsin Marketing and Management's Outstanding Chapter Award for the fifth straight year! Six GMMA students took first-place honors and a total of 43 qualified to go to the international conference.
- Fifteen marketing, design, and business management students won awards at the 49th Annual Delta Epsilon Chi's International Career Development Conference.
- Three interior design students captured first-place honors at the Wisconsin Technical College System Interior Design competition in March.
- Gateway's team in the WTCS statewide robotics competition took first place out of approximately 100 participants.
- Racine and Kenosha AITP students held free clinics this year- PC Cleaning and Checkup- to assist other students and the community with their technology concerns.
- AITP students took home first and second place honors at the Annual Association of Information Technology Professionals National Collegiate Conference in St. Louis.
- Two Youth Options students, from Kenosha Unified School District, took 4th place honors at the National Automotive Technology Competition held in New York City. They trained at Gateway's Horizon Center for the state and national competitions.
- Various student organizations held fundraisers during the year to give back to the community supporting such causes as breast cancer education, prevention, and research, Thanksgiving food drives, blood drives, and donations for food for the, homeless in the Racine, Kenosha, and Walworth counties.
- The American Society of Interior Designers (ASID) student chapter earned the Fundraiser of the Year Award from the National Association of Interior Designers.
- The Interior Design Club produced the Chair-ity auction and donated a majority of the proceeds to Women and Children's Horizons.

Technology Initiatives

- Gateway now provides Google Apps Education Edition to all our students. Using the free suite of Web-based communications not only offers an expanded, quality e-mail system to Gateway students, it also saves taxpayer dollars.
- A new web page was added to www.gtc.edu for dislocated workers, providing information on resources available at Gateway, including process and contact information. www.gtc.edu/dislocatedworker
- Gateway's Learning Innovation and PK-16 Relations are working to expand flexible learning opportunities for high school students through the Gateway VANGuard network. It will provide K-12 partners access to Gateway courses and to share courses using video, online, and blended options.
- A new customer flow management system from Q-Matic was installed in Student Services at the Racine Campus. It improved the student's enrollment experience as well as the staff work environment.
- WGTD 91.1, Gateway's public radio station became the first station in Kenosha and Racine counties to broadcast in HD.

Special Funding/Grants

The following is representative of some of the special funding/donations that Gateway received during the fiscal year:

- Gateway received a $498,000 grant from the U.S. Department of Education Fund for the Improvement of Postsecondary Education (FIPSE). It is to improve student success among students enrolling in our health career programs. (This is part of the President Obama's $12 million stimulus program in the community college grant initiative announced in Summer 2009. Of the $1 million awarded to Wisconsin, Gateway received nearly half of the funding.)
- Gateway was awarded a $495,000 grant as part of the Fiscal 2010 Omnibus Appropriations Bill via the leadership efforts of Sen. Herb Kohl. The funds will improve and expand the Surgical Technology and Dental Assistant labs in Kenosha.
- Gateway was awarded $41,140 from the Department of Labor, as a sub-grantee in partnership with the OIC of Racine County, for the Youthbuild Racine Green Tech Project to provide training to young people for green jobs in the construction trades.
- The Walworth County Economic Development Corporation (WCEDA) and its partners, including Gateway, received a $687,100 grant from the U.S. Department of Commerce to be spent over three years. It allows the partners to develop and deliver an entrepreneurial training program spanning the four counties of Kenosha, Racine, Walworth, and Rock counties. Offering the entrepreneurship training program, FastTrac, is part of this grant and helps students prepare for the possibility of operating their own business.
- During the year Gateway was awarded 10 Workforce Advancement Training Grants, totaling over $197,000, through the Wisconsin Technical College System.
- Beginning with the Fall of 2009 Andis Company Inc began providing a full $4,400 scholarship in Gateway's Barber/Cosmetology diploma program and will continue to do so annually.
- TNT Rescue Systems Inc and Fire Supply Rescue, LLC donated $20,000 in extrication equipment that will aid student learning in the Fire Protection Technician, Paramedic Technician, and EMT programs.
- The Kloss Family Foundation awarded Gateway $50,000 in support of retraining dislocated workers, including students in our boot camp and Smart Career Restart courses. A second grant of $15,000 will be used to support youth urban gardening through our Horticulture program.

New Programs

- Gateway began offering training in high level logistics skills (Certified Logistics Associate and Certified Logistics Technician) as a result of an industry-driven training and assessment program developed with the Manufacturing Skills Standards Council (MSSC).
- In February Gateway Technical College became the first in the nation to begin offering geoexchange drilling and overall geoexchange system training with three course offerings. Funded by a National Science Federation grant, national curriculum is under development by Gateway's Tom Niesen.
- Snap-on Incorporated, in partnership with Gateway, created a national torque certification program designed to meet the needs of the wind technicians, automotive mechanics, and industrial machine repair technicians. The courses began in January. They prepare participants to take a national assessment and gain Snap-on Torque Certification.
- Gateway began offering a two-year Industrial Mechanical Technician degree in Spring 2010 on the Racine Campus, a program which helps provide workers with the skills to land jobs in a soft economy – and for companies to obtain workers to keep their manufacturing lean and productive.
- Gateway introduced a Fresh Water Resources associate degree at its CATI Center. This Construction Sciences program prepares graduates to be water technicians.
- The Health Division is offering a new Medical Receptionist certificate program in response to the need expressed by the Workforce Development offices in Kenosha, Racine, and Walworth counties.

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, Value 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 – Vision 2012

Gateway's efforts are focused in terms of strategic planning, linking to the budgetary process, through Vision 2012. Introduced in early 2007, Vision 2012 urges 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.

Vision 2012 lays out clear overall goals, measurements of success, and challenges staff to develop the strategic plans within their workgroups to achieve these goals for our students and the communities.

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

By 2012, Gateway Technical College will serve 36,000 citizens totaling 6,000 full-time equivalent students. The number of career training programs Gateway offers will remain close to 70. Staff and faculty will share nine key areas of development for the college with clear measures of success.

Departments and divisions are implementing plans for 2009/10 that were developed last year. They continue to track and monitor their progress towards the goals and objectives they set based on the college's strategic direction. Information from the planning process is integrated into the budgeting process, ensuring that the college's resources are focused on moving the college towards its vision.

Nine key areas were identified for special attention by staff

- Model a positive and collaborative work environment that embraces risk and responsibility.
- Position our college for program, staff and facility growth.
- Demonstrate fiscal responsibility and program integrity.
- Provide facilities and grounds that reflect the "Gateway Experience."
- Increase access to programs and services embracing technology and innovation.
- Provide precollege opportunities for *all* learners.
- Offer college-to-college general studies transfer opportunities.
- Embrace "Collegiate High School" opportunities for all learners.
- Lead our community in education, training and economic development.

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 auditor's reports related specifically to the single audit are included in a separate document, titled "Single Audit Report".

Budgeting Controls

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

Gateway's site-based management model requires each department to be responsible for the development and management of its budget. Starting in December and ending in May, the departments prepare, present and modify budget plans for the coming year. The budget is consolidated and reviewed by the Business Office and the Executive Leadership Council. In May, the District Board of Trustees reviews the preliminary budget and refers it to public hearing. Following the hearing, the Board considers the public input when adopting the budget at the June board meeting.

The District Budget Council, comprised of 19 members of District staff, meets regularly to monitor the actual operating results, compared to the budget, and is proactive in resolving issues. Revenue and expenditure actual results versus budget are presented to the District Board monthly. Revenue and expenditure forecasts are prepared and presented to the District Board 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.

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, 2009.

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 the Marketing 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
President

Mark W. Zlevor
CFO & Vice President of Administration

GATEWAY TECHNICAL COLLEGE

DISTRICT BOARD AND PRINCIPAL OFFICIALS
As of the year ended June 30, 2010

District Board

Chairperson	Fred Burkhardt	Employer Member
Vice Chairperson	Roger Zacharias	Employee Member
Secretary	Rebecca Vail	Employer Member
Treasurer	Suzanne M. Deans	Employee Member
Member	Ram Bhatia	Additional Member
Member	Patricia Johnson	Additional Member
Member	R. Scott Pierce	School District Administrator
Member	Neville H. Simpson	Additional Member
Member	Pamela Zenner-Richards	Elected Official

Principal Officials

President	Bryan D. Albrecht
Executive Vice President / Provost for Academic and Campus Affairs	Zina R. Haywood
Chief Financial Officer / Vice President Administration	Mark W. Zlevor
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

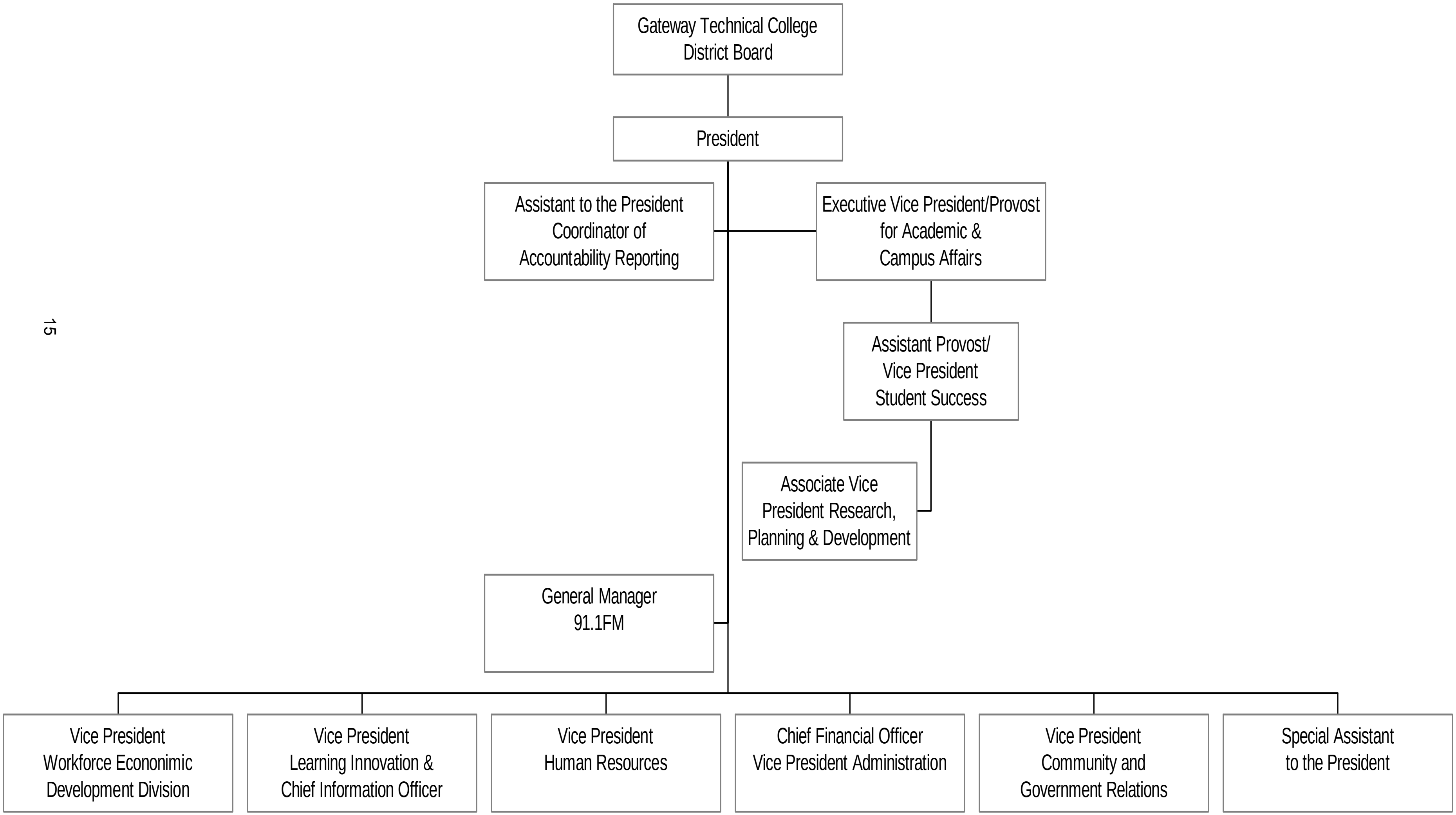
Gateway Technical College District Board of Trustees

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

Gateway Technical College

Organizational Chart

as of June 30, 2010



ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

This Certificate of Excellence in Financial Reporting

is presented to

Gateway Technical College District

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2009
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

Erin Green
President

John D. Musso
Executive Director

JSSCO

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Financial Section

INDEPENDENT AUDITORS' REPORT

To the District Board
Gateway Technical College District

We have audited the accompanying basic financial statements of Gateway Technical College District as of and for the years ended June 30, 2010 and 2009 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our 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, 2010 and 2009, and the change in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 7, the District adopted the provisions of Government Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective July 1, 2008.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 19, 2010, 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.

The management's discussion and analysis and the other required supplementary information, as listed in the table of contents, respectively, are not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The financial information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects, in relation to the financial statements as a whole.

The "Introductory Section" and "Statistical Section" listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the District. The information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Schenck SC.

Certified Public Accountants

Fond du Lac, Wisconsin
October 19, 2010

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, 2010.

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)

	2010	2009	Incr (Decr) 2010-2009	2008	Incr (Decr) 2009-2008
Assets					
Current Assets					
Cash and cash equivalents	$ 12,296	$ 9,390	$ 2,906	$ 10,311	$ (921)
Other	22,480	20,877	1,603	19,005	1,872
Total Current Assets	34,776	30,267	4,509	29,316	951
Non-Current Assets					
Debt issuance costs	83	-	83	-	-
Capital Assets - Net of Depreciation	47,862	43,244	4,618	40,632	2,612
Total Assets	82,721	73,511	9,210	69,948	3,563
Liabilities					
Current	12,388	11,053	1,335	10,682	371
Non-Current	29,677	25,669	4,008	24,369	1,300
Total Liabilities	42,065	36,722	5,343	35,051	1,671
Net Assets					
Invested in Capital Assets, Net of Related Debt	17,580	16,439	1,141	16,228	211
Restricted	1,888	1,752	136	1,636	116
Unrestricted	21,189	18,599	2,590	17,033	1,566
Total Net Assets	$ 40,657	$ 36,790	$ 3,867	$ 34,897	$ 1,893

Total assets increased $9.2 million or 12.5% in FY 2010 and increased $3.6 million or 5.1% in FY 2009. Total liabilities increased by $5.3 million or 14.5% in FY 2010 as compared to an increase of $1.7 million or 4.8% in FY 2009. Overall, net assets increased by $3.9 million or 10.5% in FY 2010 while FY 2009 experienced a $1.9 million or 5.4% increase for the fiscal year.

Fiscal Year 2010 Compared to Fiscal Year 2009

- Cash and cash equivalents increased by 30.9% or $2.9 million. This is mainly due to incoming cash flows rising for these areas: tuition and fees increasing by 7.4%, state appropriations increasing by 12.3% and tax levy receipts increasing by 6.0%.

- Other current assets increased by $1.6 million due to an increase in the property tax receivable by $843,000 and an increase in the student and agencies receivable by $688,000.

- Capital assets, net of depreciation, increased by $4.6 million or 10.7%. Major projects included the construction of the Advanced Propulsion Center addition at the Horizon Center, the Welding Lab remodel in Racine, the Health Wing remodel in Elkhorn, and building automation systems installed in Kenosha and Racine.

- Overall current liabilities increased 12.1% in FY 2010 as compared to 3.5% in FY 2009. This is mainly due to accounts payable and accrued liabilities increasing approximately 27.0% or $595,000 as a result of construction/remodeling payments due at fiscal year end. Also, accrued payroll and benefits increased by $310,000 and the current portion of long-term debt increased by $279,000.

- Long-term liabilities increased by 15.6% or $4.0 million in FY 2010 as compared to only 5.3% or $1.3 million in FY 2009. General obligation debt increased by over $3.0 million plus $172,000 of deferred bond premiums were added in FY 2010. FY 2010 is the second year of recognizing a long-term liability for other post-employment benefits (OPEB) as required by GASB 45. It increased by $691,000 or 126.4%. Additional information can be found in footnote #7 in the notes to the financial statements.

- Total net assets increased in FY 2010 and FY 2009 by 10.5% and 5.4% respectively. The increase in FY 2010 reflects an increase of $1.1 million invested in capital assets, net of related debt and a $2.6 million increase in unrestricted assets.

Fiscal Year 2009 Compared to Fiscal Year 2008

- Cash and investments decreased just under $1.0 million as funds earned on investments was down over $400,000. It was also due to the use of funds to reduce accounts payable and prepay expenses at fiscal year end.

- Other current assets increased by $1.9 million due to an increase in the property tax receivable by $1.6 million and an increase in the federal/state aid receivable by $393,000, while student account based receivables decreased by $323,000.

- Net capital assets, which are the largest component of the District's assets, increased by $2.6 million or 6.4%. Major projects involved the completion of several remodeling projects at our Racine campus including the Science Lab, the Business Center and the Industrial Mechanic Lab, as well as a chiller replacement. Other large projects included the Horizon Center parking lot expansion, and energy management lighting installed at two campuses.

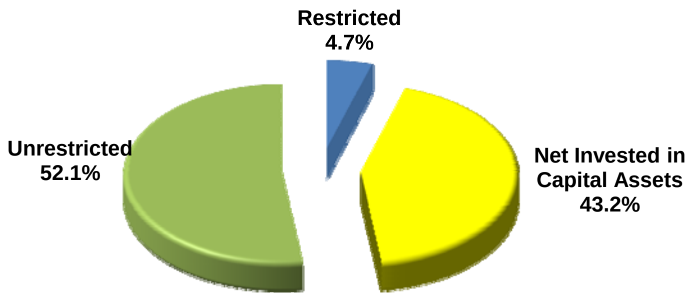
- Overall current liabilities increased 3.5% in FY 2009 as compared to 11.6% in FY 2008. This is mainly due to the increase in accrued payroll and benefits increasing by $264,000 and the current portion of long-term debt increasing by $365,000. It was reduced in part by unearned revenue decreasing by $249,000 or 36.2%. The District was able to recognize additional student fee revenue instead of deferring it to the Summer 2009 term due to the fact the term started in May and all fees pertaining to the class time prior to 6/30/09 can be recognized in the current fiscal year.

- Long-term liabilities increased by 5.3% in FY 2009 which is consistent with FY 2008. General obligation debt increased in FY 2009 by $825,000 as compared to $1.3 million in the prior year. Effective with FY 2009 the District began to recognize a long-term liability for other post-employment benefits (OPEB) as required by GASB 45. The liability recorded is $546,885. Additional information can be found in footnote #7 in the notes to the financial statements.

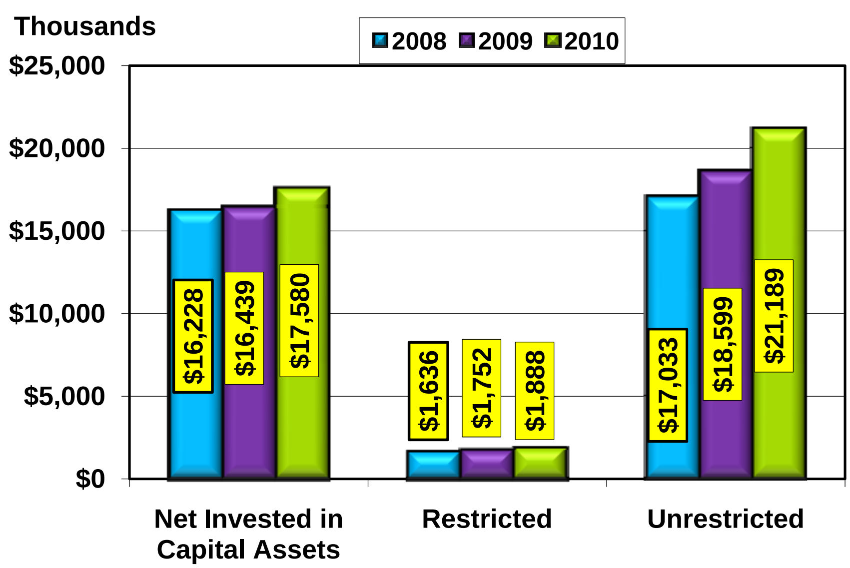
- Total net assets increased in FY 2009 and FY 2008 by 5.4% and 6.8% respectively. The increase in FY 2009 was mainly in unrestricted assets with a $1.6 million increase, while investments in capital assets net of related debt only increased by $211,000.

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, 2010



Comparative Net Assets
Fiscal Years 2010, 2009 and 2008



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)

	2010	2009	Incr (Decr) 2010-2009	2008	Incr (Decr) 2009-2008
Operating Revenues					
Student Fees	$ 11,602	$ 10,761	$ 841	$ 9,210	$ 1,551
Federal Grants	25,324	16,576	8,748	13,093	3,483
State Grants	2,972	3,045	(73)	2,693	352
Contract Revenues	1,925	2,053	(128)	2,526	(473)
Auxiliary Revenues	725	824	(99)	853	(29)
Miscellaneous	1,247	925	322	838	87
Total Operating Revenues	$ 43,795	$ 34,184	$ 9,611	$ 29,213	$ 4,971
Operating Expenses					
Instruction	$ 54,075	$ 51,672	$ 2,403	$ 48,269	$ 3,403
Instructional Resources	1,214	1,070	144	1,018	52
Student Services	9,328	8,612	716	8,521	91
General Institutional	7,675	7,242	433	6,575	667
Physical Plant	7,365	6,940	425	6,472	468
Student Aid	18,490	11,843	6,647	9,152	2,691
Public Services	252	384	(132)	335	49
Auxiliary Services	1,198	1,149	49	1,298	(149)
Depreciation	3,544	3,186	358	2,898	288
Total Operating Expenses	$ 103,141	$ 92,098	$ 11,043	$ 84,538	$ 7,560
Non-operating Revenues (Expenses)					
Property Taxes	$ 56,249	$ 53,911	$ 2,338	$ 51,080	$ 2,831
State Appropriations	7,519	6,826	693	6,628	198
State Capital Grants	21	1	20	-	1
Federal Capital Grants	5	3	2	19	(16)
Other Grants	538	44	494	16	28
Donated Capital Assets	107	28	79	265	(237)
Gain on Sale of Capital Assets	(15)	53	(68)	54	(1)
Investment Income	69	210	(141)	617	(407)
Interest Expense	(1,280)	(1,269)	(11)	(1,134)	(135)
Total Non-operating Revenues (Expenses)	$ 63,213	$ 59,807	$ 3,406	$ 57,545	$ 2,262
Net increase (decrease) in assets	3,867	1,893		2,220	
Net Assets - beginning of year	36,790	34,897		32,677	
Net Assets - end of year	$ 40,657	$ 36,790		$ 34,897	

Operating revenues represent the charges for services offered by the District. During FY 2010 the District generated $43.8 million of operating revenue which is a 28.1% increase over FY 2009. Significant changes for the fiscal years are as follows:

Fiscal Year 2010 Compared to Fiscal Year 2009

- Net of scholarship allowances, student tuition and fees grew by over $843,000 or 7.8%. Without netting the scholarship allowances it would reflect a 19.2% increase or almost a $3.0 million increase. This is due to the District experiencing a 15.4% 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 52.8% or $8.7 million in FY 2010 compared to an increase of 26.8% or $3.5 in FY 2009 million due to the significant increase in financial aid funds provided for students as a result of the boost in student enrollment for FY 2010.

- Contract revenues experienced a reduction of 6.2% or $128,000 in FY 2010. With the economy still in a downtown less business and industry clients utilized the services of our Workforce and Development Division (WEDD) for customized training.

- Auxiliary revenues decreased by 12.0% or approximately $100,000, due in large part to a reduction in child care revenues and miscellaneous testing fees.

Fiscal Year 2009 Compared to Fiscal Year 2008

- Student tuition and fees grew by almost $1.6 million or 16.8%. This is due to the District experiencing a 7.3% increase in student FTE's (full-time equivalent), in addition to a 5.4% increase in program fee rates set by the state.

- Federal grants increased by 26.6% or $3.5 million primarily due to the significant increase in financial aid funds provided for students. The federal financial aid funds for students increased by $3.7 million over FY 2008, while the federal grants received for special revenue projects decreased by almost $200,000 from the prior fiscal year.

- State grants increased by 13.1% or $352,000 which is due to an 8.6% increase in funding provided for student financial assistance and a 13% increase in funds for special revenue grants.

- Contract revenues in FY 2009 experienced an 18.7% reduction or $473,000 as compared to a 17% increase in FY 2008. With the economy in a downtown less business and industry clients utilized the services of our Workforce and Development Division (WEDD) for customized training. Also our high school contract revenue was down by 7.6%.

Operating expenses are costs incurred for providing education, training and related services. Operating expenses increased by 12.0% or $11.0 million in FY 2010 as compared to a 8.9% or $7.6 million increase in FY 2009. The significant changes for the fiscal years are as follows:

Fiscal Year 2010 Compared to Fiscal Year 2009

- Over 60% of the $11.0 million increase in operating expenses in FY 2010 is attributable to the $6.6 million increase in student aid. As discussed under the Federal grant revenue section above, a significant increase in financial aid funds were received and subsequently disbursed to students in the form of tuition payments and/or cash disbursements. Also in FY 2010 salaries and fringes increased by over $3.1 million or 5.0% due in part to wage increases of 3.0% for non-represented and represented employees, as well as, an additional $1.1 million paid to cover instructors, adjunct and overload instructional salaries to accommodate the increase in courses offered due to the increase in student enrollment.

- Student services increased by 8.3% or $716,000 due to the additional services provided and related expenses incurred as a result of the increased enrollment.

- Both general institutional and physical plant each experienced approximately a 6% or over a $400,000 increase as compared to FY 2009. The addition to the OPEB liability expense is the reason for the general institutional increase, while physical plant expenses are due to the District spending funds to cover the necessary facility repairs and maintenance.

Fiscal Year 2009 Compared to Fiscal Year 2008

- The largest increases in FY 2009 are due to a 6.7% or $2.8 million increase in salaries and wages over FY 2008 and a 29.4% or $2.7 million increase in student aid expense. The salary and wage increases were due in part to wage increases of 3.25% to 4.00% for non-represented and represented employees. But, the biggest factor is an additional $1.2 million paid to cover adjunct and overload instructional salaries to accommodate the increase in courses offered due to the increase in student enrollment.

- Student aid increased by 29.4% due to the increased enrollments and additional financial aid disbursed to those students.

- General institutional reflects an increase of 10.1% or approximately $667,000 as compared to a decrease of 4.6% or $318,000 in FY 2008. Almost $547,000 of this increase is due to the District recognizing the OPEB liability expense as required by GASB 45. Please see footnote #7 for additional information.

- Physical plant reflects a 7.2% or $468,000 increase over FY 2008 due to a concerted effort to make the necessary facility repairs for the Districts various campuses.

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 allocation of state revenue and giving the individuals the authority to levy property taxes in the municipalities they serve. Overall, non-operating revenues, net of interest expense, increased by $3.4 million or 5.7% in FY 2010 compared to $2.3 million or 3.9% in FY 2009. The significant components of the fiscal years are as follows:

- Property taxes are the biggest source of revenue for the District comprising 51.9% of our revenue source in FY 2010. Property taxes levied for the year were $56.2 million, an increase of 4.3% over the $53.9 million levied in FY 2009.

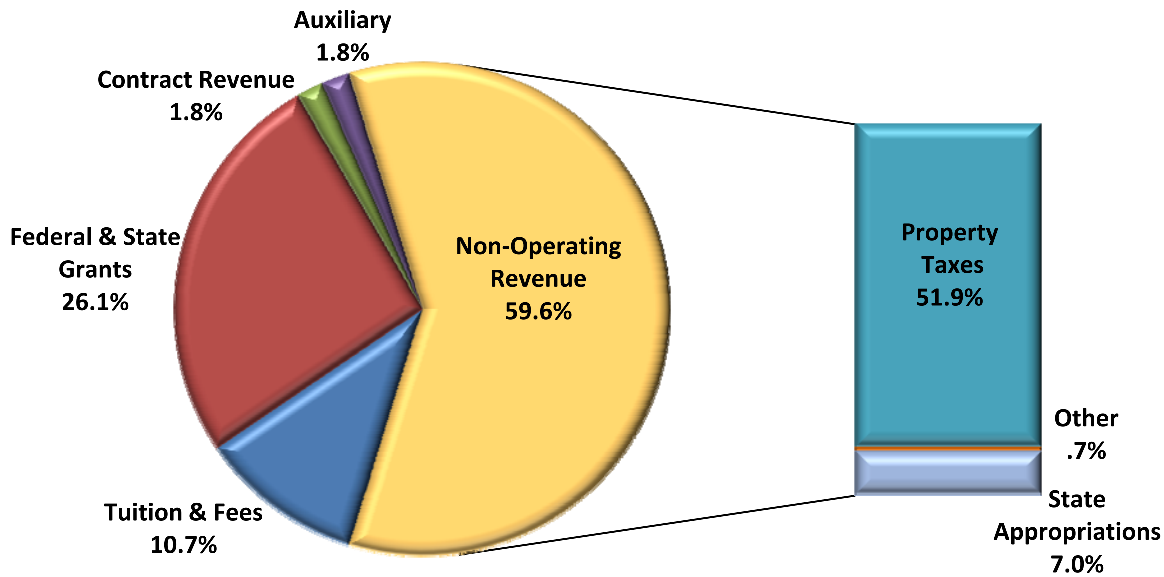
- The District experienced a significant 10.2% or $693,000 increase in state operating appropriations for FY 2010 as compared to a 3% or $198,000 increase in FY 2009. The amount of state aids received is based on a complicated formula that takes into consideration activities of the other fifteen technical 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. A combination of the 15.4% increase in FY 2010 FTE for the District as well as expenditure increases and a prior year related adjustment of $188,000 in additional funds accounts for the increase.

- Investment income continued to decrease in FY 2010 by $141,000 or 67.1% from FY 2010 to FY 2009 as returns continued to decline on investments due to the poor market conditions. The effective interest rates on funds decreased from an average of .52% in June of 2009 to an average of .24% in June of 2010.

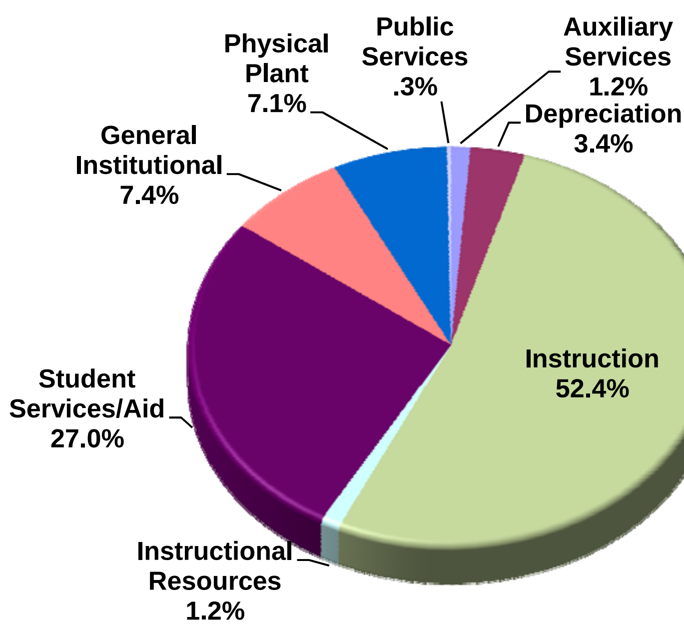
Non-operating expenses consist of interest expense on long-term debt. This expense was fairly consistent between FY 2010 and FY 2009 with a slight .8% increase.

The following graphs represent the distribution of revenues and operating expenses for the fiscal year ended June 30, 2010.

Revenues



Operating Expenses



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)

	2010	2009	Incr (Decr) 2010-2009	2008	Incr (Decr) 2009-2008
Cash Used By Operating Activities	$ (54,913)	$ (54,485)	$ (428)	$ (54,775)	$ 290
Cash Provided By Non-Capital Financing Activities	62,716	58,790	3,926	56,447	2,343
Cash Used By Capital and Related Financing Activities	(4,938)	(5,435)	497	(4,468)	(967)
Cash Provided By (Used for) Investing Activities	41	210	(169)	628	(418)
Net Increase (Decrease) in Cash and Cash Equivalents	$ 2,906	$ (920)	$ 3,826	$ (2,168)	$ 1,248

Fiscal Year 2010 Compared to Fiscal Year 2009
Overall, in FY 2010, cash and cash equivalents increased by $2.9 million or 31% compared to FY 2009 year end balances.

Net cash used for operating activities increased slightly from $(54.5 million) in FY 2009 to $(54.9 million) in FY 2010. The significant increases in the receipt and disbursal of FY 2010 funds relates to the Federal funds received and subsequently disbursed to students. Of the $6.8 million increase in payments for goods and services, $5.6 million or a 57.6% increase relates to cash disbursed to students for financial aid funds. Payments for employees' salaries and fringe benefits increased by $3.1 million or 4.9%.

Cash provided by non-capital financing activities increased by approximately $3.9 million due to the increase in tax levy revenue receipts of $3.1 million and state appropriations increasing by $800,000. Short-term borrowing needs decreased in FY 2010 by $1.0 million. Please see footnote #5 for additional information.

Net cash used for capital and related financing activities increased by almost $500,000 due to the following activity. Donated funds received for capital assets increased by approximately $500,000 due to Snap-On Inc.'s contribution towards the Advanced Propulsion Center addition. Purchases of capital assets and funds spent on construction/remodeling increased by $2.3 million or 42.7%. This was offset by the $5.6 million increase in proceeds from issuance of capital debt and the increase in debt payments of $3.3 million. The District increased its borrowing to fund construction of the Advanced Propulsion center and various remodeling projects. $3.1 million of the increase in bonds proceeds and debt payments relates to the District borrowing funds for the early refunding of debt. Please see footnote #5 for further details.

Cash provided by investing activities decreased by $170,000. This decrease is a result of the District experiencing a lower rate of return on its investments as interest rates continued to decline due to the slowdown in the economy.

Fiscal Year 2009 Compared to Fiscal Year 2008

Overall, in FY 2009, cash and cash equivalents decreased by almost $1.0 million or 8.9% compared to FY 2008 year end balances.

Net cash used for operating activities decreased slightly from $(54.8 million) in FY 2008 to $(54.5 million) in FY 2009. Cash received from tuition, grants, contracts and other sources increased by $4.8 million while cash payments for employees, materials and services increased by $4.5 million. The largest component of cash used in operating activities was payments for materials and services which increased $4.1 million or 19.7%. This is mainly due to the significant increase in funds disbursed in FY 2009 for students' financial aid. These payments increased by $2.7 million or 29.4%. In addition payments for supplies, repairs, maintenance, and insurance increased by $1.0 million compared to FY 2008.

Cash provided by non-capital financing activities increased by approximately $2.3 million similar to FY 2008 due to the increase in tax levy revenue receipts. The pension obligation was paid off as of FY 2008 so no funds were expended in FY 2009 for this.

Net cash used for capital and related financing activities increased by almost $1.0 million. This was mainly due to the increase in debt principal and interest payments by $818,000 and a decrease in funds received from the sale of capital assets by $161,000 compared to FY 2008.

Cash provided by investing activities decreased by $418,000. This decrease is a result of the District experiencing a lower rate of return on its investments as interest rates declined considerably due to the slowdown in the economy.

During FY 2009 the District needed to short-term borrow $3,500,000 to meet the cash flow timing differences between December 2008 and January 2009. Tax levy funds are due to the District by January 15th and in order to cover operating expenses before the receipt of the tax levy, funds were borrowed in December and repaid in January.

Capital Asset and Debt Administration

Stated in Thousands ($000)

	2010	2009	2010-2009	2008	2009-2008
Land and Land Improvements	$ 5,084	$ 5,052	$ 32	$ 4,506	$ 546
Less Accumulated Depreciation	(868)	(726)	(142)	(603)	(123)
Buildings, Improvements and Leasehold Interest/Improvement	58,530	53,949	4,581	49,141	4,808
Less Accumulated Depreciation	(26,222)	(24,393)	(1,829)	(22,802)	(1,591)
Equipment	22,896	19,726	3,170	18,316	1,410
Less Accumulated Depreciation	(12,644)	(11,229)	(1,415)	(9,837)	(1,392)
Construction in Progress	1,086	865	221	1,911	(1,046)
Cost of Capital Assets Net of Accumulated Depreciation	$ 47,862	$ 43,244	$ 4,618	$ 40,632	$ 2,612
Outstanding Capital Debt at Year End	$ 33,145	$ 29,650	$ 3,495	$ 28,460	$ 1,190

Fiscal Year 2010 Compared to Fiscal Year 2009

Capital assets, net of accumulated depreciation, increased by $4.6 million from FY 2010 to FY 2009. The largest increase was in Buildings and Leasehold Improvements, net of accumulated depreciation, of over $2.7 million. Major projects included the construction of the Advanced Propulsion Center addition at the Horizon Center ($2.0 million), the Welding Lab remodel in Racine ($861,000), the Health Wing remodel in Elkhorn ($465,000), and building automation systems ($522,000) installed in Kenosha and Racine. 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 $33.1 million at June 30, 2010, an increase of $3.5 million from the previous year-end. As of FY 2010 year end the District received the highest rating of Aaa from Moody's Investors Services for the debt issues. This is due to Moody's recalibration of all ratings to the Global Rating scale. 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 2009 Compared to Fiscal Year 2008

Capital assets, net of accumulated depreciation, increased by $2.6 million from FY 2009 to FY 2008. The largest increase was in Buildings and Leasehold Improvements of over $3.2 million. Some of the major capital remodeling projects completed involved several projects at the Racine campus including; $507,000 for the Allied Health and $776,000 for the Science Lab wings, $287,000 for the Business Center and $498,000 for the Industrial Mechanic Lab. Other expenditures included $477,000 for the Horizon center parking lot expansion and $556,000 for Energy management lighting at a couple campuses.

Construction in progress decreased by $1.0 million as remodeling projects were completed and added to Building Improvements. 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 $29.7 million at June 30, 2009, an increase of $1.2 million from the previous year-end. Gateway's rating during FY 2009 was a Aa1 rating from Moody's Investors Services for the debt issues.

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		Actual on a Budgetary Basis	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local government - tax levy	$ 46,736,000	$ 46,736,000	$ 46,783,873	$ 47,873
Intergovernmental revenue:				
State aids	6,870,000	6,870,000	7,663,112	793,112
Federal	-	-	18,910	18,910
Tuition and fees:				
Statutory program fees	12,384,295	12,384,295	14,653,706	2,269,411
Material fees	736,725	736,725	806,132	69,407
Other student fees	1,524,480	1,524,480	1,656,273	131,793
Miscellaneous - institutional revenue	3,751,500	3,751,500	2,906,592	(844,908)
Total revenues	72,003,000	72,003,000	74,488,598	2,485,598
Expenditures				
Current:				
Instruction	49,532,321	49,688,321	49,687,181	1,140
Instructional resources	1,249,054	1,249,054	1,212,743	36,311
Student services	7,361,089	7,623,089	7,622,951	138
General institutional	6,789,322	6,371,322	6,309,285	62,037
Physical plant	7,071,214	7,071,214	7,032,748	38,466
Total expenditures	72,003,000	72,003,000	71,864,908	138,092
Net change in fund balance	-	-	2,623,690	2,623,690
Fund balance				
Beginning of year	15,660,054	15,660,054	15,660,054	-
End of year	$ 15,660,054	$ 15,660,054	$ 18,283,744	$ 2,623,690

No adjustments were necessary for the overall revenue and expenditure budget totals. The District board approved a reallocation of the expenditure budget between instruction, student services, and general institutional. General institutional was decreased by $418,000 while Instruction and Student services were increased by

$156,000 and $262,000 respectively. The General fund expenses, in total, were under budget by $138,000.

The most significant budget to actual variations for revenue was:

- State aids were $793,000 higher than budgeted due to the FTE increase as well as expenditure increases which affect the allocation of state aid to sixteen technical college districts in WI.

- Program fees were $2.3 million over budget due to a 15.4% increase in student FTE's combined with a Wisconsin State Technical College System set fee increase of 4.5% over FY 2009 rates.

- Miscellaneous institutional revenue was under budget by approximately $845,000 due to investment income coming in under budget of $176,000 and contract revenues under budget by $895,000. It was offset by bookstore commissions earning $153,000 over budget.

Financial Position

Gateway's financial position remains strong in FY 2010. This is evidenced by the following positive financial results:

- An increase in net assets of $3.9 in FY 2010, more than twice the FY 2009 increase of $1.9 million.

- The current ratio (current assets compared to current liabilities) increased to 2.81 in FY 2010 as compared to 2.74 in FY 2009.

- The General fund reserves as of fiscal year end were $18.3 million, which is a healthy 24.5% of the funds revenues.

The District has a diversified revenue base consisting of property taxes, state aid, student fees, contracted services and grants. This mix of revenue sources provides additional assurance that the District has adequate resources to continue to achieve its mission of training and economic development.

The District's financial condition is evaluated periodically by Moody's Investors Services. The most recent credit report cites the following:

> *"The Aaa rating reflects the district's substantial tax base strategically located between Milwaukee and Chicago; sound financial operations supported by healthy reserve; significant taxing margin under the state-imposed operating mill rate cap; and an average debt burden with conservatively structured direct debt."*

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. Gateway offers over 40 two year associate degrees in various fields including health, engineering, transportation, business, technology, and human services. In addition our innovative short-term training programs have drawn national attention due to their success in getting dislocated workers back in the workforce. The College continues to grow, offer more programs, upgrade technology, and continue to improve its facilities.

In order to meet Gateway's 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",* several key financial challenges must be met.

First, expenses will continue to increase as a result of increased enrollments and new programming. As typically occurs, during a poor economic environment, the Wisconsin Technical Colleges' experience enrollment increases as workers seek additional skills to compete in the tough job market. In fiscal year 2010 Gateway experienced a 15.4% growth in FTE's while the WTCS average was 10.4%. The District has been very diligent in its budgeting process to address rising costs and realign resources to the academic areas in most demand.

With no increase in state funding for the WTCS system, more of the financing burden is derived from property taxes and student fees. The District operates in a political environment that focuses on keeping property taxes low. These pressures along with limited state aid create an environment where the District will be challenged to provide the same level of services year after year.

The current economic recession has caused property values to decline in all areas of the region. The 2010 valuations of the District's property values went down by 4.34% as compared to a .28% reduction in 2009. The state average for all of the technical college's was a reduction of 3.06% in 2010 as compared to .53% decrease in 2009. Because the District's current tax rate is well below the mill rate of $1.50, we are well positioned to weather the recession and the decline in tax base.

The unemployment rate remained high in 2010 as a result of the economic recession. As of June 2010 the unemployment rate was 10.3%, 9.7% and 8.1% for Kenosha, Racine, and Walworth counties while the state average was 8.1%. These conditions create the demand for more program offerings and training services to meet the needs of dislocated workers.

These challenges will 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 2012 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, 2010 and 2009

	2010	2009
ASSETS		
Current assets		
Cash and cash equivalents	$ 7,975,098	$ 5,361,103
Restricted assets - cash and cash equivalents	4,321,162	4,029,192
Receivables:		
Property taxes	16,774,084	15,930,990
Accounts, net of reserve of $346,000 and $246,000 for 2010 and 2009, respectively	2,941,624	2,253,360
Federal and state aid	1,186,299	1,206,444
Inventory	11,223	-
Prepaid expenses	1,553,602	1,486,406
Debt issuance costs	13,644	-
Total Current assets	34,776,736	30,267,495
Non-current assets		
Debt issuance costs	82,752	-
Capital assets	87,596,253	79,592,107
Less: accumulated depreciation	(39,734,339)	(36,347,901)
Total capital assets, net of depreciation	47,944,666	43,244,206
Total Assets	82,721,402	73,511,701
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	2,802,704	2,207,223
Accrued payroll and benefits	2,331,197	2,020,956
Accrued interest payable	281,112	281,653
Due to students and other groups	603,843	529,218
Unearned revenue	515,358	438,751
General obligation debt - current portion	5,854,114	5,575,000
Total Current liabilities	12,388,328	11,052,801
Non-current liabilities		
General obligation debt	27,462,911	24,075,000
Other postemployment benefits	1,238,128	546,885
Unearned revenue	975,514	1,047,253
Total Non-current liabilities, less current portion	29,676,553	25,669,138
Total Liabilities	42,064,881	36,721,939
NET ASSETS		
Invested in capital assets, net of related debt	17,579,877	16,438,878
Restricted for:		
Debt service	1,101,458	891,867
Student financial assistance:		
Expendable	176,611	165,992
Nonexpendable	-	11,000
Student organizations	609,593	683,337
Unrestricted	21,188,982	18,598,688
Total Net Assets	$ 40,656,521	$36,789,762

The accompanying notes are an integral part of this statement.

GATEWAY TECHNICAL COLLEGE DISTRICT

Statements of Revenues, Expenses and Changes in Net Assets
For the years ended June 30, 2010 and 2009

	2010	2009
Operating revenues		
Student tuition and program fees, net of scholarship allowances of $ 6,803,898 and $ 4,686,654 for 2010 and 2009, respectively	$ 11,602,472	$ 10,761,259
Federal grants	25,323,977	16,575,978
State grants	2,971,504	3,044,816
Contract revenue	1,924,763	2,053,234
Auxiliary enterprise revenues	725,250	823,449
Miscellaneous - institutional revenue	1,247,461	925,416
Total operating revenues	43,795,427	34,184,152
Operating expenses		
Instruction	54,075,497	51,672,106
Instructional resources	1,214,433	1,070,094
Student services	9,328,200	8,611,661
General institutional	7,675,036	7,242,051
Physical plant	7,364,494	6,939,730
Student aid	18,489,556	11,842,905
Public services	252,494	384,102
Auxiliary services	1,198,058	1,149,043
Depreciation	3,543,647	3,186,169
Total operating expenses	103,141,415	92,097,861
Net operating loss	(59,345,988)	(57,913,709)
Non-operating revenues (expenses)		
Property taxes	56,248,873	53,910,836
State appropriations	7,518,927	6,825,727
State capital grants	20,442	1,504
Federal capital grants	4,793	2,562
Other grants	538,267	44,202
Donated capital assets	106,733	28,000
Gain (loss) on sale of capital assets	(14,631)	52,927
Investment income	69,363	210,390
Interest expense	(1,280,020)	(1,269,463)
Total non-operating revenues (expenses)	63,212,747	59,806,685
Change in net assets	3,866,759	1,892,976
Net assets - beginning of year	36,789,762	34,896,786
Net assets - end of year	$ 40,656,521	$ 36,789,762

The accompanying notes are an integral part of this statement.

GATEWAY TECHNICAL COLLEGE DISTRICT

Statements of Cash Flows
For the years ended June 30, 2010 and 2009

Cash flows from operating activities	2010	2009
Tuition and fees received	$ 11,102,266	$ 10,335,908
Federal and state grants received	28,518,467	19,227,943
Contract revenues received	1,710,959	2,501,187
Payments to employees including related benefits	(66,475,881)	(63,374,035)
Payments for materials and services	(31,671,777)	(24,854,290)
Auxiliary enterprise revenues received	727,582	824,012
Other receipts	1,175,722	853,677
Net cash used for operating activities	(54,912,662)	(54,485,598)
Cash flows from non-capital financing activities		
Local government property taxes received	55,405,779	52,281,317
State appropriations received	7,316,086	6,515,727
Proceeds from short-term borrowing	2,500,000	3,500,000
Payments on short-term borrowing, including interest	(2,506,250)	(3,507,057)
Net cash provided by noncapital financing activities	62,715,615	58,789,987
Cash flows from capital and related financing activities		
State and federal grants received for capital assets	25,235	4,066
Gifts and other grants received for capital assets	538,267	44,202
Proceeds from sale of capital assets	13,783	52,927
Purchases of capital assets	(7,833,725)	(5,489,629)
Proceeds from issuance of capital debt	12,110,000	6,500,000
Premium received on debt issuance	205,422	-
Debt issuance costs paid	(96,396)	-
Principal paid on capital debt	(8,615,000)	(5,310,000)
Interest paid on capital debt	(1,285,406)	(1,236,671)
Net cash used for capital and related financing activities	(4,937,820)	(5,435,105)
Cash flows from investing activities		
Investment income received	40,832	210,416
Net increase (decrease) in cash and cash equivalents	2,905,965	(920,300)
Cash and cash equivalents		
Beginning of year	9,390,295	10,310,595
End of year	$ 12,296,260	$ 9,390,295

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

Cash and cash equivalents	$ 7,975,098	$ 5,361,103
Restricted assets - cash and cash equivalents	4,321,162	4,029,192
	$ 12,296,260	$ 9,390,295

GATEWAY TECHNICAL COLLEGE DISTRICT

Statements of Cash Flows - Continued
For the years ended June 30, 2010 and 2009

Reconciliation of operating (loss) to net cash used by operating activities:	2010	2009
Operating loss	$ (59,345,988)	$ (57,913,709)
Adjustment to reconcile operating loss to net cash used by operating activities:		
Depreciation	3,543,647	3,186,169
Changes in assets and liabilities:		
(Increase) decrease		
Receivables	(465,299)	(70,320)
Inventory	(11,223)	-
Prepaid expenditures	(67,196)	(172,456)
Increase (decrease)		
Accounts payable and accrued liabilities	352,420	(73,962)
Accrued payroll and benefits	310,241	264,085
Other post employment benefits	691,243	546,885
Due to agency organizations	74,625	68,814
Unearned revenue	4,868	(321,104)
Net cash used for operating activities	$ (54,912,662)	$ (54,485,598)

The accompanying notes are an integral part of this statement.

(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 as well as applicable Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Review Boards of the Committee on Accounting Procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. When applicable, certain prior year amounts have been reclassified to conform to current year presentation. The following is a summary of the more significant 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.

(h) 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 other accrued liabilities is the amount of compensated absences outstanding at June 30, 2010 and 2009, which was $386,000 and $343,618 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.

(i) 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.

(j) 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)

(k) 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.

(l) 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

(m) 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)

(m) 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.

(n) New Accounting Pronouncements

In June 2004, GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions.* This statement established standards for the measurement, recognition, and display of other postemployment benefits (OPEB) expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information in the financial report. OPEB includes postemployment healthcare, as well as other forms of postemployment benefits (i.e., life insurance) when provided separately from a pension plan. The District implemented the standard for the fiscal year ending June 30, 2009.

Notes to Financial Statements

June 30, 2010 and 2009

(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	2010	2009
Cash on hand	$ 33,977	$ 38,673
Demand deposits	8,356,201	3,989,057
Repurchase agreements	-	1,988,359
Certificates of Deposit	-	11,000
Wisconsin Local Government Investment Pool	3,906,082	3,363,206
Total Cash and Cash Equivalents	$ 12,296,260	$ 9,390,295

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

Restricted for		
Capital Projects	$ 2,862,963	$ 2,844,672
Debt Service	1,458,199	1,173,520
Student Financial Assistance	-	11,000
	4,321,162	4,029,192
Unrestricted	7,975,098	5,361,103
Total Cash and Cash Equivalents	$ 12,296,260	$ 9,390,295

The cash, repurchase agreements and demand deposits are fully insured or collateralized by securities being held by the Federal Reserve Bank in the District's name. The value of the collateral for the deposits and repurchase agreements as of June 30, 2010 and 2009 was $20,429,750 and $23,052,787 respectively. The 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, 2010	Fair	Investment Maturities (in Years)	
Investment Type	Value	Less than 1	1-2
Repurchase Agreements	$ -	$ -	$ -
Wisconsin Local Government Investment Pool	3,906,082	3,906,082	-
	$ 3,906,082	$ 3,906,082	$ -

June 30, 2009	Fair	Investment Maturities (in Years)	
Investment Type	Value	Less than 1	1-2
Repurchase Agreements	$ 1,988,359	$ 1,988,359	$ -
Wisconsin Local Government Investment Pool	3,363,206	3,363,206	-
	$ 5,351,565	$ 5,351,565	$ -

As of June 30, 2010 and 2009, 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 repurchase agreements are collateralized with U.S. Government securities. All the

(2) Cash and Cash Equivalents (continued)

securities underlying the repurchase agreements had a Moody's Aaa rating or Standard and Poor's AAA rating. The Wisconsin Local Government Investment pool does not carry a credit quality rating.

Concentration of Credit Risk- Concentration of credit risk is the risk of loss attributed to the magnitude of an organization's investment in a single issuer. Any investment that represents 5 percent or more of total investments is required to be disclosed. Exempt from this disclosure are investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds, external investments pools, and other pooled investments. The District places no limit on the amount the District may invest in any one issuer. As of June 30, 2010 and June 30, 2009 the District had 0.0% and 37.2% respectively in repurchase agreements. The repurchase agreements matured each day and were collateralized by U.S. government securities and therefore, concentration risk was not applicable.

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 repurchase agreements are collateralized by securities held by the Federal Reserve Bank in the District's name and 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, 2010 and 2009 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, 2010, and 2009, were as follows:

	2010		2009	
	Mill Rate	Amount Levied	Mill Rate	Amount Levied
Operating levy	1.12328	$ 49,242,000	1.07715	$ 47,351,262
Debt service levy	0.15874	6,959,000	0.14931	6,563,482
Total Property Tax Levy		$ 56,201,000		$ 53,914,744

(3) Property Tax (continued)

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 $202,841 and $204,227 in state aid revenue in lieu of property tax for the year ended June 30, 2010, and 2009, 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 $56,248,873 and $53,910,836 for the years ended June 30, 2010, and 2009, respectively, which includes the District’s property tax levy and miscellaneous other tax collection related adjustments.

Notes to Financial Statements

June 30, 2010 and 2009

(4) Capital Assets

Following are the changes in the District's capital assets for the years ended June 30, 2010, and 2009:

	2010			
	Balance July 1, 2009	Additions	Disposals	Balance June 30, 2010
Capital assets, not being depreciated:				
Land	$ 2,379,913	$ -	$ -	$ 2,379,913
Construction in progress	864,707	5,162,986	4,942,114	1,085,579
Total capital assets not depreciated	3,244,620	5,162,986	4,942,114	3,465,492
Capital assets, being depreciated:				
Land improvements	2,671,928	32,422	-	2,704,350
Buildings and improvements	51,173,974	4,521,551	-	55,695,525
Equipment	19,726,472	3,401,724	231,882	22,896,314
Leasehold interest	958,193	-	-	958,193
Leasehold improvement	1,816,920	59,459	-	1,876,379
Total capital assets being depreciated	76,347,487	8,015,156	231,882	84,130,761
Total Cost of Capital Assets	79,592,107	13,178,142	5,173,996	87,596,253
Less: Accumulated depreciation for				
Land improvements	726,506	141,235	-	867,741
Buildings and improvements	23,890,340	1,674,651	-	25,564,991
Equipment	11,228,950	1,572,235	157,209	12,643,976
Leasehold interest	274,832	48,811	-	323,643
Leasehold improvement	227,273	106,715	-	333,988
Total Accumulated Depreciation	36,347,901	3,543,647	157,209	39,734,339
Net Capital Assets	43,244,206	$ 9,634,495	$ 5,016,787	47,861,914
Plus capital project funds borrowed but not spent	2,844,672			2,862,963
Less: General obligation debt	(29,650,000)			(33,145,000)
Total Invested in Capital Assets, Net of Related Debt	$ 16,438,878			$ 17,579,877

(4) Capital Assets (continued)

	2009			
	Balance July 1, 2008	Additions	Disposals	Balance June 30, 2009
Capital assets, not being depreciated:				
Land	$ 2,379,913	$ -	$ -	$ 2,379,913
Construction in progress	1,910,914	2,488,393	3,534,600	864,707
Total capital assets not depreciated	4,290,827	2,488,393	3,534,600	3,244,620
Capital assets, being depreciated:				
Land improvements	2,125,958	545,970	-	2,671,928
Buildings and improvements	46,877,235	4,296,739	-	51,173,974
Equipment	18,316,163	1,490,778	80,469	19,726,472
Leasehold interest	958,193	-	-	958,193
Leasehold improvement	1,306,031	510,889	-	1,816,920
Total capital assets being depreciated	69,583,580	6,844,376	80,469	76,347,487
Total Cost of Capital Assets	73,874,407	9,332,769	3,615,069	79,592,107
Less: Accumulated depreciation for				
Land improvements	602,634	123,872	-	726,506
Buildings and improvements	22,436,874	1,453,466	-	23,890,340
Equipment	9,837,103	1,472,316	80,469	11,228,950
Leasehold interest	226,021	48,811	-	274,832
Leasehold improvement	139,569	87,704	-	227,273
Total Accumulated Depreciation	33,242,201	3,186,169	80,469	36,347,901
Net Capital Assets	40,632,206	$ 6,146,600	$ 3,534,600	43,244,206
Plus capital project funds borrowed but not spent	4,055,989			2,844,672
Less: General obligation debt	(28,460,000)			(29,650,000)
Total Invested in Capital Assets, Net of Related Debt	$ 16,228,195			$ 16,438,878

(4) Capital Assets (continued)

Burlington Building 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. 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, 2010 approximately $103,400 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, 2010, and 2009:

	July 1, 2009	Additions	Reductions	June 30, 2010	Due Within One Year
General Obligation Debt	$ 29,650,000	$ 12,110,000	$ 8,615,000	$ 33,145,000	$ 5,835,000
Plus deferred premium	-	191,139	19,114	172,025	19,114
Total Notes Payable	29,650,000	12,301,139	8,634,114	33,317,025	5,854,114
Accrued OPEB obligation	546,885	1,661,746	970,503	1,238,128	-
Totals	$ 30,196,885	$ 13,962,885	$ 9,604,617	$ 34,555,153	$ 5,854,114

	July 1, 2008	Additions	Reductions	June 30, 2009	Due Within One Year
General Obligation Debt	$ 28,460,000	$ 6,500,000	$ 5,310,000	$ 29,650,000	$ 5,575,000
Accrued OPEB obligation	-	1,525,010	978,125	546,885	-
Totals	$ 28,460,000	$ 8,025,010	$ 6,288,125	$ 30,196,885	$ 5,575,000

Notes to Financial Statements

June 30, 2010 and 2009

(5) Long-Term Obligations (continued)

General obligation debt outstanding at June 30, 2010, and 2009, consists of the following notes and bonds:

	2010	2009
General obligation Applied Technology Center Bonds, 3.75% to 4.75%, payable in annual installments of $75,000 to $670,000, plus interest, to April 1, 2017 (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).	$ 1,035,000	$ 4,425,000
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).	620,000	815,000
General obligation promissory notes, 2.00% to 4.00%, payable in annual installments of $65,000 to $80,000, plus interest, to April 1, 2011 (issued for $500,000 on May 1, 2004, through R.W. Baird & Co., to finance various facility remodeling and repair projects).	80,000	155,000
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).	455,000	560,000
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).	860,000	1,230,000
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).	1,550,000	4,060,000

(5) Long-Term Obligations (continued)

	2010	2009
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).	$ 575,000	$ 755,000
General obligation promissory notes, 4.0%, payable in annual installments of $105,000 to $1,610,000, plus interest, to April 1, 2011 (issued for $3,500,000 on October 12, 2006 through R.W. Baird & Co., to finance the acquisition of equipment).	1,610,000	2,650,000
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).	1,000,000	1,100,000
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).	920,000	1,000,000
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).	4,105,000	4,500,000
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).	1,000,000	1,000,000
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).	1,000,000	1,000,000

(5) Long-Term Obligations (continued)

	2010	2009
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).	$ 4,295,000	$ 4,400,000
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).	1,000,000	1,000,000
General obligation promissory notes, 2.50% to 3.40%, payable in annual installments of $70,000 to $130,000, plus interest, to April 1, 2019 (issued for $1,000,000 on May 13, 2009 through R.W. Baird & Co., to finance the Racine Welding Lab remodel and Broadband expansion).	930,000	1,000,000
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).	1,000,000	-0-
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).	5,500,000	-0-
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	-0-

(5) Long-Term Obligations (continued)

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).	4,610,000	-0-
Total General Long-Term Obligation Debt	$ 33,145,000	$ 29,650,000

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

Year Ending June 30	Principal	Interest	Total
2011	$ 5,835,000	$1,130,092	$ 6,965,092
2012	5,365,000	919,016	6,284,016
2013	5,610,000	746,688	6,356,688
2014	4,570,000	563,652	5,133,652
2015	3,365,000	415,726	3,780,726
2016-2020	8,400,000	612,853	9,012,853
	$33,145,000	$4,388,027	$37,533,027

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, 2010, the 5% limitation was $2,295,292,747 and the District's outstanding general obligation debt (net of resources available to pay principal and interest) was $32,043,542. The 5% limit, as of June 30, 2009, was $2,295,415,134; the District's outstanding general obligation debt (net of resources available to pay principal and interest) was $28,758,133.

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, 2010, the 2% limitation was $918,117,099 and the District's outstanding bonded indebtedness (net of resources available to pay principal and interest) was $1,011,713. The 2% limit, as of June 30, 2009, was $918,166,054; the District's outstanding bonded indebtedness (net of resources available to pay principal and interest) was $4,324,294.

On April 15, 2010, the District issued $4,610,000 in general obligation promissory notes. A portion of the promissory notes refunded $3,040,000 in general obligation Applied Technology Center bonds. The District has irrevocably deposited United States government securities and cash in escrow with an Escrow Trust agent for the purpose of

(5) Long-Term Obligations (continued)

generating resources for all future debt service payments. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net assets. The refunding resulted in an economic gain of $81,636 and a decrease in cash flow requirements to service the debt of $107,870.

Short-Term Debt

The following is a summary of changes in short-term obligations for the years ending June 30, 2010 and 2009.

	July 1, 2009	Additions	Reductions	June 30, 2010
Promissory notes interest rates (4.00%)	$ -	$ 2,500,000	$ 2,500,000	$ -

	July 1, 2008	Additions	Reductions	June 30, 2009
Promissory notes interest rates (2.95% - 3.70%)	$ -	$ 3,500,000	$ 3,500,000	$ -

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).

All permanent employees expected to work over 600 hours a year (440 hours for teachers) are eligible to participate in the WRS. Covered employees in the General/Teacher/Educational Support Personnel category are required by statute to contribute 6.2 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 4.8 percent of covered employee's salary).

(6) Retirement System (continued)

The District pays both the employee and employer required contributions to the plan as allowed by the WRS; its policy is to fund retirement costs accrued.

The payroll for Gateway Technical College employees covered by the WRS for the year ended June 30, 2010 was $42,129,834; the employer's total payroll was $46,047,447. The total required contribution paid for the year ended June 30, 2010 was $4,499,459, which consisted of $1,954,821 from the District and $2,544,638, or 6.0% of payroll from the District on behalf of the employees. Total contributions for the years ended June 30, 2009 and 2008 were $4,261,186 and $4,315,387, 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.

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. 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 financial report. Membership of the plan at June 30, 2010, the date of the latest actuarial valuation, was 560 active and 63 retired employees receiving benefits. In addition 179 retirees are receiving life insurance only benefits.

In accordance with its collective bargaining agreements and District policy, the District provides post-employment health, dental, long-term care, and life insurance benefits for eligible represented and non-represented employees. The plan provides 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 cover both active and retired members. Benefit provisions are established through collective bargaining agreements and District policy. The District paid health, dental, and long-term care benefits continue until the retiree reaches age 65 while coverage for the spouse lasts until the retiree or spouse reaches age 65, whichever comes first. If the retired employee's spouse is

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

(a) Plan Description (continued)

younger than he/she, the spouse may continue coverage until they reach age 65, for a maximum of 8 years, if they pay 100% of the premium.

For life insurance, eligible members are covered at one times annual salary to a maximum of $150,000. 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 are established through collective bargaining agreements and may only be amended through negotiations between the District and the respective union. 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 or long-term care benefits. If retired on or after October 1, 2004, retirees pay the amount of monthly contribution they paid immediately prior to retirement and receives health, dental and long-term care benefits. The retiree’s contribution amount varies depending on the year they retired. 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 2009, the District contributed $970,503 of which $788,905 paid the current year normal cost and an additional $181,598 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.

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

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

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	2010	2009
Annual required contribution	$ 1,670,281	$ 1,525,010
Interest on net OPEB	21,875	-
Adjustment to annual required contribution	(30,410)	-
Annual OPEB cost (expense)	1,661,746	1,525,010
Contributions made	(970,503)	(978,125)
Change in net OPEB obligation	691,243	546,885
OPEB obligation - beginning of year	546,885	-
OPEB obligation - end of year	$ 1,238,128	$ 546,885

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
6/30/09	$ 1,525,010	64.1%	$ 546,885
6/30/10	$ 1,661,746	58.4%	$ 1,238,128

(d) Funded Status and Funding Progress

The funded status as of June 30, 2010, the most recent actuarial valuation date was as follows:

Actuarial accrued liability (AAL)	$ 17,118,156
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	$ 17,118,156
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	$ 39,110,194
Ratio of UAAL to covered payroll	44%

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

(d) Funded Status and Funding Progress (continued)

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. Since the District implemented the regulation in fiscal year 2009, multi-year data is not available at this time.

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.

(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, 2010
Actuarial cost method	Projected Unit Credit
Amortization method	Level
Remaining amortization period	28 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 $200,000,000 per occurrence; general liability, auto, and educators' legal liability at $5,250,000 per occurrence; and workers' compensation at the statutorily required limits.

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

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

Each member college was assessed an annual premium that included a capitalization component to establish reserves for the company. In fiscal year 2008 several of the member colleges met their full required capital contribution. The total collected capitalization amount for members totaled $28,599 for both fiscal years 2010 and 2009, respectively.

For the year ended June 30, 2010, the District paid a premium of $458,318 with no capital component required. In addition the District received a refund of prior capital paid, in the amount of $21,161, which is reflected as a reduction of insurance expense for FY 2010. For 2009, the District paid a total premium of $458,318 with no capital component required. 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.

(8) Risk Management (continued)

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.

(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 center had a 12,000 square-foot addition construction-in-progress during the fiscal year. It was completed by September 2010.

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

Year Ending June 30	Amount
2011	$ 703,750
2012	680,291
2013	491,830
2014	449,403
2015	421,927
2016 - 2020	1,810,656
2021 - 2025	1,599,822
2026 - 2029	336,082
Total required minimum lease payments	$ 6,493,761

Rental expenses for all operating leases aggregated $827,786 and $785,358 for the years ended June 30, 2010 and 2009, 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, 2010 and June 30, 2009, the cost of the lease assets is $1,077,318 for both years and the depreciation is $270,910 and $233,473 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.

(9) Operating Leases (continued)

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

Year Ending June 30	Amount
2011	$ 87,834
2012	1,668
2013	1,668
2014	1,668
2015	1,668
2016-2020	8,340
2021-2023	5,000
Total future minimum lease revenue	$ 107,846

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, 2010 and 2009 was $239,097 and $252,127 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:

	2010	2009
Salaries and wages	$ 46,108,596	$ 43,890,665
Fringe benefits	20,677,526	19,747,456
Travel, memberships, professional dev.	740,879	780,231
Supplies and minor equipment	6,895,824	6,056,363
Contract services	2,405,619	2,325,998
Bank/Agency credit/collection fees	202,816	196,348
Rentals	827,786	785,358
Repairs and maintenance	664,938	742,014
Insurance	597,291	518,683
Utilities	1,631,353	1,762,077
Depreciation	3,543,647	3,186,169
Student aid	18,489,556	11,842,905
Student debt write-off	355,584	263,594
Total Operating Expenses	$ 103,141,415	$ 92,097,861

(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, 2009, seven additional technical colleges have joined. As of June 30, 2009 there are nine full members (CVTC, FVTC, GTC, LTC, MPTC, MSTC, NTC, NWTC, and WCTC), one participating member (WITC) and one service level agreement (Agnesian Healthcare). WISPALS is governed by the nine full member colleges' presidents and librarians, with each college having an equal vote. Through the joint venture each full member college owns one-ninth 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 nine full member colleges.

Gateway Technical College's share of the operating costs, for the years ended June 30, 2010 and 2009 was $44,732 and $43,263 respectively. The net assets for the joint venture increased, by $11,535 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, 2010 the District has commitments outstanding for construction projects of approximately $829,776. As of June 30, 2009 the commitments for construction projects were $1,258,232.

(13) Subsequent Events

On September 1, 2010, the District issued $4,500,000 Series 2010-11A General Obligation Promissory Notes, the proceeds of which are to be used for construction of an addition to the Elkhorn Campus and capital equipment purchases. Interest rates range from 2.00% to 3.50% with the first payment of principal due on April 1, 2011.

REQUIRED SUPPLEMENTARY INFORMATION

GATEWAY TECHNICAL COLLEGE DISTRICT

Schedules of Other Post-Employment Benefit Plan Information
June 30, 2010 and 2009

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)
6/30/09	$ -	$ 15,547,825	$ 15,547,825	0%	$37,949,578	41%
6/30/10	$ -	$ 17,118,156	$ 17,118,156	0%	39,110,194	44%

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution (ARC)	Employer Contribution	Percentage of ARC Contributed	Net OPEB Obligation
6/30/09	$ 1,525,010	$ 978,125	64.1%	$ 546,855
6/30/10	$ 1,670,281	$ 970,503	58.4%	$1,238,128

The District is required to present the above information for the three most recent actuarial studies. The studies completed as of June 30, 2009 and 2010 were the only studies performed for the District for the respective plan.

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)
Year Ended June 30, 2010

	Budget Amounts Original	Budget Amounts Final	Actual on a Budgetary Basis	Variance with Final Budget-Over (Under)
Revenues				
Local government - tax levy	$ 46,736,000	$ 46,736,000	$ 46,783,873	$ 47,873
Intergovernmental revenue:				
State aids	6,870,000	6,870,000	7,663,112	793,112
Federal	-	-	18,910	18,910
Tuition and fees:				
Statutory program fees	12,384,295	12,384,295	14,653,706	2,269,411
Material fees	736,725	736,725	806,132	69,407
Other student fees	1,524,480	1,524,480	1,656,273	131,793
Miscellaneous - institutional revenue	3,751,500	3,751,500	2,906,592	(844,908)
Total revenues	72,003,000	72,003,000	74,488,598	2,485,598
Expenditures				
Current:				
Instruction	49,532,321	49,688,321	49,687,181	1,140
Instructional resources	1,249,054	1,249,054	1,212,743	36,311
Student services	7,361,089	7,623,089	7,622,951	138
General institutional	6,789,322	6,371,322	6,309,285	62,037
Physical plant	7,071,214	7,071,214	7,032,748	38,466
Total expenditures	72,003,000	72,003,000	71,864,908	138,092
Net change in fund balance	-	-	2,623,690	2,623,690
Fund balance				
Beginning of year	15,660,054	15,660,054	15,660,054	-
End of year	$ 15,660,054	$ 15,660,054	$ 18,283,744	$ 2,623,690

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)
Year Ended June 30, 2010

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget-Over (Under)
	Original	Final		
Revenues				
Local government - tax levy	$ 2,307,373	$ 2,206,000	$ 2,206,000	$ -
Intergovernmental revenue:				
State aids	1,201,465	1,201,465	996,921	(204,544)
Federal	1,607,082	1,607,082	1,709,446	102,364
Miscellaneous - institutional revenue	63,080	63,080	38,624	(24,456)
Total revenues	5,179,000	5,077,627	4,950,991	(126,636)
Expenditures				
Current:				
Instruction	3,275,647	3,275,647	3,157,239	118,408
Student services	962,845	962,845	839,268	123,577
General institutional	619,868	619,868	368,561	251,307
Public services	320,640	320,640	316,509	4,131
Total expenditures	5,179,000	5,179,000	4,681,577	497,423
Net change in fund balance	-	(101,373)	269,414	370,787
Fund balance				
Beginning of year	2,632,241	2,632,241	2,632,241	-
End of year	$ 2,632,241	$ 2,530,868	$ 2,901,655	$ 370,787

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)
Year Ended June 30, 2010

	Budget Amounts Original	Budget Amounts Final	Actual on a Budgetary Basis	Variance with Final Budget-Over (Under)
Revenues				
Local government - tax levy	$ 55,000	$ -	$ -	$ -
Intergovernmental revenue:				
State aids	1,774,000	1,887,000	1,830,398	(56,602)
Federal	16,693,500	23,800,000	23,582,661	(217,339)
Tuition and fees - other student fees	650,000	755,000	763,409	8,409
Miscellaneous - institutional revenue	2,373,800	2,930,300	3,257,612	327,312
Total revenues	21,546,300	29,372,300	29,434,080	61,780
Expenditures				
Current:				
Student services	21,546,000	29,280,300	29,277,205	3,095
Total expenditures	21,546,000	29,280,300	29,277,205	3,095
Revenues over expenditures	300	92,000	156,875	64,875
Other financing uses				
Transfers out	(131,000)	(231,000)	(231,000)	-
Net change in fund balance	(130,700)	(139,000)	(74,125)	64,875
Fund balance				
Beginning of year	860,329	860,329	860,329	-
End of year	$ 729,629	$ 721,329	$ 786,204	$ 64,875

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)
Year Ended June 30, 2010

	Budget Amounts Original	Budget Amounts Final	Actual on a Budgetary Basis	Variance with Final Budget
Revenues				
Intergovernmental revenue:				
State	$ -	$ 13,000	$ 20,442	$ 7,442
Federal	-	505,000	4,793	(500,207)
Miscellaneous - institutional revenue	150,000	605,000	682,060	77,060
Total revenues	150,000	1,123,000	707,295	(415,705)
Expenditures				
Capital outlay:				
Instruction	3,000,000	2,975,000	2,777,185	197,815
Instructional resources	10,000	9,000	8,616	384
Student services	25,000	74,000	73,174	826
General institutional	940,000	815,000	814,413	587
Physical plant	4,131,000	6,536,000	5,512,598	1,023,402
Public services	25,000	20,000	12,517	7,483
Total expenditures	8,131,000	10,429,000	9,198,503	1,230,497
Revenues over (under) expenditures	(7,981,000)	(9,306,000)	(8,491,208)	814,792
Other financing sources				
Long-term debt issued	8,000,000	9,000,000	9,000,000	-
Transfers in	131,000	231,000	231,000	-
Total other financing sources	8,131,000	9,231,000	9,231,000	-
Net change in fund balance	150,000	(75,000)	739,792	814,792
Fund balance				
Beginning of year	684,026	684,026	684,026	-
End of year	$ 834,026	$ 609,026	$ 1,423,818	$ 814,792

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)
Year Ended June 30, 2010

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Local government - tax levy	$ 6,959,000	$ 6,959,000	$ 6,959,000	$ -
Miscellaneous - institutional revenue	100,000	195,000	355,083	160,083
Total revenues	7,059,000	7,154,000	7,314,083	160,083
Expenditures				
Physical plant	7,005,000	7,100,000	7,099,404	596
Total expenditures	7,005,000	7,100,000	7,099,404	596
Revenues over (under) expenditures	54,000	54,000	214,679	160,679
Other financing sources (uses)				
Proceeds of refunding bonds	-	-	3,110,000	3,110,000
Payment to bond escrow agent	-	-	(3,040,000)	(3,040,000)
Total other financing sources (uses)	-	-	70,000	70,000
Net change in fund balance	54,000	54,000	284,679	230,679
Fund balance				
Beginning of year	1,173,520	1,173,520	1,173,520	-
End of year	$ 1,227,520	$ 1,227,520	$ 1,458,199	$ 230,679

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 childhood lab, laptop lease program, and various other minor services are accounted for in the enterprise funds in a manner similar to accounting for private enterprise operations.

GATEWAY TECHNICAL COLLEGE DISTRICT

Enterprise Fund Schedule of Revenues, Expenses, and Changes in Net Assets
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2010

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Operating Revenues				
Local government - tax levy	$ 300,000	$ 300,000	$ 300,000	$ -
Intergovernmental revenue:				
Federal	10,000	10,000	12,960	2,960
Other student fees	188,500	188,500	289,167	100,667
Miscellaneous - institutional revenue	514,877	760,877	748,025	(12,852)
Total revenues	1,013,377	1,259,377	1,350,152	90,775
Operating Expenses				
Auxiliary services	1,013,377	1,259,377	1,259,086	291
Total expenses	1,013,377	1,259,377	1,259,086	291
Operating Income	-	-	91,066	91,066
Net Assets				
Beginning of year	859,478	859,478	859,478	-
End of year	$ 859,478	$ 859,478	$ 950,544	$ 91,066

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, 2010

ASSETS	General Fund	Special Revenue Funds Operating	Special Revenue Funds Non-Aidable	Capital Projects Fund	Debt Service Fund	Enterprise Fund	Agency Funds	Total	Reconciling Items	Statement of Net Assets
Assets										
Cash and investments	$ 7,974,998	$ -	$ -	$2,862,963	$1,458,199	$ 100	$ -	$ 12,296,260	$ -	$ 12,296,260
Receivables:										
Property taxes	16,774,084	-	-	-	-	-	-	16,774,084	-	16,774,084
Accounts, net of reserve of $ 346,000	2,780,262	45,500	-	-	-	5,507	110,355	2,941,624	-	2,941,624
Federal and state aid	-	868,520	316,039	-	-	1,740	-	1,186,299	-	1,186,299
Due from other funds	-	2,231,826	491,048	-	-	950,769	496,759	4,170,402	(4,170,402)	-
Inventory	-	-	-	-	-	11,223	-	11,223	-	11,223
Prepaid expenditures	1,553,602	-	-	-	-	-	-	1,553,602	-	1,553,602
Debt issuance costs	-	-	-	-	-	-	-	-	96,396	96,396
Capital assets	-	-	-	-	-	274,146	-	274,146	87,322,107	87,596,253
Less: accumulated depreciation	-	-	-	-	-	(259,707)	-	(259,707)	(39,474,632)	(39,734,339)
Total Assets	$ 29,082,946	$3,145,846	$ 807,087	$2,862,963	$1,458,199	$983,778	$ 607,114	$ 38,947,933	$ 43,773,469	$ 82,721,402
LIABILITIES AND FUND EQUITY										
Liabilities										
Accounts payable and accrued liabilities	$ 2,750,214	$ 36,996	$ 7,552	$ -	$ -	$ 7,585	$ 357	$ 2,802,704	$ -	$ 2,802,704
Employee-related payables	1,750,798	152,505	13,331	-	-	25,649	2,914	1,945,197	-	1,945,197
Accrued vacation payable	386,000	-	-	-	-	-	-	386,000	-	386,000
Accrued interest	-	-	-	-	-	-	-	-	281,112	281,112
Due to other funds	4,170,402	-	-	-	-	-	-	4,170,402	(4,170,402)	-
Due to students and other groups	-	-	-	-	-	-	603,843	603,843	-	603,843
Deferred revenue	1,382,974	49,715	-	-	-	-	-	1,432,689	(917,331)	515,358
Long-term liabilities	-	-	-	-	-	-	-	-	35,530,667	35,530,667
Total liabilities	10,440,388	239,216	20,883	-	-	33,234	607,114	11,340,835	30,724,046	42,064,881
Fund balances / net assets										
Investment in capital assets	-	-	-	-	-	-	-	-	17,579,877	17,579,877
Net assets										-
Unreserved/unrestricted	-	-	-	-	-	950,544	-	950,544	20,238,438	21,188,982
Fund balances:										-
Reserved for prepaid expenditures	1,553,602	-	-	-	-	-	-	1,553,602	(1,553,602)	-
Reserved for student organizations	-	-	609,593	-	-	-	-	609,593	-	609,593
Reserved for student financial assistance	-	-	176,611	-	-	-	-	176,611	-	176,611
Reserved for capital projects	-	-	-	1,423,818	-	-	-	1,423,818	(1,423,818)	-
Reserved for debt service	-	-	-	-	1,458,199	-	-	1,458,199	(356,741)	1,101,458
Unreserved - Designated for:										
Operations	15,990,142	2,901,655	-	-	-	-	-	18,891,797	(18,891,797)	-
State aid fluctuations/health insurance	740,000	-	-	-	-	-	-	740,000	(740,000)	-
Total fund balances / net assets	18,283,744	2,901,655	786,204	1,423,818	1,458,199	950,544	-	25,804,164	14,852,357	40,656,521
Reserve for encumbrances	358,814	4,975	-	1,439,145	-	-	-	1,802,934	(1,802,934)	-
Total Liabilities and Fund Equity	$ 29,082,946	$3,145,846	$ 807,087	$2,862,963	$1,458,199	$983,778	$ 607,114	$ 38,947,933	$ 43,773,469	$ 82,721,402

GATEWAY TECHNICAL COLLEGE DISTRICT

Schedule to Reconcile the Budgetary (Non-GAAP) Basis Financial Statements
to the Statement of Revenues, Expenses and Changes in Net Asset
Year Ended June 30, 2010

	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	$ 46,783,873	$ 2,206,000	$ -	$ -	$ 6,959,000	$ 300,000	$ 56,248,873	$ -	$ 56,248,873	
Intergovernmental revenue										
State	7,663,112	996,921	1,830,398	20,442	-	-	10,510,873	-	10,510,873	(1)
Federal	18,910	1,709,446	23,582,661	4,793	-	12,960	25,328,770	-	25,328,770	(2)
Tuition and fees:										
Statutory program fees	14,653,706	-	-	-	-	-	14,653,706	(5,265,310)	9,388,396	
Material fees	806,132	-	-	-	-	-	806,132	(302,773)	503,359	
Other student fees	1,656,273	-	763,409	-	-	289,167	2,708,849	(998,132)	1,710,717	
Miscellaneous - institutional revenue	2,906,592	38,624	3,257,612	682,060	355,083	748,025	7,987,996	(3,376,159)	4,611,837	(3)
Total revenues	74,488,598	4,950,991	29,434,080	707,295	7,314,083	1,350,152	118,245,199	(9,942,374)	108,302,825	
Expenditures										
Instruction	49,687,181	3,157,239	-	2,777,185	-	-	55,621,605	(1,546,108)	54,075,497	
Instructional resources	1,212,743	-	-	8,616	-	-	1,221,359	(6,926)	1,214,433	
Student services	7,622,951	839,268	29,277,205	73,174	-	-	37,812,598	(28,484,398)	9,328,200	
General institutional	6,309,285	368,561	-	814,413	-	-	7,492,259	182,777	7,675,036	
Physical plant	7,032,748	-	-	5,512,598	-	-	12,545,346	(5,180,852)	7,364,494	
Student aid	-	-	-	-	-	-	-	18,489,556	18,489,556	
Public services	-	316,509	-	12,517	-	-	329,026	(76,532)	252,494	
Depreciation	-	-	-	-	-	59,919	59,919	3,483,728	3,543,647	
Auxiliary services	-	-	-	-	-	1,199,167	1,199,167	(1,109)	1,198,058	
Debt Service:										
Principal	-	-	-	-	5,575,000	-	5,575,000	(5,575,000)	-	
Interest and fiscal charges	-	-	-	-	1,524,404	-	1,524,404	(244,384)	1,280,020	
Total expenditures	71,864,908	4,681,577	29,277,205	9,198,503	7,099,404	1,259,086	123,380,683	(18,959,248)	104,421,435	
Revenues over (under) expenditures	2,623,690	269,414	156,875	(8,491,208)	214,679	91,066	(5,135,484)	9,016,874	3,881,390	
Other financing sources (uses)										
Long-term debt issued	-	-	-	9,000,000	-	-	9,000,000	(9,000,000)	-	
Proceeds of refunding bonds	-	-	-	-	3,110,000	-	3,110,000	(3,110,000)	-	
Payment to bond escrow agent	-	-	-	-	(3,040,000)	-	(3,040,000)	3,040,000	-	
Gain/(loss) on sale/disposal of capital assets	-	-	-	-	-	-	-	(14,631)	(14,631)	
Transfers in	-	-	-	231,000	-	-	231,000	(231,000)	-	
Transfers out	-	-	(231,000)	-	-	-	(231,000)	231,000	-	
Total other financing sources (uses)	-	-	(231,000)	9,231,000	70,000	-	9,070,000	(9,084,631)	(14,631)	
Revenues and other fiinancing sources over (under) expenditures	2,623,690	269,414	(74,125)	739,792	284,679	91,066	3,934,516	(67,757)	3,866,759	
Fund balances/net assets										
Beginning of year	15,660,054	2,632,241	860,329	684,026	1,173,520	859,478	21,869,648	14,920,114	36,789,762	(4)
End of year	$ 18,283,744	$ 2,901,655	$ 786,204	$ 1,423,818	$ 1,458,199	$ 950,544	$ 25,804,164	$ 14,852,357	$ 40,656,521	

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, 2010

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

Operating	$ 2,971,504
Non-operating - State Appropriations	7,518,927
Non-operating - Capital Grants	20,442
Total	$ 10,510,873

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

Operating	$ 25,323,977
Non-operating - Capital Grants	4,793
	$ 25,328,770

(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	$ 725,250
Contract revenue	1,924,763
Miscellaneous revenue	1,247,461
Other grants	538,267
Donated capital assets	106,733
Investment income	69,363
Total	$ 4,611,837

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

	2010	2009
Budgetary basis fund equity	$ 25,804,164	$ 21,869,648
General capital assets - cost	87,596,253	79,592,107
Accumulated depreciation on capital assets	(39,734,339)	(36,347,901)
General obligation debt	(33,145,000)	(29,650,000)
Other post employment benefits	(1,238,128)	(546,885)
Reclass from capital asset to expense	(14,439)	(75,435)
Accrued interest on long-term debt	(281,112)	(281,653)
Summer school tuition and fees	989,070	751,387
Unamortized debt issuance costs	96,396	0
Unamortized premium on notes payable	(172,025)	0
Deferred revenue for govt-wide basis	(1,047,253)	(1,118,992)
Encumbrances	1,802,934	2,597,486
Net assets per basic financial statements	40,656,521	36,789,762

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Statistical Section

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.

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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.

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GATEWAY TECHNICAL COLLEGE DISTRICT

Net Assets by Component
Last Nine Fiscal Years
(accrual basis of accounting)

	2010	2009	2008	2007	2006	2005	2004	2003	2002
Invested in Capital Assets, net of Related Debt	$ 17,579,877	$ 16,438,878	$ 16,228,195	$ 14,108,750	$ 13,302,497	$ 12,834,119	$ 13,183,071	$ 10,846,911	$ 9,638,889
Restricted-expendable	1,887,662	1,741,196	1,624,629	1,390,446	1,714,082	1,331,530	1,157,455	1,170,809	1,259,196
Restricted-nonexpendable	-	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000
Unrestricted	21,188,982	18,598,688	17,032,962	17,166,821	16,234,066	15,741,589	16,387,471	16,140,333	15,885,745
Total Net Assets	$ 40,656,521	$ 36,789,762	$ 34,896,786	$ 32,677,017	$ 31,261,645	$ 29,918,238	$ 30,738,997	$ 28,169,053	$ 26,794,830

Note: The District implemented GASB Statements 34 and 35 beginning with the fiscal year ended June 30, 2003 and restated June 30, 2002 numbers for comparison.

GATEWAY TECHNICAL COLLEGE DISTRICT

Changes in Net Assets
Last Nine Fiscal Years

	2010	2009	2008	2007	2006	2005	2004	2003	2002
Operating Revenues									
Student tuition and program fees, net of scholarship allowances[1]	$ 11,602,472	$ 10,761,259	$ 9,209,849	$ 9,204,502	$ 8,540,801	$ 8,835,736	$ 8,655,210	$ 8,184,769	$ 7,046,904
Federal grants	25,323,977	16,575,978	13,092,509	12,791,779	13,584,444	7,955,313	7,907,194	6,273,891	5,567,901
State grants	2,971,504	3,044,816	2,692,464	2,706,640	2,554,174	2,255,096	2,067,520	2,084,383	2,183,959
Contract revenue	1,924,763	2,053,234	2,526,471	2,161,695	2,189,500	2,431,502	2,183,387	2,044,834	1,947,188
Auxiliary enterprise revenues	725,250	823,449	853,017	558,428	462,974	505,014	661,192	631,257	599,434
Miscellaneous - institutional revenue[1]	1,247,461	925,416	838,262	885,364	800,678	678,927	816,372	498,600	600,186
Total operating revenues	43,795,427	34,184,152	29,212,572	28,308,408	28,132,571	22,661,588	22,290,875	19,717,734	17,945,572
Operating Expenses									
Instruction	54,075,497	51,672,106	48,269,277	47,587,891	45,931,954	45,544,656	43,543,083	39,395,033	36,350,024
Instructional resources	1,214,433	1,070,094	1,017,882	1,225,491	1,227,300	1,050,064	1,224,316	1,167,795	1,119,890
Student services[1]	9,328,200	8,611,661	8,521,160	8,775,637	7,656,716	7,773,264	7,754,847	7,121,054	6,871,836
General institutional	7,675,036	7,242,051	6,574,419	6,893,336	7,115,812	6,820,544	6,365,357	6,651,562	6,539,843
Physical plant	7,364,494	6,939,730	6,471,693	6,237,124	5,911,484	5,795,086	5,149,322	6,744,323	4,054,514
Student aid[1]	18,489,556	11,842,905	9,151,817	8,919,036	9,784,156	5,146,925	4,782,520	4,225,503	3,739,829
Public service	252,494	384,102	335,213	317,558	300,708	297,502	274,186	249,069	197,978
Auxiliary enterprise services	1,198,058	1,149,043	1,298,310	993,729	891,585	976,406	818,088	1,044,474	833,761
Depreciation	3,543,647	3,186,169	2,897,941	2,583,246	2,501,129	2,281,202	2,012,339	1,608,085	1,401,669
Total operating expenses	103,141,415	92,097,861	84,537,712	83,533,048	81,320,844	75,685,649	71,924,058	68,206,898	61,109,344
Operating loss	(59,345,988)	(57,913,709)	(55,325,140)	(55,224,640)	(53,188,273)	(53,024,061)	(49,633,183)	(48,489,164)	(43,163,772)
Non-operating revenues (expenses)									
Property Taxes	56,248,873	53,910,836	51,079,902	49,101,201	47,291,043	45,118,323	43,321,592	41,946,643	40,555,951
State appropriations	7,518,927	6,825,727	6,627,536	7,131,956	7,464,990	7,621,031	8,458,088	8,108,577	6,642,419
State capital grants	20,442	1,504	-	-	1,305	2,168	7,442	40,470	76,991
Federal capital grants	4,793	2,562	19,247	7,900	1,730	9,261	556,641	-	-
Other grants	538,267	44,202	15,639	-	143,210	32,687	189,873	703,385	-
Donated capital assets	106,733	28,000	265,414	-	-	-	550,840	-	-
Gain (loss) on sale of capital assets	(14,631)	52,927	53,996	535,930	-	53,250	(28,442)	-	-
Investment income	69,363	210,390	617,039	911,205	714,778	412,183	201,753	319,905	414,132
Interest expense	(1,280,020)	(1,269,463)	(1,133,864)	(1,048,180)	(1,085,376)	(1,045,601)	(1,054,660)	(1,102,850)	(1,021,961)
Total non-operating revenues	63,212,747	59,806,685	57,544,909	56,640,012	54,531,680	52,203,302	52,203,127	50,016,130	46,667,532
Increase/(Decrease) in Net Assets	$ 3,866,759	$ 1,892,976	$ 2,219,769	$ 1,415,372	$ 1,343,407	$ (820,759)	$ 2,569,944	$ 1,526,966	$ 3,503,760

Note: The District implemented GASB Statements 34 and 35 beginning with the fiscal year ended June 30, 2003 and restated June 30, 2002 numbers for comparison.
(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 Nine Fiscal Years
(accrual basis of accounting)

Expense Classifications	2010	% of Total	2009	% of Total	2008	% of Total	2007	% of Total	2006	% of Total	2005	% of Total	2004	% of Total	2003	% of Total	2002	% of Total
Salaries and wages	$ 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%	$ 32,992,253	53.1%
Fringe benefits	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%	11,632,758	18.7%
Travel, memberships and subscriptions	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%	786,440	1.3%
Supplies and minor equipment[(1)]	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%	4,944,506	8.0%
Contract services	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%	2,701,503	4.3%
Bank/Agency credit/collection fees	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%	41,411	0.1%
Rentals	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%	432,307	0.7%
Repairs and maintenance	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%	840,277	1.4%
Insurance	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%	309,285	0.5%
Utilities	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%	1,165,129	1.9%
Depreciation	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%	1,401,669	2.3%
Student aid	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%	3,739,829	6.0%
Student debt writeoff	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%	121,977	0.2%
Total operating expenses	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%	61,109,344	98.4%
Interest expense	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%	1,021,961	1.6%
Loss on disposal of assets	14,631	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	28,442	0.1%	-	0.0%	-	0.0%
Total non-operating expenses	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	1.4%	1,083,102	1.5%	1,102,850	1.6%	1,021,961	1.6%
Total Expenses	$ 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%	$ 62,131,305	100.0%

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Note: The District implemented GASB Statements 34 and 35 beginning with the fiscal year ended June 30, 2003 and restated June 30, 2002 numbers for comparison.

(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 2010

County	Municipality	Taxable equalized valuation	Percent of total	Total tax levy
Kenosha	Town of:			
	Brighton	$ 205,280,800	0.468273 %	$ 263,174
	Bristol	603,573,400	1.376832	773,793
	Paris	233,480,700	0.532601	299,327
	Randall	550,378,000	1.255486	705,596
	Salem	1,216,792,700	2.775667	1,559,953
	Somers	800,978,100	1.827138	1,026,870
	Wheatland	350,424,200	0.799364	449,251
	Village of:			
	Genoa City	415,100	0.000947	532
	Paddock Lake	265,152,000	0.604847	339,930
	Pleasant Prairie	2,545,030,800	5.805556	3,262,781
	Silver Lake	197,287,700	0.450040	252,927
	Twin Lakes	882,277,501	2.012593	1,131,097
	City of Kenosha	6,313,920,600	14.402898	8,094,572
Racine	Town of:			
	Burlington	732,134,000	1.670096	938,611
	Dover	351,762,000	0.802416	450,966
	Norway	340,794,744	0.777398	436,905
	Raymond	474,953,700	1.083433	608,900
	Waterford	776,052,200	1.770279	994,915
	Yorkville	507,034,200	1.156613	650,028
	Village of:			
	Caledonia	2,234,855,400	5.098004	2,865,129
	Elmwood Park	43,137,400	0.098402	55,303
	Mount Pleasant	2,811,068,800	6.412424	3,603,846
	North Bay	39,562,200	0.090247	50,720
	Rochester	352,632,000	0.804401	452,081
	Sturtevant	368,297,300	0.840135	472,164
	Union Grove	320,196,000	0.730410	410,498
	Waterford	432,510,900	0.986615	554,487
	Wind Point	273,230,200	0.623275	350,287
	City of:			
	Burlington	718,518,700	1.639037	921,155
	Racine	3,907,445,750	8.913407	5,009,424

GATEWAY TECHNICAL COLLEGE DISTRICT

Equalized Value and Tax Levy Distribution by Municipality (continued)
Fiscal Year 2010

County	Municipality	Taxable equalized valuation	Percent of total	Total tax levy
Walworth	Town of:			
	Bloomfield	$ 513,859,600	1.172183 %	$ 658,779
	Darien	187,310,500	0.427280	240,136
	Delavan	1,133,725,800	2.586180	1,453,459
	East Troy	766,218,600	1.747847	982,307
	Geneva	1,049,951,400	2.395080	1,346,059
	Lafayette	258,414,500	0.589478	331,293
	LaGrange	850,510,600	1.940128	1,090,371
	Linn	1,979,172,401	4.514757	2,537,339
	Lyons	492,888,200	1.124344	631,893
	Richmond	265,146,700	0.604835	339,923
	Sharon	76,780,800	0.175147	98,434
	Spring Prairie	254,718,500	0.581047	326,554
	Sugar Creek	396,187,600	0.903757	507,920
	Troy	272,222,500	0.620976	348,995
	Walworth	245,600,800	0.560248	314,865
	Whitewater	325,744,000	0.743066	417,611
	Village of:			
	Darien	94,125,200	0.214712	120,670
	East Troy	329,092,500	0.750704	421,903
	Fontana	1,233,538,900	2.813867	1,581,421
	Genoa City	109,231,900	0.249173	140,038
	Mukwonago	13,929,700	0.031776	17,858
	Sharon	85,582,400	0.195225	109,718
	Walworth	216,050,900	0.492841	276,982
	Williams Bay	798,106,300	1.820587	1,023,188
	City of:			
	Burlington	565,000	0.001289	724
	Delavan	665,670,100	1.518483	853,403
	Elkhorn	597,947,300	1.363998	766,581
	Lake Geneva	1,265,311,001	2.886344	1,622,154
	Whitewater	511,068,100	1.165815	655,200
	Totals	$ 43,837,848,897	100 %	$ 56,201,000

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
2001	37,464,985	26,859,023	71.69	10,605,962	37,464,985	100.00
2002	40,573,084	29,374,807	72.40	11,198,277	40,573,084	100.00
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	-	39,426,916	70.15

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
2009 Equalized Valuation and Tax Levy

Municipality	County	Equalized value	Tax levy	Percentage of total tax levy
City of Kenosha	Kenosha	$ 6,313,920,600	$ 8,094,572	14.40 %
City of Racine	Racine	3,907,445,750	5,009,424	8.91
Village of Mount Pleasant	Racine	2,811,068,800	3,603,846	6.41
Village of Pleasant Prairie	Kenosha	2,535,677,400	3,262,781	5.81
Village of Caledonia	Racine	2,234,855,400	2,865,129	5.10
Town of Linn	Walworth	1,979,172,401	2,537,339	4.51
City of Lake Geneva	Walworth	1,265,311,001	1,622,154	2.89
Village of Fontana	Walworth	1,233,538,900	1,581,421	2.81
Town of Salem	Kenosha	1,216,792,700	1,559,953	2.78
Town of Delavan	Walworth	1,133,725,800	1,453,459	2.59
Total principal taxing districts		$ 24,631,508,752	$ 31,590,078	56.2 %
County:				
Racine		$ 14,684,185,494	$ 18,825,419	33.5 %
Kenosha		14,164,991,601	18,159,803	32.3
Walworth		14,988,671,802	19,215,778	34.2
		$ 43,837,848,897	$ 56,201,000	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

County	Name of Business	Type of Business	Year Ended June 30, 2010 — 2009 Equalized Valuation	Rank	Percent of District equalized valuation		Year Ended June 30, 2001 — 2000 Equalized Valuation	Rank	Percent of District equalized valuation	
Racine	S. C. Johnson & Son, Inc.	Manfacturing	$ 125,379,265	1	0.29	%	$ 61,531,000	1	0.28	%
	Racine Joint Venture (Regency Mall)	Shopping center	112,256,808	2	0.26		61,269,400	2	0.27	
	Continental 81 Fund LLC	Retail-Wal-Mart Stores	60,252,761	3	0.14					
	All Saints Health Care	Health care services	43,665,758	4	0.10		21,138,100	4	0.09	
	Centerpoint Properties Trust(2)	Insurance	38,106,704	5	0.09		-		-	
	Aurora Medical Group	Health care provider	34,810,262	6	0.08		-		-	
	CNH Global(1)	Manufacturing	31,889,468	7	0.07		34,574,800	3	0.16	
	Inland Southeast Mount Pleasant	Village Center strip mall	27,075,126	8	0.06		-		-	
	Bombardier Motor Corp	Manufacturing	20,111,206	9	0.05		-		-	
	High Ridge Improvements	DLC Management Corp	18,450,185	10	0.04		-		-	
	First Industrial Development Service	Manufacturing	-		-		17,903,200	5	0.08	
	American National Insurance	Insurance	-		-		16,000,800	6	0.07	
	California State Teacher	Real Estate	-		-		15,985,500	7	0.07	
	Rudd Lighting Inc.	Manufacturing	-		-		14,963,200	8	0.07	
	Westgate Shopping Center	Retail Mall	-		-		11,633,500	9	0.05	
	R-0 Associates of Racine	Real Estate	-		-		9,600,000	10	0.04	
Racine county total			$ 511,997,543		1.17	%	$ 264,599,500		1.19	%

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

County	Name of Business	Type of Business	2009 Equalized Valuation	Rank	Percent		2000 Equalized Valuation	Rank	Percent	
Kenosha(3)	Centerpoint Properties Trust	Commerical	$ 76,841,032	1	0.18	%				%
	Prime Outlets at Pleasant Prairie	Retail Mall	60,925,665	2	0.14		-		-	
	Affliated Foods Midwest Coop.	Manufacturing	51,381,998	3	0.12					
	CV II Lakeview LLC	Commercial	46,246,351	4	0.11		-		-	
	Southport Plaza Ltd. Partners	Commercial Real Estate	46,177,616	5	0.11		30,979,700	3	0.14	
	Ohiocubco	Property development	35,830,164	6	0.08		25,690,900	5	0.12	
	Chicago DC 2008 LLC	Commercial	31,720,553	7	0.07		-		-	
	Edward Rose Assoc. Apartments	Property management	31,982,168	8	0.07		22,679,500	6	0.10	
	Petretti Realty et Al.	Developer/Builder	29,733,751	9	0.07		19,849,300	8	0.09	
	FR - Kenosha LLC	Commercial	27,362,288	10	0.06		-		-	
	Wispark Corporation	Industrial park	-		-		75,228,600	1	0.34	
	First Horizon Group Ltd.	Property management	-		-		41,394,200	2	0.19	
	Dairyland Greyhound Park	Recreation/dog track	-		-		26,520,500	4	0.12	
	Corpus Addison Venture I	Commerical	-		-		20,253,900	7	0.09	
	Waste Management	Land fill	-		-		18,982,200	9	0.09	
	Shagbark Ltd, Partnership	Apartments	-		-		18,128,900	10	0.08	
Kenosha county total			$ 361,360,554		0.82	%	$ 299,707,700		1.34	%

(3) Estimated equalized valuations for 2009

County	Name of Business	Type of Business	2009 Equalized Valuation	Rank	Percent		2000 Equalized Valuation	Rank	Percent	
Walworth	DLK Enterprises, Inc.	Farm/Real Estate	$ 49,878,853	1	0.11	%	$ 23,486,400	1	0.11	%
	Grand Geneva Resort (Marcus Geneva	Resort	34,737,495	2	0.08		18,634,800	2	-	
	Wal-Mart	Retail store	34,071,411	3	0.08		-		-	
	Delavan Resort	Resort	28,665,745	4	0.07		-		0.00	
	Versacold-Cascade	Manufacturing	26,884,533	5	0.06		-		-	
	Kikkoman Foods Inc.	Manufacturing	23,894,804	6	0.05		13,158,500	5	0.06	
	Paloma Geneva National LLC	Resort	15,855,625	7	0.04		15,112,750	3	0.07	
	Lake Geneva Investors LLC	Investor	14,813,129	8	0.03		-		-	
	Wychwood - Wrigley Mngmt	Management company	14,707,721	9	0.03		-		-	
	Geneva Project	Development company	14,363,321	10	0.03		5,229,900	10	0.02	
	Lake Lawn Lodge	Resort	-		-		13,370,300	4	0.06	
	ABKA (The Abbey)	Resort	-		-		12,911,625	6	0.06	
	Geneva Lakes Cold Storage	Private business	-		-		12,134,900	7	0.05	
	Midwest Track Associates	Dog track	-		-		8,639,400	8	0.04	
	Individual	Estate	-		-		6,503,558	9	0.03	
Walworth county total			$ 257,872,637		0.59	%	$ 129,182,133		0.58	%
Grand total			$ 1,131,230,734		2.58	%	$ 693,489,333		3.11	%
Total District Equalized Valuation			$ 43,837,848,897				$ 22,286,342,703			

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 2001-2010

		Gateway District Direct Rates			School districts						
County	Year	Operational[2]	Debt Service	Direct Rate	elementary/ secondary	Local tax[3]	County tax	Other taxes[4]	Total property tax	State tax relief	Net total
Racine	2001	1.41	0.19	1.60	9.16	7.83	4.72	1.06	24.37	(1.54)	22.83
	2002	1.43	0.19	1.62	9.09	7.43	4.76	1.04	23.94	(1.46)	22.48
	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
Kenosha	2001	1.41	0.19	1.60	9.76	6.66	5.04	0.55	23.61	(1.51)	22.10
	2002	1.43	0.19	1.62	9.63	6.86	5.03	0.60	23.74	(1.40)	22.34
	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
Walworth	2001	1.41	0.19	1.60	10.00	3.86	5.08	1.11	21.65	(1.72)	19.93
	2002	1.43	0.19	1.62	9.71	3.79	5.14	1.13	21.39	(1.57)	19.82
	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

(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 2000-2009
(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
2000	18,176,837	3,745,598	932,571	222,420	96,880	433,350	627,973	24,235,629	23,361,009	1.60374
% of Total	75.0%	15.5%	3.8%	0.9%	0.4%	1.8%	2.6%			
2001	19,616,133	3,955,765	977,878	223,089	99,827	446,971	679,978	25,999,641	25,054,873	1.61937
% of Total	75.4%	15.2%	3.8%	0.9%	0.4%	1.7%	2.6%			
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%			

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.

(3) Information for personal property for calendar years 1998 is not available.

GATEWAY TECHNICAL COLLEGE DISTRICT

Ratio of Net Debt to Equalized Value
and Net Debt Per Capita
Fiscal Years 2001-2010

					Net debt[5]		
	Population[1]	Equalized Value- TID in[2]	Gross Debt [3]	Debt Service Net Assets Available[4]	Amount	Ratio to equalized valuation	Per Capita
			(Dollars in thousands, except per capita)				
2001	432,167	23,924,832	17,960	478	17,482	0.07	40
2002	433,456	25,681,383	23,450	647	22,803	0.09	53
2003	440,943	27,733,860	23,820	735	23,085	0.08	52
2004	444,957	30,180,566	23,740	725	23,015	0.08	52
2005	449,954	33,048,145	25,810	848	24,962	0.08	55
2006	453,979	36,761,650	26,715	1,035	25,680	0.07	57
2007	457,155	41,173,445	27,000	672	26,328	0.06	58
2008	459,730	44,361,307	28,460	840	27,620	0.06	60
2009	460,431	45,908,303	29,650	892	28,758	0.06	62
2010	461,172	45,905,855	33,145	1,101	32,044	0.07	69

(1) Wisconsin Department of Administration, Demographic Services Center. (2010 is an estimate.)

(2) The equalized value includes the TID in.

(3) Includes general obligation promissory notes and bonds.

(4) Effective with the 2002 year and the implementation of GASB 35 the nets assets available is reflected on a GAAP basis and it no longer reflects a deferral of tax levy revenue. Prior years have not been restated.

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Legal Debt Margin Information[1]
Last Ten Fiscal Years

Calculation of Legal Debt Margin for Fiscal Year 2010

2009 Equalized Valuation - TID In		$ 45,905,854,947
		x 5%
Total debt limit - 5% of total equalized valuation		2,295,292,747
Debt applicable to limit:		
Total gross indebtedness (includes general obligation notes and bonds)	$ 33,145,000	
Less Net Assets Restricted for Debt Service (GAAP basis)	(1,101,458)	
Total amount of debt applicable to debt limit		32,043,542
Legal debt margin		$ 2,263,249,205

Legal Debt Margin, Last Ten Fiscal Years

			Debt Applicable to Limit (Dollars in thousands)					
Fiscal Year	Equalized Valuation TID In	Legal Debt Limit 5%	General Obligation Bonds	General Obligation Notes	Less Net Assets Available	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Debt Limit
2001	$ 23,924,832	$ 1,196,242	$ -	$ 17,960	$ 478	$ 17,482	$ 1,178,760	1.46
2002	25,681,383	1,284,069	-	23,450	647	22,803	1,261,266	1.78
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

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

Source: Prepared by District staff.

GATEWAY TECHNICAL COLLEGE DISTRICT

Computation of Direct and Overlapping Debt
Year ended June 30, 2010

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	$ 33,145,000	100%	$ 33,145,000
Towns:			
Racine County[3]	2,683,325	varies	2,573,579
Kenosha County	54,192,444	100%	54,192,444
Walworth County	4,537,328	100%	4,537,328
Town Total	61,413,097		61,303,351
Villages:			
Racine County	75,152,197	100%	75,152,197
Kenosha County	125,817,169	100%	125,817,169
Walworth County	70,251,842	100%	70,251,842
Village Total	271,221,208		271,221,208
Cities:			
Racine County	133,406,831	100%	133,406,831
Kenosha County	159,042,479	100%	159,042,479
Walworth County	67,220,753	100%	67,220,753
City Total	359,670,063		359,670,063
Counties:			
Racine County	45,148,566	96.65%	43,636,089
Kenosha County	66,375,000	100%	66,375,000
Walworth County	40,670,000	100%	40,670,000
County Total	152,193,566		150,681,089
School Districts:			
Racine County	97,899,755	96.65%	94,620,113
Kenosha County	211,086,212	100%	211,086,212
Walworth County	122,946,072	100%	122,946,072
School District Total	431,932,039		428,652,397
Sanitary Districts Total	38,702,505	varies	28,117,573
Total Direct and Overlapping debt	$ 1,348,277,478		$ 1,332,790,681

Source: Survey of each governmental unit-June 2010. (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 38.98% in the Gateway District

GATEWAY TECHNICAL COLLEGE DISTRICT

Demographic Statistics for Kenosha, Racine, and Walworth Counties
Historical Comparisons
2001-2010

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)
2001	432,167	181,035	12,498,647	28,715	5.0	83,487
2002	433,456	183,483	12,849,089	29,197	5.9	84,454
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	(6)	(6)	10.3	87,714
2010	461,172	(6)	(6)	(6)	9.5	87,266

(1) Wisconsin Department of Administration, Demographic Services Center. (2010 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. (2009 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, 2010 Number of Employees	Rank	Percent of District Population	Year Ended June 30, 2001 Number of Employees	Rank	Percent of District Population
Racine	All Saints Health Care	Health care services	2,691	1	0.58 %	3,200	1	0.74 %
	CNH Global[1]	Manufacturing, agricultural & construction equipment	2,685	2	0.58	1,354	5	0.31
	S. C. Johnson & Son, Inc.	Manufacturing, commerical & institutional cleaning products	2,665	3	0.58	3,040	2	0.70
	Racine School District	Education	2,418	4	0.52	2,500	4	0.58
	City of Racine[2]	Government	1,255	5	0.27	1,050	7	0.24
	Gateway Technical College[2]	Education	1,142	6	0.25	-		0.00
	In-Sink-Erator Division	Manufacturing	1,100	7	0.24	970	8	0.22
	Racine Joint Venture (Regency Mall)	Retail shopping center	1000+	8	na	2,800	3	0.65
	Racine County	Government	895	9	0.19	1,160	6	0.27
	Twin Disc Inc.	Manufacturing	800	10	0.17			
	Lincoln Lutheran of Racine	Nursing home	-		0.00	920	9	0.21
	Intermet Corp.	Dye casting plant	-		-	505	10	0.12
		Racine county sub-total	16,651		3.61 %	17,499		4.05 %

(1)Formerly known as J.I. Case Corporation
(2)Includes full-time and part-time employees.

County	Name of Business	Type of Business	2010 Number of Employees	Rank	Percent of District Population	2001 Number of Employees	Rank	Percent of District Population
Kenosha	Kenosha Unified School District No. 1[1]	Education	2,624	1	0.57 %	2,324	1	0.54 %
	Snap-On Tools Corporation	Manufacturer, hand tools & electronics	1,050	2	0.23	1,028	4	0.24
	Kenosha Memorial Hospital	Health care services	1,000+	3	na	1,275	3	0.30
	Kenosha County	Government	1,020	4	0.22	782	5	0.18
	Aurora Medical Center	Health care services	500-999	5	na			
	City of Kenosha[2]	Government	772	6	0.17	756	6	0.17
	University of Wisconsin-Parkside	Education	600	7	0.13	600	7	0.14
	Daimler-Chrysler Corp.[3]	Manufacturer, jeep engines	551	8	0.12	2,275	2	0.53
	Kenosha Beef	Beef processing	350	9	0.08	-		-
	Jockey International	Manufacturing, underwear & nightwear	320	10	0.07	-		-
	Ocean Spray Cranberries	Manufacturing, cranberry & other fruit products	-		0.00	-		-
	Tri-Clover, Inc.	Greyhound racing	-		0.00	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	9,037		1.96 %	10,346		2.39 %

(1)Full-time equivalent
(2)Full-time only.
(3)Chrysler has announced that the Kenosha plant will close by the end of 2010.

County	Name of Business	Type of Business	2010 Number of Employees	Rank	Percent of District Population	2001 Number of Employees	Rank	Percent of District Population
Walworth*	University of Wisconsin-Whitewater[1]	College	1,000+	1	na %	2,224	1	0.51 %
	County of Walworth	Government agency	500-999	2	na	1,159	2	0.27
	Grand Geneva, LLC	Resort	500-999	3	na	-		-
	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	325	8	0.08
	Elkhorn Area School District	Elementary/Secondary school	250-499	8	na	-		-
	School District of Delavan-Darien	Elementary/Secondary school	250-499	9	na	-		-
	Whitewater Unified School District	Elementary/Secondary school	250-499	10	na	-		-
	ECM Motor, Co.	Electric motors	-		-	300	9	0.07
	Waukesha Fluid Handling	Manufacturer, fluid handling equip.	-		-	428	7	0.10
	The Abbey	Resort	-		-	434	6	0.10
	Lakeland Medical Center[2]	Nursing home	-		-	525	5	0.12
	Sta-Rite Industries	Manufacturer, pumps & plastic products	-		-	611	4	0.14
	Trostel Ltd.	Packaging seals & assemblies	-		-	700	3	0.16
		Walworth county sub-total[3]	6,250		1.36 %	6,706		1.55 %
		Total	31,938		6.93 %	34,551		7.99 %

*Estimates, not FTE figures
(1)Based on median of ranges, student employment is included in total.
(2)Includes part-time.

GATEWAY TECHNICAL COLLEGE DISTRICT

Employment Trends by Equal Employment Opportunity Categories
Historical Comparisons
2000-2009

Category	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Administrative/Managerial:	52	58	57	56	56	55	54	53	54	52
Female percent	48	52	51	54	54	58	59	62	59	62
Minority percent	10	12	11	13	12	9	9	8	7	10
Faculty:	234	257	252	255	264	266	266	263	265	265
Female percent	58	55	57	57	56	57	57	57	58	58
Minority percent	8	7	7	8	8	8	9	9	10	11
Professional/Noninstructional:	42	31	39	38	39	35	34	34	33	32
Female percent	67	74	67	68	67	83	71	71	73	75
Minority percent	7	16	10	11	18	20	21	24	24	25
Secretarial/Clerical:	105	104	113	114	113	110	106	106	104	96
Female percent	95	99	96	97	96	97	88	99	99	99
Minority percent	13	16	18	18	19	18	22	21	23	23
Technical/Paraprofessional:	94	105	100	100	109	108	104	104	101	97
Female percent	64	62	65	64	62	62	62	62	61	61
Minority percent	19	22	22	22	26	25	26	37	24	23
Service/Maintenance:	31	33	33	33	35	35	36	35	38	37
Female percent	16	18	15	18	17	14	11	11	8	8
Minority percent	26	33	36	42	37	34	36	34	34	35
Total:	558	588	594	596	616	609	600	595	595	579
Female percent	63	63	63	64	63	64	62	64	64	64
Minority percent	12	14	14	15	16	15	16	16	17	17

Information provided by the Affirmative Action Office

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
2001	7,307	2,265	13,419	6,898	0	26,485
2002	8,214	2,840	13,274	8,101	22	28,252
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

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
2001	2,441	426	224	633	0	3,724
2002	2,903	528	229	859	1	4,520
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

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
2001	61.50	3.8	481.35	6.0	93.00	4.5
2002	64.00	4.1	499.60	3.8	97.00	4.3
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

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
2000	905	733	680	93	75	63	13.59	96
2001	1,070	851	763	91	75	70	14.08	96
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

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 Five Fiscal Years

County	Location	2010	2009	2008	2007	2006
Racine	Racine Campus					
	Main Building	10,080	16,115	16,115	16,115	16,115
	Lake Building	79,172	76,362	76,362	76,362	76,362
	Tech Building	85,589	109,336	109,336	109,336	109,336
	Racine Building	68,786	69,490	69,490	69,490	69,490
	Connecting Passages	3,270	3,270	3,270	3,270	3,270
	Racine Campus Sub-Total	246,897	274,573	274,573	274,573	274,573
	CATI	37,370	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
	Racine County Sub-Total	285,707	318,199	318,199	318,199	318,199
Kenosha	Kenosha Campus					
	Administration Building	17,772	17,353	17,353	17,353	17,353
	Conference Building	29,954	29,365	29,365	29,365	29,365
	Bioscience Building	28,352	30,405	30,405	30,405	30,405
	Child Care (ECP)	18,085	18,085	18,085	18,085	18,085
	Academic Building	88,000	113,965	113,965	113,965	113,965
	Horticultural Buildings	6,502	5,873	5,873	5,873	5,873
	Science Building	41,302	55,992	55,992	55,992	55,992
	Student Commons[(1)]	17,130	13,456	13,456	13,456	13,456
	Storage Buildings	4,310	2,350	2,350	2,350	2,350
	Technical Building	49,480	63,634	63,634	63,634	63,634
	Kenosha Campus Sub-Total	300,887	350,478	350,478	350,478	350,478
	Leased Facilities:					
	Horizon Center (Land lease)[(2)]	38,755	24,277	24,277	24,277	23,477
	Horizon Center Storage Bldg	1,800	-	-	-	-
	Lakeview Technology Center	14,000	23,200	23,200	23,200	23,200
	Kenosha County Job Center	1,162	1,026	1,026	1,026	1,026
	Kenosha County Sub-Total	356,604	398,981	398,981	398,981	398,181
Walworth	Elkhorn Campus					
	Alternative High School	7,600	7,474	7,474	7,474	7,474
	South Building	39,072	38,596	38,596	38,596	38,596
	North Building	42,241	42,230	42,230	42,230	42,230
	Job Center Building	6,468	6,500	6,500	6,500	6,500
	Garage Building	1,673	1,673	1,673	1,673	1,673
	Elkhorn Campus Sub-Total	97,054	96,473	96,473	96,473	96,473
	Burlington Campus (Leased)					
	380 Building	9,439	9,439	9,439	9,439	12,000
	496 Building	33,512	33,000	33,000	33,000	33,000
	Walworth County Sub-Total	140,005	138,912	138,912	138,912	141,473
	Total District Square Footage	782,316	856,092	856,092	856,092	857,853

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

Fiscal Year 2009-10

Insurance Coverage Summary

Type of Coverage	Insurance Company	Policy Period	Details of Coverage	Limits of Coverage	Annual Premium
Property Coverage	**DMI**	**7/1/09 - 6/30/10**	Covers all real and personal property, all risk; $25,000 Deductible		**$ 85,418**
			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**	**7/1/09 - 6/30/10**	Comprehensive coverage; $25,000 deductible	$ 100,000,000	**$ 5,093**
			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)

Type of Coverage	Insurance Company	Policy Period	Details of Coverage	Limits of Coverage	Annual Premium
Workers' Compensation	**DMI**	**7/1/09 - 6/30/10**	**Workers' Compensation - Wisconsin Benefits**	**Statutory**	**$ 335,383**
		Employer's Liability	- Bodily injury by accident, each accident	100,000	
			- Bodily injury by disease, policy limit	500,000	
			- Bodily injury by disease, each employee	100,000	
General Liability	**DMI**	**7/1/09 - 6/30/10**	Each occurrence limit	5,000,000	**$ 62,611**
(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	
Educators Legal Liability (includes, Directors & Officers,			Employment Practices, and Employee Benefits Liability)		
			- Per Wrongful Act and Aggregate Limit	5,000,000	
			- Per Wrongful Act and Aggregate Deductible	100,000	
Campus Violent Acts*	**DMI**	**7/1/09 - 6/30/10**	Policy Aggregate Limit	250,000	**$ 1,208**
			Policy Deductible	25,000	
			Equipment or Property Improvements	25,000	

TOTAL ANNUAL INSURANCE PREMIUMS PAID TO DISTRICT MUTUAL INSURANCE: $ 489,713

Gateway Technical College District

Fiscal Year 2009-10

Insurance Coverage Summary

Type of Coverage	Insurance Company	Policy Period	Details of Coverage	Limits of Coverage	Annual Premium

Insurance Coverages Purchased through Wisconsin Technical College Insurance Trust

Type of Coverage	Insurance Company	Policy Period	Details of Coverage	Limits of Coverage	Annual Premium
Crime	**Travelers Casualty and Surety Company**	**7/1/09 - 6/30/10**	Employee Theft	750,000	**$ 4,726**
			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	
			Employee Dishonesty per Incidence Deductible		
Foreign Travel Liability*	**ACE American Insurance Company**	**7/1/09 - 6/30/10**	Foreign general liability - Each occurrence	1,000,000	**$ 2,733**
			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 ($1,000 Deductible)		
			- Each Claim	1,000,000	
			- Aggregate	1,000,000	
			Foreign Voluntary Workers' Compensation		
			- State of Hire Benefits	Statutory	
			- North American	State of Hire Benefits	
			- Third Country Nationals	Country of Origin	
			- Local Nationals	Country of Origin	
			Foreign Employers Liability		
			- Bodily injury by accident, each accident	1,000,000	
			- Bodily injury by disease, each employee	1,000,000	
			- Bodily injury by disease, policy limit	1,000,000	
			Executive Assistance (per covered person)	50,000	
			Kidnap and Extortion (per cause of loss)	50,000	
Business Travel Accident (for Local Boards of Director Members)	**CIGNA**	**7/1/09 - 6/30/10**	Principal Sum	100,000	**$ 282**
			- 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: $ 7,741

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

Type of Coverage	Insurance Company	Policy Period	Details of Coverage	Limits of Coverage	Annual Premium
Multimedia Liability WGTD 91.1 FM	**Arthur J. Gallagher** Executive Risk Indemnity Policy No. 8177-2134	**7/1/09 - 6/30/10**	Errors and Omissions		**$ 4,550**
			Maximum Limit of liability for each claim	5,000,000	
			Retentions each and every claim	10,000	
International SOS Coverage		**07/01/09 - 06/30/10**	Global Traveler features:		**$ 3,809**
			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.: $ 8,359

Aviation Insurance Coverages Purchased through Wenk Insurance Agency

Type of Coverage	Insurance Company	Policy Period	Details of Coverage	Limits of Coverage	Annual Premium
Aviation Insurance	**Wenk Aviation Insurance Agencies** Coverages & Premiums renewed with Old Republic Insurance through Phoenix Aviation Managers Policy AVC 1037 08	**7/1/09 - 6/30/10**	Liability Coverage		**$ 49,495**
			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: $ 49,495

TOTAL ANNUAL PREMIUMS: $ 555,309

CAMPUSES

2010-2011 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 (10-601-1)	2 Years
■		■		Architectural – Structural Engineering Technician (10-614-6)	2 Years
■	■			Automated Manufacturing Systems Technician (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)	
	■			Electromechanical 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 Services 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 (10-150-2)	2 Years
	■			Information Technology – Programmer/Analyst (10-152-1)	2 Years
		■		Information Technology – Web Developer/Administrator (10-152-3)	2 Years
■				Instructional Assistant (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
■			+	Radiography (10-526-1)	2 Years
■		■		Supervisory Management (10-196-1)	2 Years
	■		+	Surgical Technology (10-512-1)	2 Years
		■		Technical Communications (10-699-1)	2 Years

■ All courses taught at this campus
General Studies courses are offered on all campuses.
+ Special Conditions; Contact Student Services
* Shared program

2010-2011 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
■				Building Trades – Carpentry (31-475-1)	1 Year
		■		CNC Production Technician (31-444-2)	1 Year
■				Community Pharmacy Technician (30-536-1)	18 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
		■		Medical Transcription (31-106-7)	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) Robotics (Option Area 31-442-1A) Advanced Welding (Option Area 31-442-1B) Pipe Welding (Option Area 31-442-1C)	1 Year
■		■	+	Welding/Maintenance and Fabrication (30-442-2)	18 Weeks

2010-2011 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)
	■		Heavy Duty Vehicle Technician (10-810-15)
		■	Multimedia (10-810-2)
■	■	■	Network Security (10-810-10)
		■	Oracle (10-810-4)
		■	Telecommunication Engineering Tech (10-810-14)

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