



we are  
future makers

2009 Comprehensive  
Annual Financial Report  
(With Independent Auditors Report)

For Fiscal Year Ended June 30, 2009



# Gateway Technical College





## **GATEWAY TECHNICAL COLLEGE DISTRICT**

Racine/Kenosha/Elkhorn, Wisconsin

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2009  
(With Independent Auditors' Report)

### **Official Issuing Report:**

Mark Zlevor, CPA  
Chief Financial Officer/Vice President of Administration

### **Report Prepared By:**

Beverly Hansen, CPA  
Controller

### **Assisted By:**

Finance Office Staff  
Marketing Department  
Research & Planning Department  
*Special thanks to Sandra Gray for cover design*

GATEWAY TECHNICAL COLLEGE DISTRICT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For the Fiscal Year Ended June 30, 2009

**TABLE OF CONTENTS**

	<u>Page</u>
<b><u>INTRODUCTORY SECTION</u></b>	
Letter of Transmittal	1
District Board and Principal Officials	12
Organizational Chart	14
Certificate of Excellence in Financial Reporting	15
<b><u>FINANCIAL SECTION</u></b>	
Independent Auditors' Report	17
Management's Discussion and Analysis	19
Basic Financial Statements:	
Statements of Net Assets	35
Statements of Revenues, Expenses and Changes in Net Assets	36
Statements of Cash Flows	37
Notes to Financial Statements	39
Required Supplementary Information	
Schedule of Funding Progress	68
Schedule of Employer Contributions	68
Supplementary Information:	
General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)	71
Special Revenue Fund - Operating Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)	73
Special Revenue Fund – Non-Aidable Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)	74

GATEWAY TECHNICAL COLLEGE DISTRICT

**CONTENTS**, continued

**FINANCIAL SECTION**, continued

	<u>Page</u>
Supplementary Information (Continued)	
Capital Projects Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)	76
Debt Service Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)	78
Enterprise Fund Schedule of Revenues, Expenditures and Changes in Net Assets – Budget and Actual (Non-GAAP Budgetary Basis)	80
Schedule to Reconcile the Budget (Non-GAAP) Combined Balance Sheet – All Fund Types to the Statement of Net Assets – June 30, 2009	82
Schedule to Reconcile the Budget (Non-GAAP) Basis Financial Statements To the Statement of Revenues, Expenses and Changes in Net Assets -Year Ended June 30, 2009	83

**STATISTICAL SECTION**, (unaudited)

Financial Trends	
Net Assets by Component	87
Changes in Net Assets	88
Expenses by Use	89
Revenue Capacity	
Equalized Value and Tax Levy Distribution by Municipality	90
Property Tax Levies and Collections	92
Principal Taxing Districts and Counties	93
Principal Property Taxpayers by County	94

GATEWAY TECHNICAL COLLEGE DISTRICT

**CONTENTS**, continued

**STATISTICAL SECTION**, continued

	<u>Page</u>
Revenue Capacity (continued)	
Property Tax Rates – All Overlapping Governments	95
Distribution of Real Property of Merged Equalized Values	96
Debt Capacity	
Ratio of Net Debt to Equalized Value and Net Debt Per Capita	97
Legal Debt Margin Information	98
Computation of Direct and Overlapping Debt	99
Demographic and Economic Information	
Demographics Statistics for Kenosha, Racine, and Walworth Counties	100
Principal Employers	101
Employment Trends by Equal Employment Opportunity Categories	102
Operating Information	
Enrollment Statistics	103
Per Credit Course Fee History	104
Program Graduate Follow-up Statistics	105
Square Footage of District Facilities	106
Insurance Coverage Summary	107
2009-10 Degree and Diploma Programs	109

Introductory Section





Bryan D. Albrecht  
President

**ADMINISTRATION CENTER**

3520 - 30th Avenue  
Kenosha, WI 53144-1690  
262.564.3300  
262.564.3301 FAX/262.564.2816 TTY

**BURLINGTON CENTERS**

380 McCanna Pkwy.  
496 McCanna Pkwy.  
Burlington, WI 53105-3622  
262.767.5200  
262.767.5201 FAX/262.767.5206 TTY

**CENTER FOR ADVANCED TECHNOLOGY & INNOVATION**

Renaissance Business Park  
2320 Renaissance Blvd.  
Sturtevant, WI 53177  
262.898.7500  
262.898.7501 FAX

**CENTER FOR BIOSCIENCE & INFORMATION TECHNOLOGY**

3520 - 30th Avenue  
Kenosha, WI 53144-1690  
262.564.3600  
262.564.3601 FAX

**ELKHORN CAMPUS**

400 County Road H  
Elkhorn, WI 53121-2046  
262.741.8200  
262.741.8201 FAX/262.741.8206 TTY

**HORIZON CENTER FOR TRANSPORTATION TECHNOLOGY**

4940 - 88th Avenue  
Kenosha, WI 53144-7467  
262.564.3900  
262.564.3901 FAX

**KENOSHA CAMPUS**

3520 - 30th Avenue  
Kenosha, WI 53144-1690  
262.564.2200  
262.564.2201 FAX/262.564.2206 TTY

**LAKEVIEW ADVANCED TECHNOLOGY CENTER**

9449 - 88th Avenue (Highway H)  
Pleasant Prairie, WI 53158-2216  
262.564.3400  
262.564.3401 FAX

**RACINE CAMPUS**

1001 South Main Street  
Racine, WI 53403-1582  
262.619.6200  
262.619.6201 FAX/262.619.6206 TTY

**WGTD-FM/91.1**

3520 - 30th Avenue  
Kenosha, WI 53144-1690  
262.564.3800  
262.619.6800  
262.564.3801 FAX

EQUAL OPPORTUNITY/ACCESS/  
EMPLOYER AND EDUCATOR

OFRECE IGUALDAD EN OPORTUNIDADES/  
ACCESO EMPLEO Y EDUCACIÓN

[www.gtc.edu](http://www.gtc.edu)

November 2, 2009

**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, 2009, 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 Services – 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 25,000 residents, involves more than 400 business and industry representatives in our programs and supports more than 50 businesses through customized training. Gateway can 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 new Smart Career Restart programs, in collaboration with the local workforce development centers, are successful in placing skilled workers back into the workforce. To date, our CNC and Welding Boot Camps have graduated over 200 students, with 65% to 70% respectively, now employed.

Gateway serves a need in our community by offering training to a community's most vital careers – police, fire, emergency medical technician and nursing; in addition Gateway is providing training in a variety of programs including Business, Marketing, Information Technology, Human Resources, and General Studies to name a few. But we are looking beyond and have created programs to prepare students for the jobs of the future in “green” careers and other emerging jobs such as geothermal and wind power technicians. We have infused energy sustainability concepts in our curriculum and worked to ensure our equipment is modern and provides real world training. We provide students with innovative training to help them chart their future, whether it be to add to their current career skill set or offer them the new skills leading to a new career. We are future makers.

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 credited by organizations such as the National League of Nursing and the Federal Aviation Administration, in addition the College itself receives accredited status. Gateway is proud of its regional accreditation by the leading organization of its kind – the Higher Learning Commission (HLC). Every ten years, the HLC conducts a complete evaluation of the College. Preparation for the HLC Evaluation Team visit in October 2009 continued throughout the year. The centerpiece of activity was the creation of the Self Study Report titled: “The Gateway Conversation”. Nearly 300 pages of information outlining how Gateway's policies, procedures, organizational structure, activities, and culture support the evaluation criteria.

Staff were involved in contributing information (evidence) for the report and sharing their stories of times when they felt they and Gateway enjoyed success in the areas of: the college mission and integrity, preparing for the future, student learning and effective teaching, acquisition, discovery and application of knowledge, and engagement and service. Faculty and staff also reviewed report drafts or portions of drafts to ensure each was reflective of the “Gateway they know”. The final draft was printed and released at the end of summer 2009, with the upcoming visit and resulting evaluation report culminating the process.

In reflecting on the growth of our college over the past ten years, one could point to many accomplishments. But none is more important than the increased academic success of our students. Graduation and job placement rates are the cornerstone for high academic success.

Each year Gateway surveys graduates to obtain information about employment status, salary levels, job location, and satisfaction with training. Highlights of the 2008 Graduate Follow-Up survey are:

- The average full-time wage is \$16.36 per hour
- 96% are satisfied with their Gateway training
- 90% have jobs within six months of graduation
- 68% are employed in their field of training

## **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:

### **Community Leadership-**

Gateway is being recognized nationally as a model college. Many related organizations on both a state and national level are inviting Gateway leadership to speak at their conferences or serve on their boards and committees to use Gateway’s knowledge to help strengthen their organizations.

- Bryan Albrecht, President Gateway Technical College, in his dual role this year as Gateway President and Association for Career and Technical Education (ACTE) Board President, was invited to serve on numerous boards and share the success of Gateway programs. Here is a sample:
  - Appointed to the national Manufacturing Skills Standards Council Executive Board (MSSC). The MSSC promotes an industry-led standards-based training, assessment, and certification system focused on core skills.
  - Selected as one of 25 educational leaders named to the National Education Council, a group focused on expanding and enhancing the manufacturing workforce.
  - Joined 15 other international education leaders invited to present and take part in a conference in Amman, Jordan, focusing on promoting community colleges. His presentations were on “Business and Education Partnerships that Promote Workforce Development” and “Programs of Study for Vocational Education and Training.”
  - Invited as one of three speakers before the U.S. Senate Committee on Workforce and Investment Act Reauthorization about expanding access to post-secondary education, and strengthening career and technical education. Other panel members recognized Gateway as a role model for our various initiatives.

- Zina Haywood, Executive Vice President/Provost serves on a number of local, state and regional boards to share Gateway's success. A few are:
  - Active member of the Racine County Work Force Development Board and while serving on the Executive Management Committee and Planning Committees has fostered a strong partnership and increased collaboration on workforce development initiatives.
  - As a member of the Opportunities Industrialization Center (OIC) of Racine County Board they received a Youth Build Grant that teaches at-risk and drop-out students the construction trades while they earn a GED. Gateway Technical College will provide the GED instruction.
  - Newly elected as the President of the Instructional Services Administrators for the 16 colleges of the Wisconsin Technical College System.
  - Serving as chair of the scholarship committee as a Kenosha Area Chamber of Commerce member, where \$10,000 in scholarships are awarded each year.
  - Board member of Wisconsin Women in Higher Education Leadership (WWHEL).
- Debbie Davidson, Vice President Gateway Workforce and Economic Development Division (WEDD) has also been selected to numerous leadership positions and asked to share information on Gateway's success.
  - Hosted a business forum on the MSSC program. Gateway is a national pilot site for the implementation of this new program.
  - Invited, along with President Albrecht, to assist the National Association for Manufacturing (NAM) and the Global Corporate College to develop a pilot project for the State of Wisconsin NAM-endorsed skill certificates.
  - Elected to the National Consortium of Advanced Technology Centers (NCATC) board. The NCATC promotes the use of technology applications to enhance economic and workforce development programs.
  - Chairing a national task force on sustainable energy by the Association for Career and Technical Education. (ACTE)
- Strategy Workforce One is gathering information for the Gates Foundation on colleges that have a strong level of employer engagement and Gateway was recommended as a model college. Information on our Boot camp models and secondary/post-secondary initiatives was provided to Strategy Workforce One for consideration.
- Dr. Therese Fellner, Director of Business Development, was elected State President of the Wisconsin Incubator Association. The appointment underscores the quality of Gateway's incubator program at CATI.
- Gateway Technical College officials, along with local industry leaders, were part of a national Association for Career and Technical Education (ACTE) leadership forum in Washington, D.C., focused on the "re-skilling" of America's workers.
- Diane Anderson, Health Unit Coordinator chair and an Advanced Practice Registered Nurse, was invited by the US Centers for Disease Control to present her *Contemporary Diabetes Care* pilot course at the 2009 Diabetes Translation Conference in California.
- Ed Grochowski, marketing instructor, was appointed to the Post-Secondary Council for International DECA. DECA and its post-secondary level division, Delta Epsilon Chi, is the leading organization for developing leaders in the fields of marketing, management, and entrepreneurship.
- Volunteering- Gateway staff and students are encouraged to give back to the community in which we serve:
  - Gateway, led by the efforts of Tina Schmitz, Director of Budget and Internal Audit, joined the Mentor Kenosha & Racine initiative. It has been an excellent opportunity for our college to become volunteer mentors.
  - Information Technology students volunteered at Gateway's Earth Day event by assisting with clearing visitors' hard drives, cell phones, and PDAs that are no longer used. The items were then turned over to Goodwill.

- Gateway's Letterheads spelling bee team took home the gold as they won first place in the Kenosha Literacy Council's 10<sup>th</sup> Annual Community Spelling Bee. The event is a fundraiser for the Literacy Council
- Gateway staff volunteered at the Junior Achievement Business Challenge held at UW-Parkside in March. They provided support/mentoring for high school students competing in the business simulation competition.
- Gateway staff, from each campus location, form committees to support the efforts of numerous nonprofits to generate funds to meet community needs, including Relay For Life for the American Cancer Society, United Way, and more.

### **Community Partnerships-**

- A historic General Studies Transfer Agreement between Gateway and UW-Parkside was signed in March 2009. The agreement allows a block of 30 approved general education credits to be transferred from Gateway to Parkside. It offers students a less expensive way to earn a four-year degree.
- Gateway's partnership with Snap-on Incorporated, that began with the Horizon Center and automotive training, has expanded to include a torque training program for wind technicians, involvement in Gateway's Celebrate Earth Day, and an addition to the Horizon Center—the Advanced Propulsion training facility – due to begin construction in Fall 2009.
- Gateway and Carroll University have developed an articulation agreement which will allow Associate Degree Nursing graduates who achieve RN licensure to enter a BSN Bachelors Degree Completion program
- Gateway Civil Engineering Technology graduates now have the opportunity to transfer directly into a 4-year St. Cloud State University (MN) program.
- Gateway continues to develop partnerships with local high schools as part of the Career Pathways initiative. The Tech Prep School to Careers Consortium is working to incorporate more opportunities for students to earn college credit in high school.
- Gateway collaborated with Racine Workforce Development Center, UW-Parkside, Racine Unified and other agencies on the development of a Green Jobs summer training program for youth ages 14-24 using stimulus funds received by Racine County.
- Gateway held its 15th annual Dr. Martin Luther King, Jr. celebration in January, with over 500 guests in attendance. The organizational committee is comprised of representatives of organizations throughout our communities.

### **New Programs and Curriculum Development-**

- The first Industrial Machine Repair boot camp, developed with employer demand and input, puts selected dislocated and underemployed workers through a rigorous program which trains them to become entry level machine repair technicians.
- Gateway is going "Green" in technology training by developing or offering courses in three growing fields.
  - Gateway is the first college in the nation to provide hands-on training specifically for geexchange drilling used in the installation process for geothermal heating (using the heat of the earth to heat and cool homes/businesses).
  - Wind energy courses introduce students to the wind energy industry and develop skills for maintaining and refurbishing wind turbine equipment used in the production of electricity.
  - Gateway's Fresh Water Resources Associate Degree program, the first of its kind in the state, will provide training to become a dynamic and effective water quality technician.
- Gateway, in partnership with Snap-on Incorporated, is creating a national torque certification program designed to meet the needs of the growing global wind industry and beyond.

- The Program Effectiveness team launched a new continuous improvement model for all Gateway programs that combines a review of program performance, student learning results, and curriculum content in an integrated annual cycle.

### **Facilities/"Green" Initiatives-**

- Gateway is actively pursuing its sustainability initiative. Areas of action include policies, instruction/curriculum, energy management, recycling, and facility design. New construction will meet US Green Building Council's LEED Silver standard or equivalent.
- Gateway signed the President's Climate Commitment in December to demonstrate our plan to reduce the global emission of greenhouse gases.
- The Kenosha Campus hosted Earth Day April 25. It provided the community with opportunities to learn about environmental issues, drop off items for recycling, pick up free compost and enjoy a number of workshops, activities, and plant sales.
- Lighting retrofits for the Kenosha and Racine campuses were completed this year and resulted in the college receiving approximately \$54,000 in rebates from Focus on Energy.
- New boilers at the Elkhorn campus confirmed a 30% improvement in gas consumption as anticipated.
- 81% of the waste from the Elkhorn Health wing remodel job site has been recycled and solar collectors for domestic hot water were installed. Data from the solar collectors will be available for students in the HVAC program to access in their learning activities.
- Six "Green Business Practice" seminars were offered by the WEDD division. The series introduced profitable "green" strategies that can improve business profits and increase employees' awareness of these methods.
- Major facility remodels during this period include:
  - A new state-of-the-art Industrial Mechanical lab opened in Spring 2009 at the Racine Campus.
  - A 6,600 square-foot Health Career wing opens in Fall 2009 in Elkhorn. The newly remodeled facilities will house state-of-the-art training for nursing assistant, medical assistant, and community pharmacy technician programs.
  - The Business Excellence Center held its open house at the Racine Campus in April 2009. It provides a central location for business programs and a single point of contact for the Racine community to access student and faculty resources.

### **Student Success-**

- For the 11<sup>th</sup> time since 1990, Gateway's Marketing and Management Association (GMMA), Kenosha Campus, won the Outstanding Chapter Award at the Wisconsin Marketing and Management Association's annual conference in Madison. Fourteen students went on to win awards at the 48<sup>th</sup> Annual Delta Epsilon Chi's International Career Development Conference in Anaheim, CA. and advisor, Mike Verneze was the recipient of the 2009 Outstanding Service award.
- Four culinary arts students won silver medals at the Wisconsin Restaurant Expo 2009's Culinary Arts Competition in March.
- Gateway's Business Professionals of America (BPA) students, Elkhorn Campus, hosted the State Leadership Conference in February. Six Gateway BPA students took home first-place awards in various events and qualified to attend the National Conference.
- The Interpreter Technician Program and The Silent Connection student club sponsored the 7<sup>th</sup> Annual Deaf Culture Day in March, with well over 300 people in attendance.
- The Dental Assistant program sponsored two highly successful dental screening clinics, one for 114 Head Start children and another for 98 members of the Boys and Girls Club. The students did presentations about oral health and local dentists volunteered their time to conduct oral examinations.



- Students in the Biz Squad have been successful in completing several real world business projects, providing Racine County businesses with business development resources. Students in advanced standing from each of the specific business-related disciplines work with Gateway instructors and an MBA team from McCombs School of Business, to solve complex industry issues facing our local businesses.
- Students from Welding Boot Camp 4 created a beautiful art sculpture “Higher Expectations” for their capstone project. It was a collaborative design by the students and creative assistance from UW-Parkside. It is on display at the Racine County Workforce Development Center.
- Boot Camp Graduates - Of the 144 graduates from ten CNC boot camps and 63 graduates from the five Welding boot camps 65%-70% are employed.

### **Technology Initiatives-**

- Gateway began using Higher One, a financial services company to process financial aid disbursements electronically via the Gateway Plus Card (a Debit MasterCard®). It not only streamlined the disbursement process, but it saved the college printing and mailing costs. As of the fiscal year ending 6/30/09 over 6,700 disbursements were made to students totaling \$9,258,500.
- Gateway developed and delivered several online Virtual Open Houses this year. It gave prospective students the opportunity to learn more about Gateway’s programs and instant message specific questions to instructors and student service professionals and get immediate answers.
- An online New Student Orientation was implemented to provide information to students and prospective students on a 24/7 basis.
- Gateway along with Kenosha Unified School District and Kenosha County is participating in a joint project to implement a fiber optic broadband network to meet the growing need for high-speed connectivity for education, public safety, and economic development. It will cover the majority of Kenosha County and parts of Racine County. The College expects to save over \$1.0 million over the 20 year term of the agreement while at the same time increasing its current bandwidth capacity by over 200%.
- In Gateway’s Second Life venue, Steve Whitmoyer has created a Nursing Learning Lab. This has provided great learning opportunities for our faculty and students. The Second Life Nursing Lab will be used to teach students critical thinking, prioritization, communication strategies, and other skills.
- Gateway’s Nodal delivery method (Internet voiceover technology) connects students at various Nodal classrooms together. Gateway has been using Nodal for three years to teach Civil Engineering Technology and added Electrical and Mechanical Engineering and Information Technology.

### **Special Funding/Grants-**

- Gateway is on the forefront of geexchange technology by landing a \$141,000 grant from the National Science Foundation Advanced Technological Education program to fund curriculum development to train qualified technicians for the expanding geexchange/geothermal heating industry.
- Gateway received a \$94,185 federal Department of Labor WIRED demonstration grant to develop and deliver an industrial machine repair boot camp that will prepare under-employed and unemployed workers as industrial maintenance technicians.
- InSinkErator donated \$10,000 to support a scholarship for students enrolling in Gateway’s new Industrial Mechanical Technician program.
- Using Department of Labor WIRED grants funds, Gateway along with MATC-Milwaukee, Waukesha County Technical College, and Moraine Park Technical College developed a free, online employer Training Identification Tool which allows employers to respond to a

brief survey that identifies gaps, capacity for implementation, and maps to a variety of training resources available at the colleges.

- Gateway was awarded a \$35,000 Exploratory Investment award for an information technology talent development program that will develop skills and career paths in IT architecture and modeling. Gateway has partnered with business incubator Sustainable Solutions, Inc. to address the need for an IT talent development program.
- The Economic Development Administration has awarded two grants that involve Gateway: 1) \$10,000 awarded to Walworth County Economic Development Alliance for the business incubator feasibility study on the Elkhorn Campus. 2) \$20,000 to Wisconsin Business Incubator Association for the statewide technical assistance program development and implementation for business incubation professionals.
- Gateway's radio station WGTD was awarded a \$70,000 grant from the Corporation for Public Broadcasting to help cover the cost of a new digital transmitter.

## **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.

## **Economic Condition Outlook**

Just like the rest of the state and nation, the communities that Gateway serves continue to be affected by the recession, with unemployment rates in the double digits as of the fiscal year end. Kenosha, Racine, and Walworth counties had unemployment rates (not seasonally adjusted) of 11.1%, 10.8%, and 9.2% respectively in June 2009 as compared to 4.9%, 5.4%, and 4.4% in June 2008.

During poor economic times typically the enrollment in Wisconsin technical colleges increases. Gateway actually experienced a 7.3% increase in FTE from 2008 to 2009 and the 2009 Fall term is currently showing a 14% increase compared to the 2008 Fall term.

In June U.S. Education Secretary Arne Duncan appeared in Milwaukee to announce an initiative that will make \$7 million in federal grants available to technical and community colleges. Grants will be distributed to fund innovative programs that will help put people back to work. Gateway is applying for the funds. As well, Gateway can benefit from the partnerships it already has with local businesses to provide the training and retraining needed for those who are unemployed or underemployed.

President Obama's "American Graduation Initiative" has a goal of graduating an additional 5 million people from community colleges in the next decade. USA Today reported the proposal "would pump \$2.5 billion into building and technology upgrades, \$9 billion towards efforts to increase student success, and \$500 million into grants to help develop online courses." The Graduation Initiative recognizes the centrality of community colleges to America's well being and the need for financial resources to help those initiatives. Gateway Technical College provides credible services to an increasing student population and a community in need of technical training and job career reinvestment. Gateway's Board of Trustees formally endorses the American Graduation Initiative and commits to doing everything it can to achieve its enactment.

## **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 Statutes, 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, 2008.

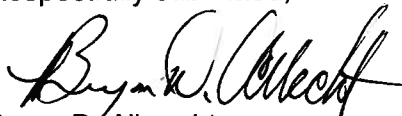
In order to be awarded such certificates, a college unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards, principles, and applicable legal requirements.

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.

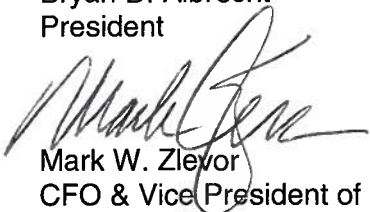
**Acknowledgment**

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, 2009

**District Board**

Chairperson	Pamela Zenner-Richards	Elected Official
Vice Chairperson	Fred Burkhardt	Employer Member
Secretary	Suzanne M. Deans	Employee Member
Treasurer	Rebecca Vail	Employer Member
Member	Ram Bhatia	Additional Member
Member	Ronald J. Frederick	Employee Member
Member	Ron Jandura	School District Administrator
Member	Patricia Johnson	Additional Member
Member	Neville H. Simpson	Additional Member

**Principal Officials**

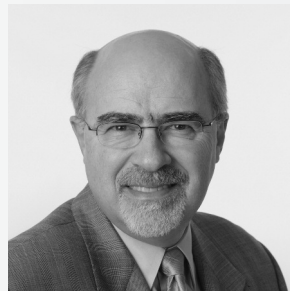
President	Bryan D. Albrecht
Executive Vice President / Provost for Academic and Campus Affairs	Zina R. Haywood
Chief Financial Officer / Vice President Administration	Mark W. Zlevor
Vice President Human Resources	William R. Whyte
Vice President Student Success	Terry M. Simmons
Vice President Learning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

## Gateway Technical College District Board of Trustees 2008 - 2009

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.



**Pamela Zenner-Richards**  
Chairperson



**Fred Burkhardt**  
Vice Chairperson



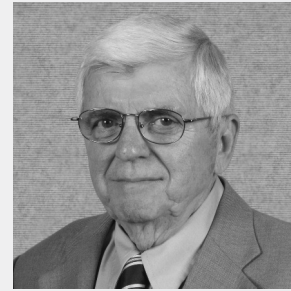
**Rebecca Vail**  
Treasurer



**Suzanne Henkel Deans**  
Secretary



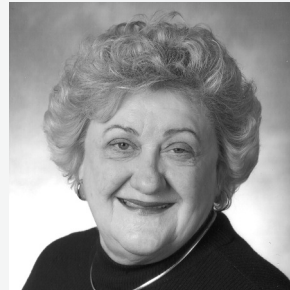
**Ram Bhatia**



**Ronald J. Frederick**



**Ron Jandura**



**Patricia Johnson**



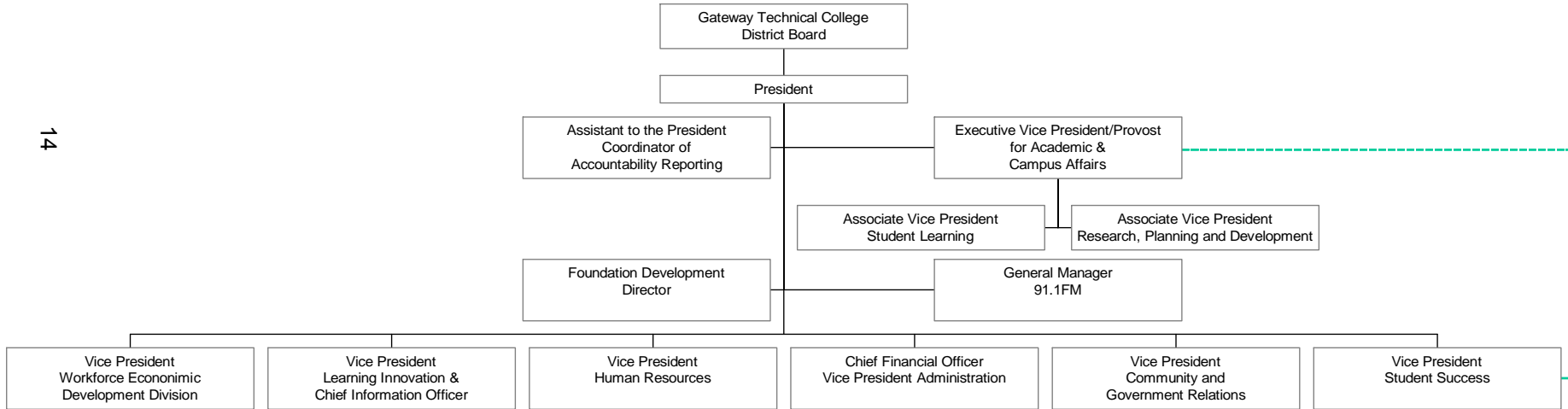
**Neville H. Simpson**

# Gateway Technical College

## Organizational Chart

as of June 30, 2009

14





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, 2008

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 Program

*Ange Peteman*

President

*John D. Musso*

Executive Director



THIS PAGE INTENTIONALLY LEFT BLANK



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, 2009 and 2008 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 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, 2009 and 2008, 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 12, 2009, 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 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 an opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2009 and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken 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.



Certified Public Accountants

Fond du Lac, Wisconsin  
October 12, 2009

## **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, 2009.

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)

	<u>2009</u>	<u>2008</u>	<u>Incr (Decr)</u> <u>2009-2008</u>	<u>2007</u>	<u>Incr (Decr)</u> <u>2008-2007</u>
<b><u>Assets</u></b>					
<b><u>Current Assets</u></b>					
Cash and cash equivalents	\$ 9,390	\$ 10,311	\$ (921)	\$ 12,490	\$ (2,179)
Other	<u>20,877</u>	<u>19,005</u>	<u>1,872</u>	<u>17,844</u>	<u>1,161</u>
<b>Total Current Assets</b>	<u>30,267</u>	<u>29,316</u>	<u>951</u>	<u>30,334</u>	<u>(1,018)</u>
<b><u>Non-Current Assets</u></b>					
Capital Assets - Net of Depreciation	<u>43,244</u>	<u>40,632</u>	<u>2,612</u>	<u>37,576</u>	<u>3,056</u>
<b>Total Assets</b>	<u>73,511</u>	<u>69,948</u>	<u>3,563</u>	<u>67,910</u>	<u>2,038</u>
<b><u>Liabilities</u></b>					
Current	11,053	10,682	371	12,082	(1,400)
Non-Current	<u>25,669</u>	<u>24,369</u>	<u>1,300</u>	<u>23,151</u>	<u>1,218</u>
<b>Total Liabilities</b>	<u>36,722</u>	<u>35,051</u>	<u>1,671</u>	<u>35,233</u>	<u>(182)</u>
<b><u>Net Assets</u></b>					
Invested in Capital Assets, Net of Related Debt	16,439	16,228	211	14,109	2,119
Restricted	1,752	1,636	116	1,401	235
Unrestricted	<u>18,599</u>	<u>17,033</u>	<u>1,566</u>	<u>17,167</u>	<u>(134)</u>
<b>Total Net Assets</b>	<u>\$ 36,790</u>	<u>\$ 34,897</u>	<u>\$ 1,893</u>	<u>\$ 32,677</u>	<u>\$ 2,220</u>

Total assets increased \$3.6 million or 5.1% in FY 2009 and increased \$2.0 million or 3.0% in FY 2008. Total liabilities increased by \$1.7 million or 4.8% in FY 2009 as compared to a decrease of \$182,000 or .5% in FY 2008. Overall, net assets increased by \$1.9 million or 5.4% in FY 2009 while FY 2008 experienced a \$2.2 million or 6.8% increase for the fiscal year.

***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 this year by \$825,000 as compared to \$1.3 million in the prior year. Effective with FY 2009 the District is beginning to recognize a long-term liability for other post-employment benefits (OPEB) as required by GASB 45. The liability recorded in FY 2009 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.

***Fiscal Year 2008 Compared to Fiscal Year 2007***

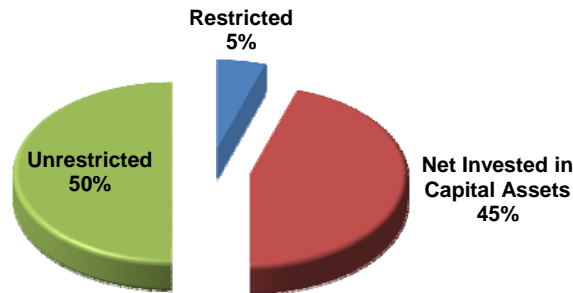
- Cash and investments decreased by \$2.1 million primarily as a result of eliminating the deferred faculty pay accrual, by paying all wages by the fiscal year end of 6/30/08 instead of deferring payments over the summer.
- Other current assets increased by \$1.2 million due to an increase in the property tax receivable by \$1.1 million and student fee based receivables by \$417,000.
- Capital assets increased by \$3.1 million. Major projects included the completion of the Horizon Center for Transportation Technology in Kenosha and the Allied Health Remodel and construction in progress of the Science lab remodel at the Racine campus.
- Accounts payable and accrued liabilities increased by \$720,000 or 45% as a result of construction projects and equipment payables as of June 30, 2008. It also increased as a result of accruing for a liability for an expected reduction of over \$300,000 in state aid relating to the 2007/08 fiscal year. By accruing for this liability the District was being fiscally conservative.
- The accrual for payroll and benefits experienced a significant reduction of over \$2.3 million or 57% as compared to 2007. Effective with the 2008 fiscal year end there was no longer a deferral for faculty pay and fringes. Wages normally deferred to July and August were entirely paid by 6/30/08. This change in policy

is a result of the District switching to a three term academic year effective with fiscal year 2008/09.

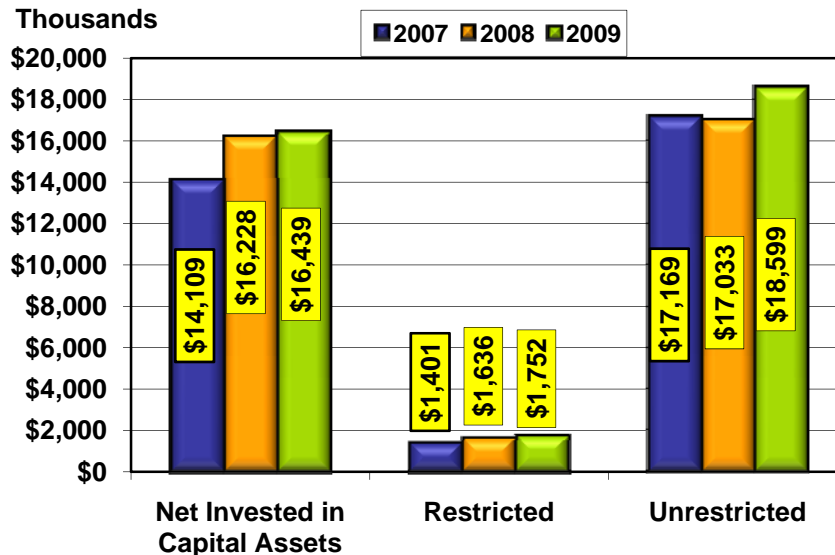
- Accruals for interest expense, student liabilities, deferred revenue and the current portion of long term debt remained relatively stable with an average 3% increase.
- Long-term debt increased by almost \$1.3 million or 5.8% as the District increased its borrowing to fund the necessary remodeling and upgrading of its facilities and equipment as part of its three year capital improvement plans.
- Invested in capital assets net of related debt made up the majority of the increase in total net assets by \$2.1 million as compared to 2007. This is due to the additional investments in facilities remodeling at all of the District's campuses.
- Restricted net assets increased by \$234,000 or 16.7% mainly due to the increase in funds restricted for debt service.

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, 2009**



**Comparative Net Assets  
Fiscal Years 2009, 2008 and 2007**





### 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)				
	<u>2009</u>	<u>2008</u>	<u>Incr (Decr)</u> <u>2009-2008</u>	<u>2007</u>	<u>Incr (Decr)</u> <u>2008-2007</u>
<b><u>Operating Revenues</u></b>					
Student Fees	\$ 10,761	\$ 9,210	\$ 1,551	\$ 9,204	\$ 6
Federal Grants	16,576	13,093	3,483	12,792	301
State Grants	3,045	2,693	352	2,707	(14)
Contract Revenues	2,053	2,526	(473)	2,162	364
Auxiliary Revenues	824	853	(29)	558	295
Miscellaneous	925	838	87	885	(47)
<b>Total Operating Revenues</b>	<b>\$ 34,184</b>	<b>\$ 29,213</b>	<b>\$ 4,971</b>	<b>\$ 28,308</b>	<b>\$ 905</b>
<b><u>Operating Expenses</u></b>					
Instruction	\$ 51,672	\$ 48,269	\$ 3,403	\$ 47,588	\$ 681
Instructional Resources	1,070	1,018	52	1,225	(207)
Student Services	8,612	8,521	91	8,776	(255)
General Institutional	7,242	6,575	667	6,893	(318)
Physical Plant	6,940	6,472	468	6,237	235
Student Aid	11,843	9,152	2,691	8,919	233
Public Services	384	335	49	318	17
Auxiliary Services	1,149	1,298	(149)	994	304
Depreciation	3,186	2,898	288	2,583	315
<b>Total Operating Expenses</b>	<b>\$ 92,098</b>	<b>\$ 84,538</b>	<b>\$ 7,560</b>	<b>\$ 83,533</b>	<b>\$ 1,005</b>
<b><u>Non-operating Revenues (Expenses)</u></b>					
Property Taxes	\$ 53,911	\$ 51,080	\$ 2,831	\$ 49,101	\$ 1,979
State Appropriations	6,826	6,628	198	7,132	(504)
State Capital Grants	1	-	1	-	-
Federal Capital Grants	3	19	(16)	8	11
Other Grants	44	16	28	-	16
Donated Capital Assets	28	265	(237)	-	265
Gain on Sale of Capital Assets	53	54	(1)	536	(482)
Investment Income	210	617	(407)	911	(294)
Interest Expense	(1,269)	(1,134)	(135)	(1,048)	(86)
<b>Total Non-operating Revenues (Expenses)</b>	<b>\$ 59,807</b>	<b>\$ 57,545</b>	<b>\$ 2,262</b>	<b>\$ 56,640</b>	<b>\$ 905</b>

Operating revenues represent the charges for services offered by the District. During FY 2009 the District generated \$34.2 million of operating revenue which is a 17% increase over FY 2008. Significant changes for the fiscal years are as follows:

***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 a 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% reduction or \$473,000 as compared to a 17% increase in FY 2008. With the economy in a downturn 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%.

***Fiscal Year 2008 Compared to Fiscal Year 2007***

- Operating revenues increased by \$905,000 or 3.2%.
- Student fee revenues remained relatively flat as a result of a 3.4% decline in FTE's offset by a 5.8% increase in tuition rates.
- Federal grants reflected a net increase of \$301,000 mainly due to a \$517,000 or 5% increase in funds received for student financial aid, but offset by a reduction in grant funding in the special revenue fund.
- State grants remained relatively flat due to the combination of a 5% increase in student financial aid assistance from the state, while state funds decreased by approximately 11% in grant funding in the special revenue fund.
- Contract revenues grew by approximately 17% or \$365,000 due to the increase in revenue generated by our Workforce & Development Division (WEDD), which provides customized instruction and technical assistance to business and industry customers.
- Auxiliary revenues increased by almost \$295,000 or 53% mainly due to new initiatives in the auto program at the Horizon Center for Transportation Technology as well as a 5% increase in revenues for the Early Childhood Lab at the Racine campus. The new revenue sources include leasing laptops (paperless program) to students as well as sales of toolkits used in the course of instruction.

Operating expenses are costs incurred for providing education, training and related services. Operating expenses increased by 8.9% or \$7.6 million in FY 2009 as compared to a 1.2% or \$1.0 million increase in FY 2008. The significant changes for the fiscal years are as follows:

***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 10.2% or approximately \$668,000 as compared to a decrease of 4.6% or \$319,000 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.

***Fiscal Year 2008 Compared to Fiscal Year 2007***

- The slight increase in expenditures overall was a result of the District making a concerted effort during the year to cut back on its non-salary expenses because of the anticipated reduction in budgeted revenue sources. Overall, salary and wage expenses increased approximately 2.8%, while employee fringe benefits decreased by 2.3%. Fringe benefits decreased due to a \$639,000 reduction in health insurance expenses. The District's health plan was amended, which included a reduction in premium rates as well as higher contributions required from employees and retirees. Other expenditures, excluding student aid, decreased by 1.3%. Please see footnote #10, in the notes to the financial statements, for expense classification detail.
- General institutional decreased by \$319,000 or 4.6%, largely due to the \$219,000 reduction in general liability insurance expense. A majority of this reduction was a result of the District not having to contribute towards the capital reserve of the DMI insurance consortium in FY 2008. In FY 2007 the District had contributed over \$191,000 towards the capital component. Please see footnote #8 on Risk Management for additional information.
- Auxiliary Services increased by \$305,000 or 30.7% due to an increase in expenses related to the auto program. As noted above in the explanation of the revenue increase in auxiliary services, the new initiatives generated an increase

in revenues but also increased expenditures for the purchase of the laptops and the toolkits.

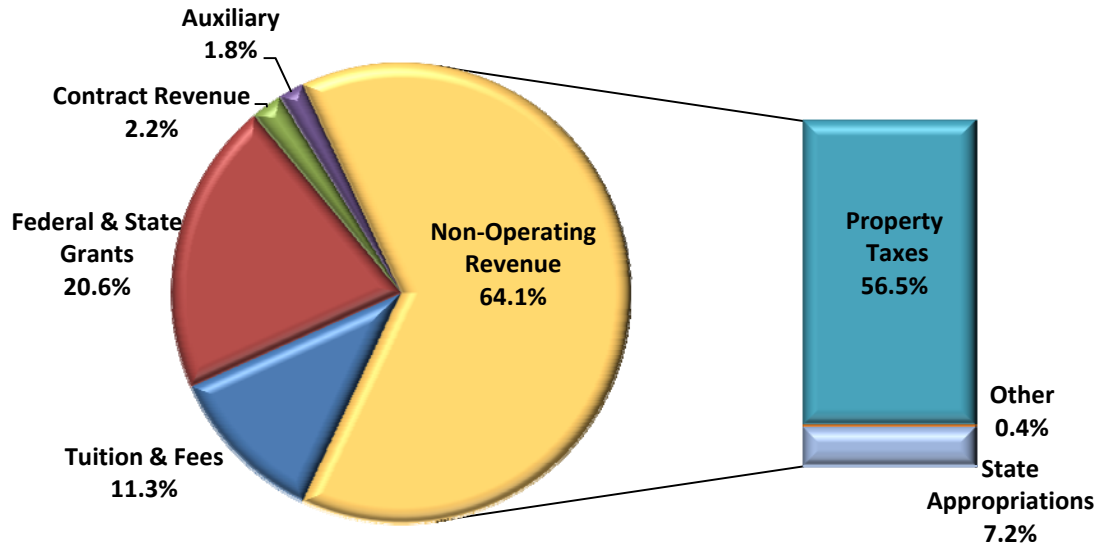
Non-operating revenues represent funds that are obtained to support operations, but are not directly related to operating activity. Wisconsin legislation subsidizes the operating expenses of the 16 technical colleges by authorizing allocation of state revenue and giving the individuals the authority to levy property taxes in the municipalities they serve. Overall, non-operating revenues, net of interest expense, increased by \$2.3 million or 3.9% in FY 2009 compared to just \$1.0 million or 1.6% in FY 2008. The significant components of the fiscal years are as follows:

- Property taxes are the biggest source of revenue for the District comprising 57% of our revenue source in FY 2009. Property taxes levied for the year were \$53.9 million, an increase of 5.5% over the \$51.1 million levied in FY 2008.
- State operating appropriations increased by \$198,000 or 3% as compared to a decrease of \$504,000 or 7.1% in FY 2008. 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. Due to the increase in FTE for the District for FY 2009 as well as expenditure increases and prior year adjustments a gain was realized in FY 2009. Part of this is also due to the removal of the liability accrual originally set up in FY 2008 to account for expected state aid reductions for FY 2008 after the fiscal year end.
- Investment income decreased by \$407,000 or 65.9% from FY 2009 to FY 2008 as a result of the lower returns on investments due to the continuing poor market conditions. The effective interest rates on funds decreased from an average of 2.32% in July of 2008 to an average of .52% in June of 2009. The decline started in FY 2008 as investment income had decreased by \$294,000 compared to FY 2007.

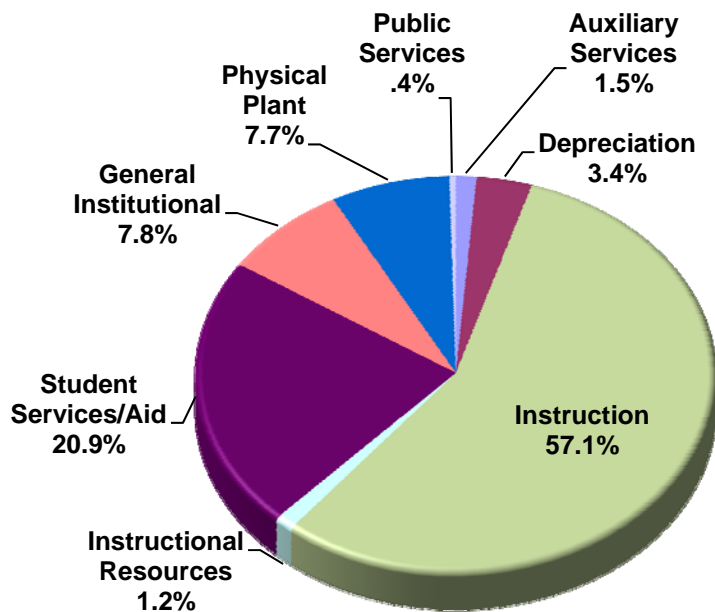
Non-operating expenses consist of interest expense on long-term debt. This expense increased by \$136,000 or 12.0% in fiscal year 2009 as the District's general obligation debt increased by \$1.2 million or 4.2% as compared to FY 2008.

The following graphs represent the distribution of revenues and operating expenses for the fiscal year ended June 30, 2009.

## 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)

	<u>2009</u>	<u>2008</u>	<u>Incr (Decr) 2009-2008</u>	<u>2007</u>	<u>Incr (Decr) 2008-2007</u>
Cash Used By Operating Activities	\$ (54,492)	\$ (54,775)	\$ 283	\$ (53,015)	\$ (1,760)
Cash Provided By Non-Capital Financing Activities	58,797	56,447	2,350	54,055	2,392
Cash Used By Capital and Related Financing Activities	(5,435)	(4,468)	(967)	(3,969)	(499)
Cash Provided By (Used for) Investing Activities	<u>210</u>	<u>628</u>	<u>(418)</u>	<u>915</u>	<u>(287)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>\$ (920)</u>	<u>\$ (2,168)</u>	<u>\$ 1,248</u>	<u>\$ (2,014)</u>	<u>\$ (154)</u>

### ***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 \$2.4 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 15<sup>th</sup> and in order to cover operating expenses before the receipt of the tax levy, funds were borrowed in December and repaid in January.

***Fiscal Year 2008 Compared to Fiscal Year 2007***

Overall, in FY 2008, cash and cash equivalents decreased by \$2.1 million or 17.4% compared to FY 2007 year end balances. Net cash used for operating activities increased from \$(53.0 million) in FY 2007 to \$(54.8 million) in FY 2008. Cash received from tuition, grants, contracts and other sources increased by \$1.5 million while cash payments for employees, materials and services increased by \$3.3 million. The largest component of cash used in operating activities was payments to employees for salaries and fringe benefits, which increased \$3.0 million or 5.1%.

Net cash used for capital and related financing activities increased by almost \$500,000. Capital asset purchases and sales resulted in a \$1.1 decrease in funds compared to FY 2007, but was offset by the net capital debt funds (proceeds less payments) by \$613,000.

Cash provided by investing activities decreased by \$287,000. This decrease is a result of the District experiencing a lower rate of return on its investments as interest rates declined due to the slowdown in the economy.

**Capital Asset and Debt Administration**

Stated in Thousands (\$000)

	<u>2009</u>	<u>2008</u>	<u>2009-2008</u>	<u>2007</u>	<u>2008-2007</u>
Land and Land Improvements	\$ 5,052	\$ 4,506	\$ 546	\$ 4,498	\$ 8
Less Accumulated Depreciation	(726)	(603)	(123)	(495)	(108)
Buildings, Improvements and Leasehold Interest/Improvement	53,949	49,141	4,808	46,560	2,581
Less Accumulated Depreciation	(24,393)	(22,802)	(1,591)	(21,511)	(1,291)
Equipment	19,726	18,316	1,410	16,264	2,052
Less Accumulated Depreciation	(11,229)	(9,837)	(1,392)	(8,895)	(942)
Construction in Progress	<u>865</u>	<u>1,911</u>	<u>(1,046)</u>	<u>1,155</u>	<u>756</u>
<b>Cost of Capital Assets Net of Accumulated Depreciation</b>	<u>\$ 43,244</u>	<u>\$ 40,632</u>	<u>\$ 2,612</u>	<u>\$ 37,576</u>	<u>\$ 3,056</u>
<b>Outstanding Capital Debt at Year End</b>	<u>\$ 29,650</u>	<u>\$ 28,460</u>	<u>\$ 1,190</u>	<u>\$ 25,440</u>	<u>\$ 3,020</u>



***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 continues to receive an Aa1 rating from Moody's Investors Services for the debt issues. Gateway meets all of its debt service requirements, including timely repayment of all debt payments. Current debt issued for buildings and improvements is repaid in 10 years or less, debt issued for equipment will be repaid in 7 years or less to correspond to the useful lives of the capital investment. Additional information about Gateway's long-term debt may be found in footnote #5 in the financial statements.

***Fiscal Year 2008 Compared to Fiscal Year 2007***

Capital assets, net of accumulated depreciation, increased by \$3.0 million from FY 2008 to FY 2007. Equipment net of accumulated depreciation comprises \$1.1 million of the increase while major capital projects included; \$1,400,000 remodeling of the aviation center into the Horizon Center for Transportation Technology; \$302,000 in the re-roofing of buildings and approximately \$184,000 in remodeling the Racine campus student services center.

Construction in progress increased by \$756,000, mainly as a result of the Allied Health remodeling and Science lab remodeling projects occurring at the Racine campus.

The district had a total general obligation debt, relating to capital assets, outstanding of \$28.4 million at June 30, 2008, an increase of \$1.9 million from the previous year-end.

## 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		
<u>Revenues</u>				
Local government - tax levy	\$ 44,728,262	\$ 44,728,262	\$ 44,724,354	\$ (3,908)
Intergovernmental revenue:				
State aids	6,870,000	6,870,000	6,955,146	85,146
Federal	-	-	13,010	13,010
Tuition and fees:				
Statutory program fees	10,634,724	10,634,724	11,956,219	1,321,495
Material fees	680,024	680,024	701,382	21,358
Other student fees	1,390,753	1,390,753	1,558,984	168,231
Miscellaneous - institutional revenue	3,818,739	3,818,739	2,871,022	(947,717)
<b>Total revenues</b>	<b>68,122,502</b>	<b>68,122,502</b>	<b>68,780,117</b>	<b>657,615</b>
<u>Expenditures</u>				
Current:				
Instruction	46,872,206	46,722,206	46,673,636	48,570
Instructional resources	1,154,735	1,154,735	1,068,480	86,255
Student services	7,156,247	7,006,247	6,996,620	9,627
General institutional	6,389,201	6,214,201	6,168,386	45,815
Physical plant	6,640,113	7,115,113	7,114,246	867
<b>Total expenditures</b>	<b>68,212,502</b>	<b>68,212,502</b>	<b>68,021,368</b>	<b>191,134</b>
Revenues over (under) expenditures	(90,000)	(90,000)	758,749	848,749
<u>Other financing sources</u>				
Operating transfers in	90,000	90,000	-	(90,000)
Net change in fund balance	-	-	758,749	758,749
<u>Fund balance</u>				
Beginning of year	14,901,305	14,901,305	14,901,305	-
End of year	\$ 14,901,305	\$ 14,901,305	\$ 15,660,054	\$ 758,749

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, general institutional and physical plant. Physical plant was increased by \$475,000 while the others were reduced to reflect the actual expenses for FY 2009. The increase was needed due to incurring additional expenses for facility repairs, maintenance, and contracted services. The General fund expenses, in total, were under budget by \$191,000.

The most significant budget to actual variations for revenue was:

- Program fees were \$1.3 million over budget due to a 7.3% increase in student FTE's combined with a Wisconsin State Technical College System set fee increase of 5.4% over FY 2008 rates.
- Miscellaneous institutional revenue was under budget by almost \$950,000 due to a significant decrease in investment income of \$407,000 from FY 2009 to FY 2008 and a reduction of \$473,000 in contract revenues between the fiscal years. With the economic recession less business and industry customers spent funds on education and training for their employees.

### **Financial Position**

Gateway's financial position remains strong in FY 2009. This is evidenced by the following positive financial results:

- Increase in net assets of \$1.9 and \$2.2 million respectively for fiscal years 2009 and 2008.
- The current ratio (current assets compared to current liabilities) remained consistent at 2.74 in FY 2009. From FY 2007 to FY 2008 it increased from 2.51 to 2.74.

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 Aa1 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. Our short term training programs in welding and CNC Operator have drawn national attention due to their success in getting dislocated workers back in the workforce. We are utilizing new technology to expand the delivery of our online offerings and services.

The College continues to grow, offer more programs, upgrade technology, and continue improve it 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 the addition of programming. In fiscal year 2009 Gateway experienced over a 7% growth in FTE's as typically, during a poor economic environment, the Wisconsin Technical Colleges' experience enrollment increases. The District has been very diligent in its budgeting process to address rising costs and realign resources to the academic areas in most demand.

The state's share of funding sources continues to decline. As a result 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 declining state aid create an environment where the District will be challenged to provide the same level of services year after year.

The slowdown in the economy has caused property values to decline in some areas of the region. The 2009 valuations of the District's property values went down by .28%. The state average for all of the technical college's was a reduction of .53%. The College relies on a strong growing tax base for sustainable revenue growth.

The 2009 unemployment rate increased in 2009 as a result of the economic recession. As of June 2009 the unemployment rate was 11.1%, 10.8% and 9.3% for Kenosha, Racine, and Walworth counties. These conditions have created a significant need 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 garnering financial support from local businesses for new programming and facilities. Most recently Snap On Inc. committed to donating cash and equipment for the new Advanced Propulsion Center to be constructed at Kenosha's Horizon Center. 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 – 30<sup>th</sup> Avenue, Kenosha WI 53144-1690.

THIS PAGE INTENTIONALLY LEFT BLANK

**BASIC FINANCIAL STATEMENTS**

GATEWAY TECHNICAL COLLEGE DISTRICT

Statements of Net Assets  
June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
<u>Current assets</u>		
Cash and cash equivalents	\$ 5,361,103	\$ 5,155,223
Restricted assets - cash and cash equivalents	4,029,192	5,155,372
Receivables:		
Property taxes	15,930,990	14,301,471
Accounts, net of reserve of \$246,000 and \$196,000 for 2009 and 2008, respectively	2,253,360	2,575,917
Federal and state aid	1,206,444	813,593
Prepaid expenses	<u>1,486,406</u>	<u>1,313,950</u>
Total Current assets	<u>30,267,495</u>	<u>29,315,526</u>
<u>Non-current assets</u>		
Capital assets	79,592,107	73,874,407
Less: accumulated depreciation	<u>(36,347,901)</u>	<u>(33,242,201)</u>
Total capital assets, net of depreciation	<u>43,244,206</u>	<u>40,632,206</u>
Total Assets	<u>73,511,701</u>	<u>69,947,732</u>
<b>LIABILITIES</b>		
<u>Current liabilities</u>		
Accounts payable and accrued liabilities	2,207,223	2,317,702
Accrued payroll and benefits	2,020,956	1,756,871
Accrued interest payable	281,653	248,861
Due to students and other groups	529,218	460,404
Unearned revenue	438,751	688,116
General obligation debt - current portion	<u>5,575,000</u>	<u>5,210,000</u>
Total Current liabilities	<u>11,052,801</u>	<u>10,681,954</u>
<u>Non-current liabilities</u>		
General obligation debt	24,075,000	23,250,000
Other postemployment benefits	546,885	-
Unearned revenue	<u>1,047,253</u>	<u>1,118,992</u>
Total Non-current liabilities, less current portion	<u>25,669,138</u>	<u>24,368,992</u>
Total Liabilities	<u>36,721,939</u>	<u>35,050,946</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	16,438,878	16,228,195
Restricted for:		
Debt service	891,867	839,522
Student financial assistance:		
Expendable	165,992	168,824
Nonexpendable	11,000	11,000
Student organizations	683,337	616,283
Unrestricted	<u>18,598,688</u>	<u>17,032,962</u>
Total Net Assets	<u>\$ 36,789,762</u>	<u>\$34,896,786</u>

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, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<u>Operating revenues</u>		
Student tuition and program fees, net of scholarship allowances of \$ 4,686,654 and \$ 3,443,212 for 2009 and 2008, respectively	\$ 10,761,259	\$ 9,209,849
Federal grants	16,575,978	13,092,509
State grants	3,044,816	2,692,464
Contract revenue	2,053,234	2,526,471
Auxiliary enterprise revenues	823,449	853,017
Miscellaneous - institutional revenue	<u>925,416</u>	<u>838,262</u>
Total operating revenues	<u>34,184,152</u>	<u>29,212,572</u>
 <u>Operating expenses</u>		
Instruction	51,672,106	48,269,277
Instructional resources	1,070,094	1,017,882
Student services	8,611,661	8,521,160
General institutional	7,242,051	6,574,419
Physical plant	6,939,730	6,471,693
Student aid	11,842,905	9,151,817
Public services	384,102	335,213
Auxiliary services	1,149,043	1,298,310
Depreciation	<u>3,186,169</u>	<u>2,897,941</u>
Total operating expenses	<u>92,097,861</u>	<u>84,537,712</u>
Net operating loss	<u>(57,913,709)</u>	<u>(55,325,140)</u>
 <u>Non-operating revenues (expenses)</u>		
Property taxes	53,910,836	51,079,902
State appropriations	6,825,727	6,627,536
State capital grants	1,504	-
Federal capital grants	2,562	19,247
Other grants	44,202	15,639
Donated capital assets	28,000	265,414
Gain (loss) on sale of capital assets	52,927	53,996
Investment income	210,390	617,039
Interest expense	<u>(1,269,463)</u>	<u>(1,133,864)</u>
Total non-operating revenues (expenses)	<u>59,806,685</u>	<u>57,544,909</u>
Change in net assets	1,892,976	2,219,769
Net assets - beginning of year	<u>34,896,786</u>	<u>32,677,017</u>
Net assets - end of year	<u>\$ 36,789,762</u>	<u>\$ 34,896,786</u>

The accompanying notes are an integral part of this statement.

GATEWAY TECHNICAL COLLEGE DISTRICT

Statements of Cash Flows

For the years ended June 30, 2009 and 2008

<u>Cash flows from operating activities</u>	<u>2009</u>	<u>2008</u>
Tuition and fees received	\$ 10,335,908	\$ 9,076,776
Federal and state grants received	19,227,943	16,072,424
Contract revenues received	2,501,187	2,217,708
Payments to employees	(63,374,035)	(62,981,970)
Payments for materials and services	(24,861,347)	(20,777,500)
Auxiliary enterprise revenues received	824,012	850,672
Other receipts	<u>853,677</u>	<u>766,523</u>
Net cash used for operating activities	<u>(54,492,655)</u>	<u>(54,775,367)</u>
<u>Cash flows from non-capital financing activities</u>		
Local government property taxes received	52,281,317	50,060,109
State appropriations received	6,515,727	6,837,536
Principal paid on pension obligation	-	(425,000)
Interest paid on pension obligation	<u>-</u>	<u>(25,925)</u>
Net cash provided by noncapital financing activities	<u>58,797,044</u>	<u>56,446,720</u>
<u>Cash flows from capital and related financing activities</u>		
State and federal grants received for capital assets	4,066	19,247
Gifts and other grants received for capital assets	44,202	15,639
Proceeds from sale of capital assets	52,927	213,489
Purchases of capital assets	(5,489,629)	(5,487,061)
Proceeds from issuance of capital debt	6,500,000	6,500,000
Principal paid on capital debt	(5,310,000)	(4,615,000)
Interest paid on capital debt	<u>(1,236,671)</u>	<u>(1,114,024)</u>
Net cash used for capital and related financing activities	<u>(5,435,105)</u>	<u>(4,467,710)</u>
<u>Cash flows from investing activities</u>		
Investment income received	210,416	617,030
Proceeds on sales of investments	<u>-</u>	<u>11,000</u>
Net cash provided for investing activities	<u>210,416</u>	<u>628,030</u>
Net decrease in cash and cash equivalents	(920,300)	(2,168,327)
<u>Cash and cash equivalents</u>		
Beginning of year	<u>10,310,595</u>	<u>12,478,922</u>
End of year	<u>\$ 9,390,295</u>	<u>\$ 10,310,595</u>
Reconciliation of cash and cash equivalents to the statement of net assets		
Cash and cash equivalents	\$ 5,361,103	\$ 5,155,223
Restricted assets - cash and cash equivalents	<u>4,029,192</u>	<u>5,155,372</u>
	<u>\$ 9,390,295</u>	<u>\$ 10,310,595</u>

GATEWAY TECHNICAL COLLEGE DISTRICT

Statements of Cash Flows - Continued  
For the years ended June 30, 2009 and 2008

<u>Reconciliation of operating (loss) to net cash</u>	<u>2009</u>	<u>2008</u>
<u>used by operating activities:</u>		
Operating loss	\$ (57,913,709)	\$ (55,325,140)
Adjustment to reconcile operating loss to net cash used by operating activities:		
Depreciation	3,186,169	2,897,941
Changes in assets and liabilities:		
(Increase) decrease		
Receivables	(70,320)	(129,401)
Prepaid expenditures	(172,456)	(12,104)
Increase (decrease)		
Accounts payable and accrued liabilities	(81,019)	149,018
Accrued payroll and benefits	264,085	(2,332,985)
Other post employment benefits	546,885	-
Due to agency organizations	68,814	71,437
Deferred revenue - other	<u>(321,104)</u>	<u>(94,133)</u>
 Net cash used for operating activities	 <u>\$ (54,492,655)</u>	 <u>\$ (54,775,367)</u>

The accompanying notes are an integral part of this statement.

## Notes to Financial Statements

June 30, 2009 and 2008

### (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.

## Notes to Financial Statements

June 30, 2009 and 2008

### (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.

## Notes to Financial Statements

June 30, 2009 and 2008

### (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.

## Notes to Financial Statements

June 30, 2009 and 2008

### (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) Prepaid Expenses

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

#### (g) 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.

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.

## Notes to Financial Statements

June 30, 2009 and 2008

### (1) Summary of Significant Accounting Policies (continued)

#### (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, 2009 and 2008, which was \$343,618 and \$340,000 respectively.

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

#### (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.

#### (k) Self-Insurance

The District was self-insured, until September 30, 2004, for a portion of the risks related to employee health and dental claims. Effective with October 1, 2004 the District is now fully covered under a front-end deductible premium plan through WEA Trust, underwritten by WEA Insurance Corporation.

#### (l) Scholarship Allowances and Student Aid

Financial aid to students is reported in the financial statements under the alternative method, as prescribed by the National Association of College and University Business Officers (NACUBO). Aid is generally reflected in the financial statements as operating expenses or scholarship allowances, which reduce revenues.



## Notes to Financial Statements

June 30, 2009 and 2008

### (1) Summary of Significant Accounting Policies (continued)

#### (l) Scholarship Allowances and Student Aid (continued)

The amount reported as operating expenses represents the portion of aid that was provided to the student in the form of cash or credit for book charges. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Under the alternative method, these amounts are computed on a total District basis by allocating the cash payments to students, excluding payments for services, on the ratio of all aid to the aid not considered to be third party aid.

#### (m) Classification of Revenue

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

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

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

#### (n) Net Assets

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

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

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

## Notes to Financial Statements

June 30, 2009 and 2008

### (1) Summary of Significant Accounting Policies (continued)

#### (n) Net Assets (continued)

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

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

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

#### (o) 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.

In June 2007, GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. The requirements of the related Statement are effective for financial statements for periods beginning after June 15, 2009.

In June 2008, GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. The requirements of the related Statement are effective for financial statements for periods beginning after June 15, 2009.

## Notes to Financial Statements

June 30, 2009 and 2008

### (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	2009	2008
Cash on hand	\$ 38,673	\$ 25,356
Demand deposits	3,989,057	5,581,425
Repurchase agreements	1,988,359	675,967
Certificates of Deposit	11,000	11,000
Wisconsin Local Government Investment Pool	3,363,206	4,016,847
Total Cash and Cash Equivalents	\$ 9,390,295	\$ 10,310,595

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

Restricted for		
Capital Projects	\$ 2,844,672	\$ 4,055,989
Debt Service	1,173,520	1,088,383
Student Financial Assistance	11,000	11,000
	4,029,192	5,155,372
Unrestricted	5,361,103	5,155,223
Total Cash and Cash Equivalents	\$ 9,390,295	\$ 10,310,595

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, 2009 and 2008 was \$23,052,787 and \$26,069,758 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.

## Notes to Financial Statements

June 30, 2009 and 2008

### (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:

<u>June 30, 2009</u>	Fair	Investment Maturities (in Year	
<u>Investment Type</u>	<u>Value</u>	<u>Less than 1</u>	<u>1-2</u>
Repurchase Agreements	\$ 1,988,359	\$ 1,988,359	\$ -
Wisconsin Local Government Investment P	3,363,206	3,363,206	-
	<u>\$ 5,351,565</u>	<u>\$ 5,351,565</u>	<u>\$ -</u>
<u>June 30, 2008</u>	Fair	Investment Maturities (in Year	
<u>Investment Type</u>	<u>Value</u>	<u>Less than 1</u>	<u>1-2</u>
Repurchase Agreements	\$ 675,967	\$ 675,967	\$ -
Wisconsin Local Government Investment P	4,016,847	4,016,847	-
	<u>\$ 4,692,814</u>	<u>\$ 4,692,814</u>	<u>\$ -</u>

As of June 30, 2009 and 2008, the fair value of the District's share of investments was substantially 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

## Notes to Financial Statements

June 30, 2009 and 2008

### (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, 2009 and June 30, 2008 the District had 37.2% and 14.4% respectively in repurchase agreements. The repurchase agreements mature each day and are collateralized by U.S. government securities and therefore, concentration risk is 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 Wisconsin 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, 2009 and 2008 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, 2009, and 2008, were as follows:

	2009		2008	
	Mill Rate	Amount Levied	Mill Rate	Amount Levied
Operating levy	1.07715	\$ 47,351,262	1.05097	\$ 44,825,834
Debt service levy	0.14931	6,563,482	0.14654	6,250,000
 Total Property Tax Levy		 \$ 53,914,744		 \$ 51,075,834

## Notes to Financial Statements

June 30, 2009 and 2008

### (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 \$204,227 and \$169,136 in state aid revenue in lieu of property tax for the year ended June 30, 2009, and 2008, 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 \$53,910,836 and \$51,079,902 for the years ended June 30, 2009, and 2008, respectively, which includes the District's property tax levy and miscellaneous other tax collection related adjustments.

## Notes to Financial Statements

**June 30, 2009 and 2008**

### (4) Capital Assets

Following are the changes in the District's capital assets for the years ended June 30, 2009, and 2008:

	2009			Balance June 30, 2009
	Balance July 1, 2008	Additions	Disposals	
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	<u>4,290,827</u>	<u>2,488,393</u>	<u>3,534,600</u>	<u>3,244,620</u>
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	<u>69,583,580</u>	<u>6,844,376</u>	<u>80,469</u>	<u>76,347,487</u>
Total Cost of Capital Assets	<u>73,874,407</u>	<u>9,332,769</u>	<u>3,615,069</u>	<u>79,592,107</u>
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	<u>33,242,201</u>	<u>3,186,169</u>	<u>80,469</u>	<u>36,347,901</u>
Net Capital Assets	40,632,206	<u>\$ 6,146,600</u>	<u>\$ 3,534,600</u>	43,244,206
Plus capital project funds				
borrowed but not spent	4,055,989			2,844,672
Less: General obligation debt	<u>(28,460,000)</u>			<u>(29,650,000)</u>
Total Invested in Capital Assets, Net of Related Debt	<u>\$ 16,228,195</u>			<u>\$ 16,438,878</u>

## Notes to Financial Statements

June 30, 2009 and 2008

### (4) Capital Assets (continued)

	2008			Balance June 30, 2008
	Balance July 1, 2007	Additions	Disposals	
Capital assets, not being depreciated:				
Land	\$ 2,379,913	\$ -	\$ -	\$ 2,379,913
Construction in progress	1,154,761	2,939,852	2,183,699	1,910,914
Total capital assets not depreciated	<u>3,534,674</u>	<u>2,939,852</u>	<u>2,183,699</u>	<u>4,290,827</u>
Capital assets, being depreciated:				
Land improvements	2,117,666	8,292	-	2,125,958
Buildings and improvements	44,539,937	2,417,310	80,012	46,877,235
Equipment	16,264,273	2,713,096	661,206	18,316,163
Leasehold interest	958,193	-	-	958,193
Leasehold improvement	1,062,367	243,664	-	1,306,031
Total capital assets being depreciated	<u>64,942,436</u>	<u>5,382,362</u>	<u>741,218</u>	<u>69,583,580</u>
 Total Cost of Capital Assets	 <u>68,477,110</u>	 <u>8,322,214</u>	 <u>2,924,917</u>	 <u>73,874,407</u>
Less: Accumulated depreciation for				
Land improvements	494,712	107,922	-	602,634
Buildings and improvements	21,256,929	1,259,957	80,012	22,436,874
Equipment	8,894,962	1,418,854	476,713	9,837,103
Leasehold interest	177,210	48,811	-	226,021
Leasehold improvement	77,172	62,397	-	139,569
Total Accumulated Depreciation	<u>30,900,985</u>	<u>2,897,941</u>	<u>556,725</u>	<u>33,242,201</u>
 Net Capital Assets	 37,576,125	 <u>\$ 5,424,273</u>	 <u>\$ 2,368,192</u>	 40,632,206
Plus capital project funds borrowed but not spent	3,107,625			4,055,989
Less: General obligation debt	<u>(26,575,000)</u>			<u>(28,460,000)</u>
 Total Invested in Capital Assets, Net of Related Debt	 <u>\$ 14,108,750</u>			 <u>\$ 16,228,195</u>



## Notes to Financial Statements

June 30, 2009 and 2008

### (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. As of June 30, 2008 approximately \$9,000 of leasehold improvements was added to the building. Additional leasehold improvements of approximately \$34,000 were added as of June 30, 2009.

The balance of leasehold improvement additions, of approximately \$477,000, was for a parking lot expansion at our Horizon Center for Transportation Technology. The parking lot is on land leased from the City of Kenosha.

### (5) Long-Term Obligations

The following is a summary of the changes in long-term obligations for the years ended June 30, 2009, and 2008:

	<u>July 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2009</u>	<u>Due Within One Year</u>
General Obligation Debt	\$ 28,460,000	\$ 6,500,000	\$ 5,310,000	\$ 29,650,000	\$ 5,575,000
Accrued OPEB obligation	-	546,885	-	546,885	-
	<u>\$ 28,460,000</u>	<u>\$ 7,046,885</u>	<u>\$ 5,310,000</u>	<u>\$ 30,196,885</u>	<u>\$ 5,575,000</u>
	<u>July 1, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2008</u>	<u>Due Within One Year</u>
General Obligation Debt	<u>\$ 27,000,000</u>	<u>\$ 6,500,000</u>	<u>\$ 5,040,000</u>	<u>\$ 28,460,000</u>	<u>\$ 5,210,000</u>

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2009 and 2008**

**(5) Long-Term Obligations (continued)**

General obligation debt outstanding at June 30, 2009, and 2008, consists of the following notes and bonds:

	<u>2009</u>	<u>2008</u>
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).	\$ 4,425,000	\$ 4,525,000
General obligation promissory notes, 2.00% to 3.25%, payable in annual installments of \$150,000 to \$725,000 plus interest to April 1, 2009 (issued for \$3,250,000 on October 15, 2002, through R.W. Baird & Co., to finance the remodeling of various buildings district-wide and acquisition of equipment).	-0-	725,000
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).	815,000	1,000,000
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).	155,000	230,000
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).	560,000	3,385,000
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).	1,230,000	1,425,000

## Notes to Financial Statements

June 30, 2009 and 2008

### (5) Long-Term Obligations (continued)

	<u>2009</u>	<u>2008</u>
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).	4,060,000	4,390,000
General obligation promissory notes, 3.60% to 3.75%, payable in annual installments of \$35,000 to \$200,000, plus interest, to April 1, 2013 (issued for \$1,000,000 on April 1, 2006, to Harris N.A., to finance various facility remodeling projects).	755,000	865,000
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).	2,650,000	3,235,000
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).	1,100,000	1,180,000
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).	1,000,000	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).	4,500,000	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

## Notes to Financial Statements

June 30, 2009 and 2008

### (5) Long-Term Obligations (continued)

	<u>2009</u>	<u>2008</u>
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
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).	4,400,000	-0-
General obligation promissory notes, 2.00% 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	-0-
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 to finance the Racine Welding Lab remodel and Broadband expansion project down payment.	<u>1,000,000</u>	<u>-0-</u>
 Total General Long-Term Obligation Debt	 <u>\$ 29,650,000</u>	 <u>\$ 28,460,000</u>

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:

## Notes to Financial Statements

June 30, 2009 and 2008

### (5) Long-Term Obligations (continued)

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 5,575,000	\$ 1,122,072	\$ 6,697,072
2011	5,715,000	916,236	6,631,236
2012	3,940,000	702,391	4,642,391
2013	3,850,000	559,063	4,409,063
2014	2,775,000	416,352	3,191,352
2015-2019	7,795,000	643,249	8,438,249
	<u>\$ 29,650,000</u>	<u>\$ 4,359,363</u>	<u>\$ 34,009,363</u>

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, 2009, the 5% limitation was \$2,295,415,134 and the District's outstanding general obligation debt (net of resources available to pay principal and interest) was \$28,758,133. The 5% limit, as of June 30, 2008, was \$2,218,065,360; the District's outstanding general obligation debt (net of resources available to pay principal and interest) was \$27,620,478.

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, 2009, the 2% limitation was \$918,166,054 and the District's outstanding bonded indebtedness (net of resources available to pay principal and interest) was \$4,324,294. The 2% limit, as of June 30, 2008, was \$887,226,144; the District's outstanding bonded indebtedness (net of resources available to pay principal and interest) was \$4,422,106.

### (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 5.9 percent of their salary to the plan. In addition, the District is required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits (currently 4.5 percent of covered employee's salary).

## Notes to Financial Statements

June 30, 2009 and 2008

### (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, 2009 was \$40,587,605; the employer's total payroll was \$43,853,882. The total required contribution paid for the year ended June 30, 2009 was \$4,261,186, which consisted of \$1,846,480 from the District and \$2,414,706, or 5.9% of payroll from the District on behalf of the employees. Total contributions for the years ended June 30, 2008 and 2006 were \$4,315,387 and \$3,952,896, 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, 2009, the date of the latest actuarial valuation, was 559 active and 54 retired employees receiving benefits. In addition 170 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

## Notes to Financial Statements

June 30, 2009 and 2008

### (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 \$978,125 of which \$747,181 paid the current year normal cost and an additional \$230,944 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.

**Notes to Financial Statements**

**June 30, 2009 and 2008**

**(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:

<b>Component</b>	<b>Amount</b>
Annual required contribution	\$ 1,525,010
Interest on net OPEB	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	1,525,010
Contributions made	<u>(978,125)</u>
Change in net OPEB obligation	546,885
OPEB obligation - beginning of year	-
OPEB obligation - end of year	<u><u>\$ 546,885</u></u>

**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

**(d) Funded Status and Funding Progress**

The funded status as of June 30, 2009, the most recent actuarial valuation date was as follows:

Actuarial accrued liability (AAL)	\$ 15,547,825
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u><u>\$ 15,547,825</u></u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 37,949,578
Ratio of UAAL to covered payroll	41%



## Notes to Financial Statements

June 30, 2009 and 2008

### (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 is implementing 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, 2009
Actuarial cost method	Projected Unit Credit
Amortization method	Level
Remaining amortization period	29 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%

## Notes to Financial Statements

June 30, 2009 and 2008

### (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 and \$318,723 for fiscal years 2009 and 2008, respectively.

For the year ended June 30, 2009, 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 2009. For 2008, the District paid a total premium of \$340,288 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.

# GATEWAY TECHNICAL COLLEGE DISTRICT

## Notes to Financial Statements

June 30, 2009 and 2008

### (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.

## Notes to Financial Statements

June 30, 2009 and 2008

### (9) Operating Leases

The District leases classroom, office, aviation facilities, and copier equipment 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 from Burlington Area School District. The lease has a term of twenty years and annual lease payments averaging under \$200,000 per year.

Effective with July 1, 2008 the District is leasing two aircraft, for 60 month terms, from Christiansen Aviation Inc. The commitments under the various lease agreements, described above, account for future minimum annual rental payments as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2010	\$ 622,338
2011	590,138
2012	567,876
2013	291,363
2014	261,955
2015 - 2019	1,073,081
2020 - 2024	<u>998,102</u>

Total required minimum lease payments \$ 4,404,853

Rental expenses for all operating leases aggregated \$785,358 and \$737,152 for the years ended June 30, 2009 and 2008, respectively.

The District currently subleases space at the Burlington Campus and also leases facilities located on the Elkhorn Campus, related to the Walworth County Education Consortium Alternative High School and the Walworth Job Center. The tenants have leases ranging from one year to five years. As of June 30, 2009 and June 30, 2008, the cost of the lease assets is \$1,077,318 and \$1,012,357 respectively and the depreciation is \$233,473 and \$198,202 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.

## Notes to Financial Statements

June 30, 2009 and 2008

### (9) Operating Leases (continued)

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

<u>Year Ending June 30</u>	<u>Amount</u>
2010	\$ 164,114
2011	73,336
2012	1,668
2013	1,668
2014	1,668
2015-2019	8,340
2020-2023	<u>6,668</u>
Total future minimum lease revenue	<u>\$ 257,462</u>

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, 2009 and 2008 was \$252,127 and \$234,285, 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:

	<u>2009</u>	<u>2008</u>
Salaries and wages	\$ 43,890,665	\$ 41,139,413
Fringe benefits	19,747,456	19,509,572
Travel, memberships and subscriptions	780,231	698,040
Supplies and minor equipment	6,056,363	5,349,544
Contract services	2,325,998	2,116,237
Bank/Agency credit/collection fees	196,348	131,862
Rentals	785,358	737,152
Repairs and maintenance	742,014	521,508
Insurance	518,683	409,729
Utilities	1,762,077	1,728,450
Depreciation	3,186,169	2,897,941
Student aid	11,842,905	9,151,817
Student debt write-off	<u>263,594</u>	<u>146,447</u>
Total Operating Expenses	<u>\$ 92,097,861</u>	<u>\$ 84,537,712</u>

## Notes to Financial Statements

June 30, 2009 and 2008

### (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, 2009 and 2008 was \$43,263 and \$45,463 respectively. The net assets for the joint venture increased, by \$1,200 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 30<sup>th</sup> 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, 2009 the District has commitments outstanding for construction projects of approximately \$1,258,232. As of June 30, 2008 the commitments for construction projects were \$631,000.

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2009 and 2008**

**(13) Subsequent Events**

The District has evaluated events and transactions for potential recognition or disclosure in the financial statements through October 12, 2009, the date on which the financial statements were available to be issued.

On July 09, 2009, the District issued \$1,000,000 Series 2009-10A General Obligation Promissory Notes, the proceeds of which are to be used for financing various building remodeling and improvement project costs. Interest rates range from 2.50% to 3.50% with the first payment of principal due on April 1, 2011.

On October 14, 2009 the District will issue \$5,500,000 Series 2009-10B General Obligation Promissory Notes, the proceeds of which will be used for financing \$4,000,000 in equipment and \$1,500,000 for the building remodeling project costs.

This information is an integral part of the accompanying Basic Financial Statements.

**REQUIRED SUPPLEMENTARY INFORMATION**



**GATEWAY TECHNICAL COLLEGE DISTRICT**

Schedules of Other Post-Employment Benefit Plan Information  
(Unaudited)  
June 30, 2009 and 2008

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%

Schedule of Employer Contributions

Actuarial Valuation Date	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

The District is required to present the above information for the three most recent actuarial studies. The study completed as of June 30, 2009 was the first study done by 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, 2009

	<u>Budget Amounts</u>		Actual on a Budgetary <u>Basis</u>	Variance with Final Budget- Over <u>(Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Local government - tax levy	\$ 44,728,262	\$ 44,728,262	\$ 44,724,354	\$ (3,908)
Intergovernmental revenue:				
State aids	6,870,000	6,870,000	6,955,146	85,146
Federal	-	-	13,010	13,010
Tuition and fees:				
Statutory program fees	10,634,724	10,634,724	11,956,219	1,321,495
Material fees	680,024	680,024	701,382	21,358
Other student fees	1,390,753	1,390,753	1,558,984	168,231
Miscellaneous - institutional revenue	<u>3,818,739</u>	<u>3,818,739</u>	<u>2,871,022</u>	<u>(947,717)</u>
 Total revenues	 <u>68,122,502</u>	 <u>68,122,502</u>	 <u>68,780,117</u>	 <u>657,615</u>
<u>Expenditures</u>				
Current:				
Instruction	46,872,206	46,722,206	46,673,636	48,570
Instructional resources	1,154,735	1,154,735	1,068,480	86,255
Student services	7,156,247	7,006,247	6,996,620	9,627
General institutional	6,389,201	6,214,201	6,168,386	45,815
Physical plant	<u>6,640,113</u>	<u>7,115,113</u>	<u>7,114,246</u>	<u>867</u>
 Total expenditures	 <u>68,212,502</u>	 <u>68,212,502</u>	 <u>68,021,368</u>	 <u>191,134</u>
 Revenues over (under) expenditures	 <u>(90,000)</u>	 <u>(90,000)</u>	 <u>758,749</u>	 <u>848,749</u>
<u>Other financing sources</u>				
Transfer in	<u>90,000</u>	<u>90,000</u>	<u>-</u>	<u>(90,000)</u>
 Net change in fund balance	 -	 -	 758,749	 758,749
<u>Fund balance</u>				
Beginning of year	<u>14,901,305</u>	<u>14,901,305</u>	<u>14,901,305</u>	<u>-</u>
 End of year	 <u>\$ 14,901,305</u>	 <u>\$ 14,901,305</u>	 <u>\$ 15,660,054</u>	 <u>\$ 758,749</u>

## **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, 2009

	<u>Budget Amounts</u>		Actual on a Budgetary Basis	Variance with Final Budget- Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Local government - tax levy	\$ 2,257,000	\$ 2,257,000	\$ 2,257,000	\$ -
Intergovernmental revenue:				
State aids	1,195,000	1,195,000	1,165,896	(29,104)
Federal	1,656,000	1,656,000	1,705,434	49,434
Miscellaneous - institutional revenue	<u>60,000</u>	<u>60,000</u>	<u>63,611</u>	<u>3,611</u>
Total revenues	<u>5,168,000</u>	<u>5,168,000</u>	<u>5,191,941</u>	<u>23,941</u>
<u>Expenditures</u>				
Current:				
Instruction	3,374,118	3,379,118	3,378,697	421
Student services	876,474	876,474	831,624	44,850
General institutional	608,008	600,008	352,129	247,879
Public services	<u>309,400</u>	<u>312,400</u>	<u>311,988</u>	<u>412</u>
Total expenditures	<u>5,168,000</u>	<u>5,168,000</u>	<u>4,874,438</u>	<u>293,562</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>317,503</u>	<u>317,503</u>
<u>Other financing uses</u>				
Transfer out	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>	<u>15,000</u>
Net change in fund balance	(15,000)	(15,000)	317,503	332,503
<u>Fund balance</u>				
Beginning of year	<u>2,315,729</u>	<u>2,314,738</u>	<u>2,314,738</u>	<u>-</u>
End of year	<u>\$ 2,300,729</u>	<u>\$ 2,299,738</u>	<u>\$ 2,632,241</u>	<u>\$ 332,503</u>

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, 2009

	<u>Budget Amounts</u>		Actual on a Budgetary Basis	Variance with Final Budget- Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Local government - tax levy	\$ 50,000	\$ 50,000	\$ 50,000	\$ -
Intergovernmental revenue:				
State aids	1,711,600	1,711,600	1,749,501	37,901
Federal	13,777,000	15,182,000	14,845,849	(336,151)
Tuition and fees - other student fees	562,000	562,000	618,947	56,947
Miscellaneous - institutional revenue	<u>1,804,400</u>	<u>2,020,400</u>	<u>2,244,392</u>	<u>223,992</u>
 Total revenues	 <u>17,905,000</u>	 <u>19,526,000</u>	 <u>19,508,689</u>	 <u>(17,311)</u>
 <u>Expenditures</u>				
Current:				
Instruction	600	600	-	600
Student services	<u>17,904,400</u>	<u>19,525,400</u>	<u>19,444,467</u>	<u>80,933</u>
 Total expenditures	 <u>17,905,000</u>	 <u>19,526,000</u>	 <u>19,444,467</u>	 <u>81,533</u>
 Net change in fund balance	 -	 -	 64,222	 64,222
 <u>Fund balance</u>				
Beginning of year	<u>796,107</u>	<u>796,107</u>	<u>796,107</u>	<u>-</u>
 End of year	 <u>\$ 796,107</u>	 <u>\$ 796,107</u>	 <u>\$ 860,329</u>	 <u>\$ 64,222</u>

### **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, 2009

	<u>Budget Amounts</u>		<u>Actual on a Budgetary Basis</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Intergovernmental revenue:				
State	\$ -	\$ -	\$ 1,504	\$ 1,504
Federal	-	-	2,562	2,562
Miscellaneous - institutional revenue	<u>200,000</u>	<u>200,000</u>	<u>184,077</u>	<u>(15,923)</u>
Total revenues	<u>200,000</u>	<u>200,000</u>	<u>188,143</u>	<u>(11,857)</u>
<u>Expenditures</u>				
Capital outlay:				
Instruction	3,802,000	3,802,000	3,167,472	634,528
Instructional resources	30,000	30,000	1,885	28,115
Student services	30,000	80,000	38,754	41,246
General institutional	1,300,000	1,598,000	831,310	766,690
Physical plant	3,500,000	5,200,000	5,144,340	55,660
Public services	<u>100,000</u>	<u>102,000</u>	<u>101,598</u>	<u>402</u>
Total expenditures	<u>8,762,000</u>	<u>10,812,000</u>	<u>9,285,359</u>	<u>1,526,641</u>
Revenues over (under) expenditures	<u>(8,562,000)</u>	<u>(10,612,000)</u>	<u>(9,097,216)</u>	<u>1,514,784</u>
<u>Other financing sources</u>				
Long-term debt issued	<u>7,500,000</u>	<u>7,500,000</u>	<u>6,500,000</u>	<u>(1,000,000)</u>
Net change in fund balance	(1,062,000)	(3,112,000)	(2,597,216)	514,784
<u>Fund balance</u>				
Beginning of year	<u>3,281,242</u>	<u>3,281,242</u>	<u>3,281,242</u>	<u>-</u>
End of year	<u>\$ 2,219,242</u>	<u>\$ 169,242</u>	<u>\$ 684,026</u>	<u>\$ 514,784</u>

## **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, 2009

	<u>Budget Amounts</u>		<u>Actual on a Budgetary Basis</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Local government - tax levy	\$ 6,563,482	\$ 6,563,482	\$ 6,563,482	\$ -
Miscellaneous - institutional revenue	<u>85,000</u>	<u>85,000</u>	<u>68,326</u>	<u>(16,674)</u>
Total revenues	<u>6,648,482</u>	<u>6,648,482</u>	<u>6,631,808</u>	<u>(16,674)</u>
<u>Expenditures</u>				
Physical plant	<u>6,548,482</u>	<u>6,548,482</u>	<u>6,546,671</u>	<u>1,811</u>
Total expenditures	<u>6,548,482</u>	<u>6,548,482</u>	<u>6,546,671</u>	<u>1,811</u>
Net change in fund balance	100,000	100,000	85,137	(14,863)
<u>Fund balance</u>				
Beginning of year	<u>1,088,383</u>	<u>1,088,383</u>	<u>1,088,383</u>	<u>-</u>
End of year	<u>\$ 1,188,383</u>	<u>\$ 1,188,383</u>	<u>\$ 1,173,520</u>	<u>\$ (14,863)</u>

## **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, 2009

	<u>Budget Amounts</u>		Actual on a Budgetary Basis	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<u>Operating Revenues</u>				
Local government - tax levy	\$ 316,000	\$ 316,000	\$ 316,000	\$ -
Intergovernmental revenue:				
Federal	10,000	10,000	11,685	1,685
Other student fees	188,500	188,500	224,374	35,874
Miscellaneous - institutional revenue	<u>494,947</u>	<u>666,947</u>	<u>767,792</u>	<u>100,845</u>
 Total revenues	 <u>1,009,447</u>	 <u>1,181,447</u>	 <u>1,319,851</u>	 <u>138,404</u>
<u>Operating Expenses</u>				
Auxiliary services	<u>1,009,447</u>	<u>1,181,447</u>	<u>1,180,566</u>	<u>881</u>
 Total expenses	 <u>1,009,447</u>	 <u>1,181,447</u>	 <u>1,180,566</u>	 <u>881</u>
 Operating Income	 -	 -	 139,285	 139,285
<u>Operating transfers</u>				
Transfer out	<u>(75,000)</u>	<u>(75,000)</u>	<u>-</u>	<u>75,000</u>
 Change in Net Assets	 (75,000)	 (75,000)	 139,285	 214,285
<u>Net Assets</u>				
Beginning of year	<u>720,193</u>	<u>720,193</u>	<u>720,193</u>	<u>-</u>
 End of year	 <u>\$ 645,193</u>	 <u>\$ 645,193</u>	 <u>\$ 859,478</u>	 <u>\$ 214,285</u>

**SCHEDULES TO RECONCILE BUDGET BASIS FINANCIAL STATEMENTS TO  
BASIC FINANCIAL STATEMENTS**

GATEWAY TECHNICAL COLLEGE DISTRICT

Schedule to Reconcile the Budgetary Combined Balance Sheet - All Fund Types  
to the Statement of Net Assets  
June 30, 2009

ASSETS	General	Special Revenue Funds		Capital	Debt	Enterprise	Agency	Total	Reconciling Items	Statement of Net Assets
	Fund	Operating	Non-Aidable	Projects Fund	Service Fund	Fund	Funds			
<b>Assets</b>										
Cash and investments	\$ 5,361,003	\$ -	\$ 11,000	\$2,844,672	\$1,173,520	\$ 100	\$ -	\$ 9,390,295	\$ -	\$ 9,390,295
Receivables:										
Property taxes	15,930,990	-	-	-	-	-	-	15,930,990	-	15,930,990
Accounts, net of reserve of \$ 246,000	2,223,100	8,645	21	-	-	7,839	13,755	2,253,360	-	2,253,360
Federal and state aid	-	1,016,526	187,079	-	-	2,839	-	1,206,444	-	1,206,444
Due from other funds	-	1,760,291	688,903	-	-	791,745	525,281	3,766,220	(3,766,220)	-
Prepaid expenditures	1,486,406	-	-	-	-	-	-	1,486,406	-	1,486,406
Capital assets	-	-	-	-	-	275,582	-	275,582	79,316,525	79,592,107
Less: accumulated depreciation	-	-	-	-	-	(200,147)	-	(200,147)	(36,147,754)	(36,347,901)
<b>Total Assets</b>	<b>\$ 25,001,499</b>	<b>\$2,785,462</b>	<b>\$ 887,003</b>	<b>\$2,844,672</b>	<b>\$1,173,520</b>	<b>\$877,958</b>	<b>\$ 539,036</b>	<b>\$ 34,109,150</b>	<b>\$ 39,402,551</b>	<b>\$ 73,511,701</b>
<b>LIABILITIES AND FUND EQUITY</b>										
<b>Liabilities</b>										
Accounts payable and accrued liabilities	\$ 2,164,582	\$ 39,194	\$ 1,312	\$ -	\$ -	\$ 155	\$ 1,980	\$ 2,207,223	\$ -	\$ 2,207,223
Employee-related payables	1,514,703	113,003	23,469	-	-	18,325	7,838	1,677,338	-	1,677,338
Accrued vacation payable	343,618	-	-	-	-	-	-	343,618	-	343,618
Accrued interest	-	-	-	-	-	-	-	-	281,653	281,653
Due to other funds	3,766,220	-	-	-	-	-	-	3,766,220	(3,766,220)	-
Due to students and other groups	-	-	-	-	-	-	529,218	529,218	-	529,218
Deferred revenue	1,098,399	-	-	20,000	-	-	-	1,118,399	(679,648)	438,751
Long-term liabilities	-	-	-	-	-	-	-	-	31,244,138	31,244,138
<b>Total liabilities</b>	<b>8,887,522</b>	<b>152,197</b>	<b>24,781</b>	<b>20,000</b>	<b>-</b>	<b>18,480</b>	<b>539,036</b>	<b>9,642,016</b>	<b>27,079,923</b>	<b>36,721,939</b>
<b>Fund balances / net assets</b>										
Investment in capital assets	-	-	-	-	-	-	-	-	16,438,878	16,438,878
Net assets										
Unreserved/unrestricted	-	-	-	-	-	859,478	-	859,478	17,739,210	18,598,688
Fund balances:										
Reserved for prepaid expenditures	1,486,406	-	-	-	-	-	-	1,486,406	(1,486,406)	-
Reserved for student organizations	-	-	683,337	-	-	-	-	683,337	-	683,337
Reserved for student financial assistance	-	-	176,992	-	-	-	-	176,992	-	176,992
Reserved for capital projects	-	-	-	684,026	-	-	-	684,026	(684,026)	-
Reserved for debt service	-	-	-	-	1,173,520	-	-	1,173,520	(281,653)	891,867
Unreserved - Designated for:										
Operations	13,433,648	2,632,241	-	-	-	-	-	16,065,889	(16,065,889)	-
State aid fluctuations/health insurance	740,000	-	-	-	-	-	-	740,000	(740,000)	-
<b>Total fund balances / net assets</b>	<b>15,660,054</b>	<b>2,632,241</b>	<b>860,329</b>	<b>684,026</b>	<b>1,173,520</b>	<b>859,478</b>	<b>-</b>	<b>21,869,648</b>	<b>14,920,114</b>	<b>36,789,762</b>
Reserve for encumbrances	453,923	1,024	1,893	2,140,646	-	-	-	2,597,486	(2,597,486)	-
<b>Total Liabilities and Fund Equity</b>	<b>\$ 25,001,499</b>	<b>\$2,785,462</b>	<b>\$ 887,003</b>	<b>\$2,844,672</b>	<b>\$1,173,520</b>	<b>\$877,958</b>	<b>\$ 539,036</b>	<b>\$ 34,109,150</b>	<b>\$ 39,402,551</b>	<b>\$ 73,511,701</b>

GATEWAY TECHNICAL COLLEGE DISTRICT

Schedule to Reconcile the Budgetary Basis Financial Statements  
to the Statement of Revenues, Expenses and Changes in Net Assets  
Year Ended June 30, 2009

	General Fund	Special Revenue Funds		Capital Projects Fund	Debt Service Fund	Enterprise Funds	Total	Reconciling Items	Statement of Revenues, Expenses and Changes in Net Assets
		Operating	Non-Aidable						
<b>Revenues</b>									
Local government - tax levy	\$ 44,724,354	\$ 2,257,000	\$ 50,000	\$ -	\$ 6,563,482	\$ 316,000	\$ 53,910,836	\$ -	\$ 53,910,836
Intergovernmental revenue									
State	6,955,146	1,165,896	1,749,501	1,504	-	-	9,872,047	-	9,872,047 (1)
Federal	13,010	1,705,434	14,845,849	2,562	-	11,685	16,578,540	-	16,578,540 (2)
Tuition and fees:									
Statutory program fees	11,956,219	-	-	-	-	-	11,956,219	(3,347,352)	8,608,867
Material fees	701,382	-	-	-	-	-	701,382	(219,313)	482,069
Other student fees	1,558,984	-	618,947	-	-	224,374	2,402,305	(731,982)	1,670,323
Miscellaneous - institutional revenue	<u>2,871,022</u>	<u>63,611</u>	<u>2,244,392</u>	<u>184,077</u>	<u>68,326</u>	<u>767,792</u>	<u>6,199,220</u>	<u>(2,114,529)</u>	<u>4,084,691 (3)</u>
<b>Total revenues</b>	<u>68,780,117</u>	<u>5,191,941</u>	<u>19,508,689</u>	<u>188,143</u>	<u>6,631,808</u>	<u>1,319,851</u>	<u>101,620,549</u>	<u>(6,413,176)</u>	<u>95,207,373</u>
<b>Expenditures</b>									
Instruction	46,673,636	3,378,697	-	3,167,472	-	-	53,219,805	(1,547,699)	51,672,106
Instructional resources	1,068,480	-	-	1,885	-	-	1,070,365	(271)	1,070,094
Student services	6,996,620	831,624	19,444,467	38,754	-	-	27,311,465	(18,699,804)	8,611,661
General institutional	6,168,386	352,129	-	831,310	-	-	7,351,825	(109,774)	7,242,051
Physical plant	7,114,246	-	-	5,144,340	-	-	12,258,586	(5,318,856)	6,939,730
Student aid	-	-	-	-	-	-	-	11,842,905	11,842,905
Public services	-	311,988	-	101,598	-	-	413,586	(29,484)	384,102
Depreciation	-	-	-	-	-	127,832	127,832	3,058,337	3,186,169
Auxiliary services	-	-	-	-	-	1,052,734	1,052,734	96,309	1,149,043
Debt Service:									
Principal	-	-	-	-	5,310,000	-	5,310,000	(5,310,000)	-
Interest and fiscal charges	-	-	-	-	1,236,671	-	1,236,671	32,792	1,269,463
<b>Total expenditures</b>	<u>68,021,368</u>	<u>4,874,438</u>	<u>19,444,467</u>	<u>9,285,359</u>	<u>6,546,671</u>	<u>1,180,566</u>	<u>109,352,869</u>	<u>(15,985,545)</u>	<u>93,367,324</u>
Revenues over (under) expenditures	<u>758,749</u>	<u>317,503</u>	<u>64,222</u>	<u>(9,097,216)</u>	<u>85,137</u>	<u>139,285</u>	<u>(7,732,320)</u>	<u>9,572,369</u>	<u>1,840,049</u>
<b>Other financing sources</b>									
Long-term debt issued	-	-	-	6,500,000	-	-	6,500,000	(6,500,000)	-
Gain/(loss) on sale/disposal of capital assets	-	-	-	-	-	-	-	52,927	52,927
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,500,000</u>	<u>-</u>	<u>-</u>	<u>6,500,000</u>	<u>(6,447,073)</u>	<u>52,927</u>
Net change in fund balances	758,749	317,503	64,222	(2,597,216)	85,137	139,285	(1,232,320)	3,125,296	1,892,976
<b>Fund balances/net assets</b>									
Beginning of year	<u>14,901,305</u>	<u>2,314,738</u>	<u>796,107</u>	<u>3,281,242</u>	<u>1,088,383</u>	<u>720,193</u>	<u>23,101,968</u>	<u>11,794,818</u>	<u>34,896,786 (4)</u>
End of year	<u>\$ 15,660,054</u>	<u>\$ 2,632,241</u>	<u>\$ 860,329</u>	<u>\$ 684,026</u>	<u>\$ 1,173,520</u>	<u>\$ 859,478</u>	<u>\$ 21,869,648</u>	<u>\$ 14,920,114</u>	<u>\$ 36,789,762</u>



GATEWAY TECHNICAL COLLEGE DISTRICT

Schedule to Reconcile the Budget (Non-GAAP) Basis Financial Statements  
to the Statement of Revenues, Expenses and Changes in Net Assets (Continued)  
June 30, 2009

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

Operating	\$ 3,044,816
Non-operating - State Appropriations	6,825,727
Non-operating - Capital Grants	<u>1,504</u>
 Total	 <u>\$ 9,872,047</u>

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

Operating	\$ 16,575,978
Non-operating - Capital Grants	<u>2,562</u>
	<u>\$ 16,578,540</u>

(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	\$ 823,449
Contract revenue	2,053,234
Miscellaneous income	925,416
Gifts and non-operating grants	44,202
Donated capital assets	28,000
Investment income	<u>210,390</u>
 Total	 <u>\$ 4,084,691</u>

(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:

	<u>2009</u>	<u>2008</u>
Budgetary basis fund equity	\$ 21,869,648	\$ 23,101,968
General fixed assets capitalized - cost	79,592,107	73,874,407
Accumulated depreciation on general fixed assets	(36,347,901)	(33,242,201)
General obligation debt	(29,650,000)	(28,460,000)
Other post employment benefits	(546,885)	-
Reclass from capital asset to expense	(75,435)	(106,868)
Accrued interest on long-term debt	(281,653)	(248,861)
Summer school tuition and fees	751,387	363,380
Deferred revenue for govt-wide basis	(1,118,992)	(1,190,731)
Encumbrances	<u>2,597,486</u>	<u>805,692</u>
 Net assets per basic financial statements	 <u>\$ 36,789,762</u>	 <u>\$ 34,896,786</u>

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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to assist the reader in understanding and assessing how the District's financial position has changed over time.	87
<b>Revenue Capacity</b> These schedules contain information to assist the reader in assessing the District's most significant local revenue source, the property tax.	90
<b>Debt Capacity</b> These schedules present information to assist the reader in understanding and assessing the District's current levels of outstanding debt burden and the District's ability to issue additional debt in the future.	97
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.	100
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	103

**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.

THIS PAGE INTENTIONALLY LEFT BLANK

**GATEWAY TECHNICAL COLLEGE DISTRICT**

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Invested in Capital Assets, net of Related Debt	\$ 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	1,741,196	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	<u>18,598,688</u>	<u>17,032,962</u>	<u>17,166,821</u>	<u>16,234,066</u>	<u>15,741,589</u>	<u>16,387,471</u>	<u>16,140,333</u>	<u>15,885,745</u>
Total Net Assets	<u>\$ 36,789,762</u>	<u>\$ 34,896,786</u>	<u>\$ 32,677,017</u>	<u>\$ 31,261,645</u>	<u>\$ 29,918,238</u>	<u>\$ 30,738,997</u>	<u>\$ 28,169,053</u>	<u>\$ 26,794,830</u>

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 Seven Fiscal Years

	2009	2008	2007	2006	2005	2004	2003	2002
<b>Operating Revenues</b>								
Student tuition and program fees, net of scholarship allowances <sup>(1)</sup>	\$ 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	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	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	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	823,449	853,017	558,428	462,974	505,014	661,192	631,257	599,434
Miscellaneous - institutional revenue <sup>(1)</sup>	925,416	838,262	885,364	800,678	678,927	816,372	498,600	600,186
<b>Total operating revenues</b>	<b>34,184,152</b>	<b>29,212,572</b>	<b>28,308,408</b>	<b>28,132,571</b>	<b>22,661,588</b>	<b>22,290,875</b>	<b>19,717,734</b>	<b>17,945,572</b>
<b>Operating Expenses</b>								
Instruction	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	1,070,094	1,017,882	1,225,491	1,227,300	1,050,064	1,224,316	1,167,795	1,119,890
Student services <sup>(1)</sup>	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	7,242,051	6,574,419	6,893,336	7,115,812	6,820,544	6,365,357	6,651,562	6,539,843
Physical plant	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 <sup>(1)</sup>	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	384,102	335,213	317,558	300,708	297,502	274,186	249,069	197,978
Auxiliary enterprise services	1,149,043	1,298,310	993,729	891,585	976,406	818,088	1,044,474	833,761
Depreciation	3,186,169	2,897,941	2,583,246	2,501,129	2,281,202	2,012,339	1,608,085	1,401,669
<b>Total operating expenses</b>	<b>92,097,861</b>	<b>84,537,712</b>	<b>83,533,048</b>	<b>81,320,844</b>	<b>75,685,649</b>	<b>71,924,058</b>	<b>68,206,898</b>	<b>61,109,344</b>
<b>Operating loss</b>	<b>(57,913,709)</b>	<b>(55,325,140)</b>	<b>(55,224,640)</b>	<b>(53,188,273)</b>	<b>(53,024,061)</b>	<b>(49,633,183)</b>	<b>(48,489,164)</b>	<b>(43,163,772)</b>
<b>Non-operating revenues (expenses)</b>								
Property Taxes	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	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	1,504	-	-	1,305	2,168	7,442	40,470	76,991
Federal capital grants	2,562	19,247	7,900	1,730	9,261	556,641	-	-
Other grants	44,202	15,639	-	143,210	32,687	189,873	703,385	-
Donated capital assets	28,000	265,414	-	-	-	550,840	-	-
Gain (loss) on sale of capital assets	52,927	53,996	535,930	-	53,250	(28,442)	-	-
Investment income	210,390	617,039	911,205	714,778	412,183	201,753	319,905	414,132
Interest expense	(1,269,463)	(1,133,864)	(1,048,180)	(1,085,376)	(1,045,601)	(1,054,660)	(1,102,850)	(1,021,961)
<b>Total non-operating revenues</b>	<b>59,806,685</b>	<b>57,544,909</b>	<b>56,640,012</b>	<b>54,531,680</b>	<b>52,203,302</b>	<b>52,203,127</b>	<b>50,016,130</b>	<b>46,667,532</b>
<b>Increase/(Decrease) in Net Assets</b>	<b>\$ 1,892,976</b>	<b>\$ 2,219,769</b>	<b>\$ 1,415,372</b>	<b>\$ 1,343,407</b>	<b>\$ (820,759)</b>	<b>\$ 2,569,944</b>	<b>\$ 1,526,966</b>	<b>\$ 3,503,760</b>

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 Eight Fiscal Years  
(accrual basis of accounting)

	2009	% of Total	2008	% of Total	2007	% of Total	2006	% of Total	2005	% of Total	2004	% of Total	2003	% of Total	2002	% of Total
<b>Expense Classifications</b>																
Salaries and wages	\$ 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	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	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 <sup>(1)</sup>	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	2,325,998	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	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	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	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	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	1,762,077	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	3,186,169	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	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	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	<u>92,097,861</u>	<u>98.6%</u>	<u>84,537,712</u>	<u>98.7%</u>	<u>83,533,048</u>	<u>98.8%</u>	<u>81,320,844</u>	<u>98.7%</u>	<u>75,685,649</u>	<u>98.6%</u>	<u>71,924,058</u>	<u>98.5%</u>	<u>68,206,898</u>	<u>98.4%</u>	<u>61,109,344</u>	<u>98.4%</u>
Interest expense	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	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	28,442	0.1%	-	0.0%	-	0.0%
Total non-operating expenses	<u>1,269,463</u>	<u>1.4%</u>	<u>1,133,864</u>	<u>1.3%</u>	<u>1,048,180</u>	<u>1.2%</u>	<u>1,085,376</u>	<u>1.3%</u>	<u>1,045,601</u>	<u>1.4%</u>	<u>1,083,102</u>	<u>1.5%</u>	<u>1,102,850</u>	<u>1.6%</u>	<u>1,021,961</u>	<u>1.6%</u>
<b>Total Expenses</b>	<u>\$ 93,367,324</u>	<u>100.0%</u>	<u>\$ 85,671,576</u>	<u>100.0%</u>	<u>\$ 84,581,228</u>	<u>100.0%</u>	<u>\$ 82,406,220</u>	<u>100.0%</u>	<u>\$ 76,731,250</u>	<u>100.0%</u>	<u>\$ 73,007,160</u>	<u>100.0%</u>	<u>\$ 69,309,748</u>	<u>100.0%</u>	<u>\$ 62,131,305</u>	<u>100.0%</u>

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 2009

<u>County</u>	<u>Municipality</u>	<u>Taxable equalized valuation</u>	<u>Percent of total</u>	<u>Total tax levy</u>
Kenosha	Town of:			
	Brighton	\$ 213,374,800	0.485389 %	\$ 261,696
	Bristol	613,429,700	1.395440	752,348
	Paris	241,334,200	0.548991	295,987
	Randall	559,986,700	1.273867	686,802
	Salem	1,267,529,200	2.883397	1,554,576
	Somers	833,512,300	1.896088	1,022,271
	Wheatland	357,496,300	0.813239	438,456
	Village of:			
	Genoa City	533,400	0.001213	654
	Paddock Lake	264,354,000	0.601357	324,220
	Pleasant Prairie	2,535,677,400	5.768201	3,109,911
	Silver Lake	207,670,200	0.472412	254,700
	Twin Lakes	877,592,799	1.996363	1,076,334
	City of Kenosha	6,401,748,300	14.562804	7,851,498
Racine	Town of:			
	Burlington	732,796,200	1.666977	898,746
	Dover	369,950,599	0.841570	453,730
	Norway	351,362,285	0.799285	430,932
	Raymond	474,789,200	1.080058	582,311
	Rochester	268,303,200	0.610341	329,064
	Waterford	793,105,800	1.804170	972,714
	Yorkville	506,225,300	1.151570	620,866
	Village of:			
	Caledonia	2,313,197,300	5.262100	2,837,048
	Elmwood Park	44,822,100	0.101962	54,973
	Mount Pleasant	2,793,812,200	6.355411	3,426,504
	North Bay	39,499,000	0.089853	48,444
	Rochester	85,592,500	0.194707	104,976
	Sturtevant	347,551,900	0.790617	426,259
	Union Grove	317,691,400	0.722690	389,636
	Waterford	441,741,900	1.004882	541,780
	Wind Point	289,435,400	0.658412	354,981
	City of:			
Burlington	721,546,600	1.641386	884,949	
Racine	3,886,255,050	8.840518	4,766,343	



## GATEWAY TECHNICAL COLLEGE DISTRICT

Equalized Value and Tax Levy Distribution by Municipality (continued)  
Fiscal Year 2009

<u>County</u>	<u>Municipality</u>	<u>Taxable equalized valuation</u>	<u>Percent of total</u>	<u>Total tax levy</u>	
Walworth	Town of:				
	Bloomfield	\$ 551,930,900	1.255542 %	\$ 676,922	
	Darien	173,819,300	0.395407	213,183	
	Delavan	1,173,199,600	2.668814	1,438,884	
	East Troy	831,453,899	1.891405	1,019,746	
	Geneva	976,478,900	2.221310	1,197,614	
	Lafayette	265,477,301	0.603912	325,598	
	LaGrange	804,821,300	1.830821	987,082	
	Linn	1,764,641,499	4.014236	2,164,265	
	Lyons	500,156,500	1.137764	613,423	
	Richmond	272,591,200	0.620095	334,323	
	Sharon	76,798,000	0.174701	94,190	
	Spring Prairie	244,560,999	0.556331	299,944	
	Sugar Creek	409,231,200	0.930926	501,906	
	Troy	295,011,200	0.671096	361,820	
	Walworth	244,350,500	0.555853	299,687	
	Whitewater	324,378,200	0.737901	397,837	
		Village of:			
		Darien	94,639,500	0.215288	116,072
		East Troy	335,032,200	0.762137	410,904
		Fontana	1,268,273,200	2.885089	1,555,488
		Genoa City	106,395,100	0.242029	130,489
		Mukwonago	13,387,500	0.030454	16,419
		Sharon	87,289,800	0.198568	107,057
		Walworth	230,717,100	0.524839	282,966
		Williams Bay	785,144,800	1.786060	962,950
		City of:			
		Burlington	171,700	0.000391	211
		Delavan	677,262,800	1.540649	830,637
		Elkhorn	617,071,700	1.403725	756,815
		Lake Geneva	1,176,918,400	2.677274	1,443,445
		Whitewater	<u>506,464,700</u>	<u>1.152114</u>	<u>621,159</u>
		Totals	<u>\$ 43,959,586,231</u>	<u>100 %</u>	<u>\$ 53,914,745</u>

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

**GATEWAY TECHNICAL COLLEGE DISTRICT**

Property Tax Levies and Collections  
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Year	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000	34,448,589	24,889,663	72.25	9,558,926	34,448,589	100.00
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	53,914,745	37,983,753	70.45	-	37,983,753	70.45

92

**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  
2008 Equalized Valuation and Tax Levy

<u>Municipality</u>	<u>County</u>	<u>Equalized value</u>	<u>Tax levy</u>	<u>Percentage of total tax levy</u>
City of Kenosha	Kenosha	\$ 6,401,748,300	\$ 7,851,498	14.56 %
City of Racine	Racine	3,886,255,050	4,766,343	8.84
Village of Mount Pleasant	Racine	2,793,812,200	3,426,504	6.36
Village of Pleasant Prairie	Kenosha	2,535,677,400	3,109,911	5.77
Village of Caledonia	Racine	2,313,197,300	2,837,048	5.26
Town of Linn	Walworth	1,764,641,499	2,164,265	4.01
Village of Fontana	Walworth	1,268,273,200	1,555,488	2.89
Town of Salem	Kenosha	1,267,529,200	1,554,576	2.88
City of Lake Geneva	Walworth	1,176,918,400	1,443,445	2.68
Town of Delavan	Walworth	<u>1,173,199,600</u>	<u>1,438,884</u>	<u>2.67</u>
Total principal taxing districts		<u>\$ 24,581,252,149</u>	<u>\$ 30,147,962</u>	<u>55.9 %</u>
County:				
Racine		\$ 14,777,677,934	\$ 18,124,256	33.6 %
Kenosha		14,374,239,299	17,629,453	32.7
Walworth		<u>14,807,668,998</u>	<u>18,161,036</u>	<u>33.7</u>
		<u>\$ 43,959,586,231</u>	<u>\$ 53,914,745</u>	<u>100.0 %</u>

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, 2009			Year Ended June 30, 2000		
			2008 Equalized Valuation	Rank	Percent of District equalized valuation	1999 Equalized Valuation	Rank	Percent of District equalized valuation
Racine	S. C. Johnson & Son, Inc.	Manufacturing	\$ 119,955,338	1	0.27 %	\$ 60,113,100	2	0.27 %
	Racine Joint Venture (Regency Mall)	Shopping center	107,927,500	2	0.25	61,269,400	1	0.27
	All Saints Health Care	Health care services	53,389,092	3	0.12	18,497,500	5	0.08
	Continental 81 Fund LLC	Retail-Wal-Mart Stores	46,989,385	4	0.11	-	-	-
	Centerpoint Properties Trust <sup>(2)</sup>	Insurance	36,070,373	5	0.08	-	-	-
	Aurora Medical Group	Health care provider	34,905,928	6	0.08	-	-	-
	CNH Global <sup>(1)</sup>	Manufacturing	33,224,894	7	0.08	32,282,200	3	0.14
	Inland Southeast Mount Pleasant	Village Center strip mall	26,022,667	8	0.06	-	-	-
	Bombardier Motor Corp	Manufacturing	20,965,264	9	0.05	-	-	-
	High Ridge Improvements	DLC Management Corp	18,373,225	10	0.04	-	-	-
	First Industrial Development Service	Manufacturing	-	-	-	21,016,400	4	0.09
	Rudd Lighting Inc.	Manufacturing	-	-	-	16,331,400	6	0.07
	California State Teacher	Real Estate	-	-	-	15,745,500	7	0.07
	Westgate Shopping Center	Retail Mall	-	-	-	11,633,500	8	0.05
	Menard, Inc.	Retail	-	-	-	9,759,300	9	0.04
Shoemaker Properties LLC	Property management	-	-	-	9,660,300	10	0.04	
<b>Racine county total</b>			<b>\$ 497,823,666</b>		<b>1.13 %</b>	<b>\$ 256,308,600</b>		<b>1.15 %</b>
(1) Formerly known as J.I. Case Corporation (2) Formerly American National Insurance)								
Kenosha <sup>(2)</sup>	Prime Outlets at Pleasant Prairie	Retail Mall	\$ 61,286,243	1	0.14 %	\$ -	-	%
	CV II Lakeview LLC	Commercial	51,858,373	2	0.12	-	-	0.00
	Southport Plaza Ltd. Partners	Commercial Real Estate	46,177,616	3	0.11	21,524,100	9	0.10
	Cabot Acquisitions LLC	Manufacturing	41,279,080	4	0.09	-	-	-
	Ohio cubco	Property development	35,830,164	5	0.08	25,314,100	6	0.11
	Edward Rose Assoc. Apartments	Property management	31,982,168	6	0.07	21,557,800	8	0.10
	Petretti Realty et Al.	Developer/Builder	29,733,751	7	0.07	30,557,300	4	0.14
	Iris USA Inc.	Manufacturing	26,075,279	8	0.06	-	-	-
	Daimler-Chrysler Corp.	Manufacturing	23,669,960	9	0.05	35,260,300	3	0.16
	Bit Holdings Forty-Nine Inc.	Commercial	23,292,385	10	0.05	-	-	-
	Wispark Corporation	Industrial park	-	-	-	71,674,500	1	0.32
	First Horizon Group Ltd.	Property management	-	-	-	41,394,200	2	0.19
	Dairyland Greyhound Park	Recreation/dog track	-	-	-	28,271,700	5	0.13
	Aurora Medical Group	Medical services	-	-	-	21,936,100	7	0.10
	Corpus Addison Venture I	Commerical	-	-	-	19,177,500	10	0.09
<b>Kenosha county total</b>			<b>\$ 371,185,019</b>		<b>0.84 %</b>	<b>\$ 316,667,600</b>		<b>1.42 %</b>
(2) Estimated equalized valuations for 2008.								
Walworth	DLK Enterprises, Inc.	Farm/Real Estate	\$ 47,756,743	1	0.11 %	\$ 19,674,800	1	0.09 %
	Grand Geneva Resort (Marcus Geneva)	Resort	41,264,597	2	0.09	15,293,400	2	-
	Delavan Resort	Resort	37,331,745	3	0.08	-	-	0.00
	Wal-Mart	Retail store	33,365,902	4	0.08	-	-	-
	Versacold-Larsen	Manufacturing	23,046,109	5	0.05	-	-	-
	Kikkoman Foods Inc.	Manufacturing	21,549,719	6	0.05	13,265,200	5	0.06
	Paloma Geneva National LLC	Resort	15,175,693	8	0.03	15,286,650	3	0.07
	Lake Geneva Investors LLC	Investor	14,515,342	9	0.03	-	-	-
	Geneva Project	Property development	13,992,702	7	0.03	-	-	-
	Home Depot	Retail store	12,526,642	10	0.03	-	-	-
	Lake Lawn Lodge	Resort	-	-	-	13,652,200	4	0.06
	ABKA (The Abbey)	Resort	-	-	-	13,074,000	6	0.06
	Geneva Lakes Cold Storage	Private business	-	-	-	10,359,900	7	0.05
	Geneva National Development	Development company	-	-	-	9,549,517	8	0.04
	Midwest Track Associates	Dog track	-	-	-	7,639,400	9	0.03
Avan Company	Resort	-	-	-	7,600,300	10	0.03	
<b>Walworth county total</b>			<b>\$ 260,525,194</b>		<b>0.59 %</b>	<b>\$ 125,395,367</b>		<b>0.56 %</b>
<b>Grand total</b>			<b>\$ 1,129,533,879</b>		<b>2.57 %</b>	<b>\$ 698,371,567</b>		<b>3.13 %</b>
<b>Total District Equalized Valuation</b>			<b>\$ 43,959,586,231</b>			<b>\$ 22,286,342,703</b>		

Sources: Robert W. Baird report, Information from county treasurer's office ,Gateway's CAFR 2000

**GATEWAY TECHNICAL COLLEGE DISTRICT**

Property Tax Rates<sup>(1)</sup> - All Overlapping Governments  
 (Per \$1,000 of General Property Full Values of Taxable Property)  
 Calendar Year Taxes are Payable 2000-2009

County	Year	Gateway District Direct Rates			School districts		Local tax <sup>(3)</sup>	County tax	Other taxes <sup>(4)</sup>	Total property tax	State tax relief	Net total
		Operational <sup>(2)</sup>	Debt Service	Direct Rate	elementary/secondary							
Racine	2000	1.34	0.20	1.54	9.16	8.08	4.60	0.75	24.13	(1.68)	22.45	
	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	
Kenosha	2000	1.34	0.20	1.54	9.47	6.37	5.01	0.50	22.89	(1.66)	21.23	
	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	
Walworth	2000	1.34	0.20	1.54	10.11	3.67	4.84	1.05	21.21	(1.73)	19.48	
	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	

(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<sup>(1)</sup>  
Calendar Years 1999-2008  
(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
1999	17,035,258	3,548,727	864,170	512,676	80,386	406,612	606,418	23,054,247	22,286,343	1.54573
% of Total	73.9%	15.4%	3.7%	2.2%	0.3%	1.8%	2.6%			
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%			

Source: Wisconsin Department of Revenue

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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 2000-2009

	Population <sup>(1)</sup>	Equalized Value- TID in <sup>(2)</sup>	Gross Debt <sup>(3)</sup>	Debt Service Net Assets Available <sup>(4)</sup>	Net debt <sup>(5)</sup>		
					Amount	Ratio to equalized valuation	Per Capita
<i>(Dollars in thousands, except per capita)</i>							
2000	416,804	22,765,508	17,505	653	16,852	0.07	40
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

(1) Wisconsin Department of Administration, Demographic Services Center. (2009 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 <sup>(1)</sup>  
Last Ten Fiscal Years

**Calculation of Legal Debt Margin for Fiscal Year 2009**

2008 Equalized Valuation - TID In	\$ 45,908,302,681
	x 5%
Total debt limit - 5% of total equalized valuation	<u>2,295,415,134</u>
Debt applicable to limit:	
Total gross indebtedness (includes general obligation notes and bonds)	\$ 29,650,000
Less Net Assets Restricted for Debt Service (GAAP basis)	<u>(891,867)</u>
Total amount of debt applicable to debt limit	<u>28,758,133</u>
Legal debt margin	<u>\$ 2,266,657,001</u>

**Legal Debt Margin, Last Ten Fiscal Years**

Fiscal Year	Equalized Valuation TID In	Legal Debt Limit 5%	Debt Applicable to Limit ( Dollars in thousands)				Legal Debt Margin	Total Net Debt Applicable to Debt Limit
			General Obligation Bonds	General Obligation Notes	Less Net Assets Available	Total Net Debt Applicable to Limit		
			2000	\$ 22,765,508	\$ 1,138,275	\$ -		
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

(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, 2009

Jurisdiction <sup>(1)</sup>	Net Debt Outstanding	Applicable to Gateway Technical College District	
		Percentage <sup>(2)</sup>	Amount
District:			
Gateway Technical College District	\$ 29,650,000	100%	\$ 29,650,000
Towns:			
Racine County <sup>(3)</sup>	1,960,195	varies	40,439,738
Kenosha County	42,652,224	100%	42,652,224
Walworth County	3,794,923	100%	3,794,923
<b>Town Total</b>	<b>48,407,342</b>		<b>86,886,885</b>
Villages:			
Racine County	71,385,247	100%	71,385,247
Kenosha County	456,565,416	100%	456,565,416
Walworth County	65,196,492	100%	65,196,492
<b>Village Total</b>	<b>593,147,155</b>		<b>593,147,155</b>
Cities:			
Racine County	123,085,902	100%	123,085,902
Kenosha County	155,755,621	100%	155,755,621
Walworth County	68,186,537	100%	68,186,537
<b>City Total</b>	<b>347,028,060</b>		<b>347,028,060</b>
Counties:			
Racine County	45,148,566	96.56%	43,595,455
Kenosha County	77,640,000	100%	77,640,000
Walworth County	43,520,000	100%	43,520,000
<b>County Total</b>	<b>166,308,566</b>		<b>164,755,455</b>
School Districts:			
Racine County	100,397,290	100%	100,397,290
Kenosha County	163,681,150	100%	163,681,150
Walworth County	133,058,533	100%	133,058,533
<b>School District Total</b>	<b>397,136,973</b>		<b>397,136,973</b>
Sanitary Districts Total	34,581,047	varies	31,206,740
<b>Total Direct and Overlapping debt</b>	<b>\$ 1,616,259,143</b>		<b>\$ 1,649,811,268</b>

Source: Survey of each governmental unit-June 2009. (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 government 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 2000-2009

<u>Year</u>	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)
2000	416,804	178,473	12,122,313	28,093	3.7	82,040
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	(6)	(6)	5.3	87,861
2009	460,431	(6)	(6)	(6)	10.4	87,714

- (1) Wisconsin Department of Administration, Demographic Services Center. (2009 is a preliminary estimate)
- (2) U.S. Department of Commerce Bureau of Economic Analysis.
- (3) U.S. Department of Commerce Bureau of Economic Analysis. (Amounts in thousands.)
- (4) Wisconsin Department of Workforce Development, Office of Economic Advisors. (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, 2009			Year Ended June 30, 2000		
			Number of Employees	Rank	Percent of District Population	Number of Employees	Rank	Percent of District Population
Racine	Racine Joint Venture (Regency Mall)	Retail shopping center	3,000	1	0.65 %	2,800	3	0.67 %
	All Saints Health Care	Health care services	2,691	2	0.58	3,000	2	0.72
	CNH Global <sup>(1)</sup>	Manufacturing, agricultural & construction equipment	2,685	3	0.58	2,367	5	0.57
	S. C. Johnson & Son, Inc.	Manufacturing, commerical & institutional cleaning products	2,665	4	0.58	3,040	1	0.73
	Racine School District	Education	2,509	5	0.54	2,634	4	0.63
	City of Racine	Government	1,255	6	0.27	1,050	7	0.25
	Gateway Technical College <sup>(2)</sup>	Education	1,142	7	0.25	-	-	0.00
	In-Sink-Erator Division	Manufacturing	1,100	8	0.24	970	10	0.23
	Racine County	Government	896	9	0.19	1,160	6	0.28
	Twin Disc Inc.	Manufacturing	802	10	0.17	-	-	-
	Western Publishing Company	Commerical publisher, books,games,videos	650	-	0.14	1,000	8	0.24
	Lincoln Lutheran of Racine	Nursing home	-	-	-	1,050	9	0.25
		Racine county sub-total		<u>19,395</u>		<u>4.21</u> %	<u>19,071</u>	
(1)Formerly known as J.I. Case Corporation								
(2)Includes full-time and part-time employees.								
Kenosha	Kenosha Unified School District No. 1 <sup>(1)</sup>	Education	2,542	1	0.55 %	2,240	1	0.54 %
	Kenosha Memorial Hospital	Health care services	1,500	2	0.33	1,020	3	0.24
	Kenosha County	Government	1,021	3	0.22	900	5	0.22
	Snap-On Tools Corporation	Manufacturer, hand tools & electronics	1,000	4	0.22	1,000	4	0.24
	Daimler-Chrysler Corp. <sup>(2)</sup>	Manufacturer, jeep engines	975	5	0.21	2,000	2	0.48
	City of Kenosha <sup>(2)</sup>	Government	750	6	0.16	850	6	0.20
	University of Wisconsin-Parkside	Education	495	7	0.11	600	8	0.14
	Kenosha Beef	Beef processing	400	8	0.09	-	-	-
	Ocean Spray Cranberries	Manufacturing, cranberry & other fruit products	395	9	0.09	-	-	-
	Jockey International	Manufacturing, underwear & nightwear	376	10	0.08	-	-	-
	Dairyland Greyhound Park	Education	-	-	-	750	7	0.18
	Carthage College	Manufacturer, pumps & valves	-	-	-	385	10	0.09
	Tri-Clover, Inc.	Greyhound racing	-	-	-	521	9	0.12
	Kenosha county sub-total		<u>9,454</u>		<u>2.05</u> %	<u>10,266</u>		<u>2.46</u> %
(1)Includes full-time equivalent and part-time employees.								
(2)Regular full-time only.								
Walworth*	University of Wisconsin-Whitewater <sup>(1)</sup>	Education	1,000+	1	na %	2,224	1	0.53 %
	County of Walworth	Government	500-999	2	na	1,159	2	0.28
	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	-	-	-
	Miniature Precision Components	Automotive industry parts supplier	500-999	6	na	375	8	0.09
	Aurora Health Care of Southern Lakes	Medical/Surgical Hospital	500-999	7	na	-	-	-
	Elkhorn Area School District	Elementary & secondary schools	250-499	8	na	-	-	-
	School District of Delavan-Darien	Elementary & secondary schools	250-499	9	na	-	-	-
	Whitewater Unified School District	Elementary & secondary schools	250-499	10	na	-	-	-
	Trostel Ltd.	Packaging seals & assemblies	-	-	-	700	3	0.17
	Lakeland Medical Center	Nursing home	-	-	-	619	4	0.15
	Sta-Rite Industries <sup>(2)</sup>	Manufacturer, pumps & plastic products	-	-	-	611	5	0.15
	ECM Motor, Co.	Electric motors	-	-	-	300	9	0.07
	The Abbey	Resort	-	-	-	434	6	0.10
	Waukesha Fluid Handling	Manufacturer, fluid handling equip.	-	-	-	428	7	0.10
	Walworth county sub-total <sup>(3)</sup>		<u>6,875</u>		<u>1.49</u> %	<u>6,850</u>		<u>1.64</u> %
*Estimates, not FTE figures								
(1)Based on median of ranges.								
(2)Includes part-time.								
			<b>Total</b>	<b>35,724</b>	<b>7.76</b> %	<b>36,187</b>		<b>8.68</b> %

**GATEWAY TECHNICAL COLLEGE DISTRICT**

Employment Trends by Equal Employment Opportunity Categories  
Historical Comparisons  
1999-2008

<u>Category</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Administrative/Managerial:	51	52	58	57	56	56	55	54	53	54
Female percent	53	48	52	51	54	54	58	59	62	59
Minority percent	8	10	12	11	13	12	9	9	8	7
Faculty:	240	234	257	252	255	264	266	266	263	265
Female percent	56	58	55	57	57	56	57	57	57	58
Minority percent	7	8	7	7	8	8	8	9	9	10
Professional/Noninstructional:	40	42	31	39	38	39	35	34	34	33
Female percent	65	67	74	67	68	67	83	71	71	73
Minority percent	5	7	16	10	11	18	20	21	24	24
Secretarial/Clerical:	111	105	104	113	114	113	110	106	106	104
Female percent	95	95	99	96	97	96	97	88	99	99
Minority percent	17	13	16	18	18	19	18	22	21	23
Technical/Paraprofessional:	94	94	105	100	100	109	108	104	104	101
Female percent	63	64	62	65	64	62	62	62	62	61
Minority percent	18	19	22	22	22	26	25	26	37	24
Service/Maintenance:	31	31	33	33	33	35	35	36	35	38
Female percent	16	16	18	15	18	17	14	11	11	8
Minority percent	32	26	33	36	42	37	34	36	34	34
Total:	567	558	588	594	596	616	609	600	595	595
Female percent	63	63	63	63	64	63	64	62	64	64
Minority percent	12	12	14	14	15	16	15	16	16	17

Information provided by the Affirmative Action Office

**GATEWAY TECHNICAL COLLEGE DISTRICT**

Enrollment Statistics  
Historical Comparisons  
Last Ten Fiscal Years

Student Enrollment <sup>(1)</sup>

Fiscal year ended June 30	Aidable				Non-Aidable		Unduplicated Total
	Associate degree	Technical Diploma	Vocational Adult	Non-post- secondary (ABE)	Community service program		
2000	7,254	2,246	12,435	6,687	11		25,512
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

Full-Time Equivalents <sup>(2)</sup>

Fiscal year ended June 30	Aidable				Non-Aidable		Total
	Associate degree	Technical Diploma	Vocational Adult	Non-post- secondary (ABE)	Community service program		
2000	2,247	441	199	611	0		3,498
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	3,455	849	140	744	0		5,188

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

Year	<u>Post Secondary/ Vocational Adult<sup>(1)</sup></u>			<u>Non-Aidable<sup>(2)</sup></u>					
	Resident Program Fees	Percent change		Out of State Program Fees <sup>(3)</sup>	Percent change		Avocational programs	Percent change	
2000	\$ 59.25	3.9	%	\$ 454.20	3.0	%	\$ 89.00	4.7	%
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	

#### 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.

**GATEWAY TECHNICAL COLLEGE DISTRICT**

Program Graduate Follow-up Statistics<sup>(1)</sup>  
 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 <sup>(2)</sup>	Percent Satisfied with Training
1999	947	784	738	94	73	62	12.51	95
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

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

<u>County</u>	<u>Location</u>	<u>2008</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Racine	Racine Campus					
	Main Building	16,115	16,115	16,115	16,115	16,115
	Lake Building	76,362	76,362	76,362	76,362	76,362
	Tech Building	109,336	109,336	109,336	109,336	109,336
	Racine Building	69,490	69,490	69,490	69,490	69,490
	Connecting Passages	<u>3,270</u>	<u>3,270</u>	<u>3,270</u>	<u>3,270</u>	<u>3,270</u>
	Racine Campus Sub-Total	274,573	274,573	274,573	274,573	274,573
	CATI	42,186	42,186	42,186	42,186	42,186
	Burn Building-Town of Dover (Land lease)	1,440	1,440	1,440	1,440	1,440
	Racine County Job Center (Leased)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,440</u>
	Racine County Sub-Total	<u>318,199</u>	<u>318,199</u>	<u>318,199</u>	<u>318,199</u>	<u>319,639</u>
Kenosha	Kenosha Campus					
	Administration Building	17,353	17,353	17,353	17,353	17,353
	Conference Building	29,365	29,365	29,365	29,365	29,365
	Bioscience Building	30,405	30,405	30,405	30,405	30,405
	Child Care (ECP)	18,085	18,085	18,085	18,085	18,085
	Academic Building	113,965	113,965	113,965	113,965	113,965
	Horticultural Buildings	5,873	5,873	5,873	5,873	5,873
	Sciences Building	55,992	55,992	55,992	55,992	55,992
	Service Building	13,456	13,456	13,456	13,456	13,456
	Storage Buildings	2,350	2,350	2,350	2,350	2,350
	Technical Building	<u>63,634</u>	<u>63,634</u>	<u>63,634</u>	<u>63,634</u>	<u>63,634</u>
	Kenosha Campus Sub-Total	350,478	350,478	350,478	350,478	350,478
	Leased Facilities:					
	Horizon Center (Land lease) <sup>(1)</sup>	24,277	24,277	24,277	23,477	23,477
	Lakeview Technology Center	23,200	23,200	23,200	23,200	23,200
	Kenosha County Job Center	<u>1,026</u>	<u>1,026</u>	<u>1,026</u>	<u>1,026</u>	<u>1,026</u>
	Kenosha County Sub-Total	<u>398,981</u>	<u>398,981</u>	<u>398,981</u>	<u>398,181</u>	<u>398,181</u>
Walworth	Elkhorn Campus					
	Alternative High School	7,474	7,474	7,474	7,474	7,474
	South Building	38,596	38,596	38,596	38,596	38,596
	North Building	42,230	42,230	42,230	42,230	42,230
	Job Center Building	6,500	6,500	6,500	6,500	6,500
	Garage Building	<u>1,673</u>	<u>1,673</u>	<u>1,673</u>	<u>1,673</u>	<u>1,673</u>
	Elkhorn Campus Sub-Total	96,473	96,473	96,473	96,473	96,473
	Burlington Campus (Leased)					
	380 Building	9,439	9,439	9,439	12,000	12,000
	496 Building	<u>33,000</u>	<u>33,000</u>	<u>33,000</u>	<u>33,000</u>	<u>33,000</u>
	Walworth County Sub-Total	<u>138,912</u>	<u>138,912</u>	<u>138,912</u>	<u>141,473</u>	<u>141,473</u>
	<b>Total District Square Footage</b>	<u><u>856,092</u></u>	<u><u>856,092</u></u>	<u><u>856,092</u></u>	<u><u>857,853</u></u>	<u><u>859,293</u></u>

Source: Strategic Facility Planning Guide prepared by Architectural Associates LTD (June 2003) and District staff.

(1) Formerly known as the Aviation Center





**Gateway Technical College District**

Fiscal Year 2008-09

**INSURANCE COVERAGE SUMMARY**

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

**Insurance Coverages Purchased through the WTCS Insurance Trust**

<b>Crime</b>	<b>Travelers Casualty and Surety Company</b>	<b>7/1/08 - 6/30/09</b>	Employee Theft	750,000	\$ 4,823
			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	15,000	
<b>Foreign Travel Liability*</b>	<b>ACE American Insurance Company</b>	<b>7/1/08 - 6/30/09</b>	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	35,000	
			- Any one policy period	25,000	
			- Medical payments - each person	10,000	
			- Employee Benefits Liability - Annual Aggregate	20,000	
			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 Services	500,000	
			Accidental Death and Dismemberment & Medical		
			- Employee AD & D	250,000	
			- Employee Medical (\$50 deductible)	25,000	
			- Employee Aggregate Limit	1,500,000	
			- Student AD & D	25,000	
			- Student Medical (\$50 deductible)	25,000	
- Student Aggregate Limit	2,000,000				
Kidnap and Extortion (per cause of loss)					
- Extortion/Ransom Moneys Payment	\$50,000				
- In Transit Extortion/Ransom Moneys Loss	50,000				
- Kidnap and Extortion Expenses	50,000				
- Legal Costs	50,000				
- Detention Expenses	50,000				
- Medical, Death or Dismemberment - Sublimit Each Life	10,000				
- Medical, Death or dismemberment - Sublimit Each Loss	50,000				
- Incident Response	50,000				
No Annual Aggregate					
<b>Business Travel Accident</b>	<b>Arthur J. Gallagher</b>  <b>CIGNA</b>	<b>7/1/08 - 6/30/09</b>	Annual Aggregate	1,000,000	\$ 282
			Benefits for Scheduled Losses	100,000	
			Coverage is Applicable for Business or Pleasure		
			Assistance Services		
			Medical Evacuation		
			Repatriation		
<b>TOTAL ANNUAL PREMIUMS PAID TO WTCS INSURANCE TRUST:</b>				<b>\$</b>	<b>7,838</b>

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

<b>Multimedia Liability</b> WGTD 91.1 FM	<b>Arthur J. Gallagher</b>  Executive Risk Indemnity Policy No. 8177-2134	<b>7/1/08 - 6/30/09</b>	Errors and Omissions	\$ 4,550
			Maximum Limit of liability for each claim	5,000,000
			Retentions each and every claim	10,000
<b>TOTAL ANNUAL PREMIUMS PAID TO ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES, INC.:</b>				<b>\$ 4,550</b>

**Aviation Insurance Coverages Purchased through Wenk Insurance Agency**

<b>Aviation Insurance</b>  renewed with Old Republic Insurance through Phoenix Aviation Managers Policy AVC 1037 08	<b>Wenk Aviation Insurance Agencies</b>  Coverages & Premiums	<b>7/1/08 - 6/30/09</b>	Liability Coverage	\$ 49,865
			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
<b>TOTAL ANNUAL INSURANCE PREMIUMS PAID:</b>				<b>\$ 520,571</b>

CAMPUSES

Elkhorn  
Kenosha  
Racine

# 2009-2010 Associate Degree Programs at Gateway Technical College *(current as of date printed)*

Length of Program  
(full time)

*Most programs may be started on any campus.*

ASSOCIATE DEGREES

■	■	■	Accounting (10-101-1) . . . . .	2 Years
■	■	■	Administrative Assistant (10-106-6) . . . . .	2 Years
■	■	■	Aeronautics – Pilot Training (10-402-1) . . . . .	2 Years
■	■	■	Air Conditioning, Heating, and Refrigeration Technology (10-601-1) . . . . .	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
■	■	■	Land Survey Technician (10-607-7) . . . . .	2 Years
■	■	■	Civil Engineering Technology – Fresh Water Resources (10-607-9) . . . . .	2 Years
■	■	■	Architectural – Structural Engineering Technician (10-614-6) . . . . .	2 Years
■	■	■	Criminal Justice - Law Enforcement (10-504-1) . . . . .	2 Years
■	■	■	Culinary Arts (10-316-1) . . . . .	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)	
			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) . . . . .	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

CAMPUSES

<b>TECHNICAL DIPLOMAS</b>	Elkhorn	Kenosha	Racine
	■	■	■
	■		■
	■		■
	■		■
	■		■
	■		■
	■		■
	■		■
	■		■
	■		■
	■		■
	■		■
	■		■
	■		■
	■		■
	■		■
	■		■
	■		■
	■		■
	■		■
	■		■
	■		■

## 2009-2010 Technical Diploma Programs at Gateway Technical College *(current as of date printed)*

Most programs may be started on any campus.

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
+ 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 (30-531-2) . . . . . (Program listed on Paramedic Technician (10-531-1) curriculum sheet)	20 Weeks
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) . . . . .	1 Year
Robotics (Option Area 31-442-1A)	
Advanced Welding (Option Area 31-442-1B)	
Pipe Welding (Option Area 31-442-1C)	
+ Welding/Maintenance and Fabrication (30-442-2) . . . . .	18 Weeks

Length of Program (full time)

1 Year  
1 Year  
1 Year  
1 Year  
18 Weeks  
1 Year  
20 Weeks  
20 Weeks  
20 Weeks  
20 Weeks  
1 Year  
18 Weeks  
1 Year  
1 Year  
6 Weeks  
1 Year  
1 Year  
1 Year

18 Weeks

CAMPUSES

<b>ATCs</b>	Elkhorn	Kenosha	Racine
	■	■	■
	■	■	■
	■	■	■
	■	■	■
	■	■	■
	■	■	■
	■	■	■
	■	■	■
	■	■	■
	■	■	■
	■	■	■

## 2009-2010 Advanced Technical Certificates at Gateway Technical College *(current as of date printed)*

See Student Services for Enrollment Information

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)
Psychosocial Nursing (10-810-13)
Solaris Unix Certification (10-810-5)
Telecommunication Engineering Tech (10-810-14)
WebSphere Programming & Administration (10-810-11)

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

**Administration Center**

3520 - 30th Avenue  
Kenosha, WI 53144-1690  
262.564.3300  
262.564.3301 FAX 262.564.2816  
TTY

**Burlington Center**

496 McCanna Pkwy.  
Burlington, WI 53105-3622  
262.767.5200  
262.767.5201 FAX  
262.767.5206 TTY

**Center for Advanced  
Technology & Innovation**

Renaissance Business Park  
2320 Renaissance Blvd.  
Sturtevant, WI 53177  
262.898.7500  
262.898.7501 FAX

**Center for Bioscience  
& Information Technology**

3520 - 30th Avenue  
Kenosha, WI 53144-1690  
262.564.3600  
262.564.3601 FAX

**Elkhorn Campus**

400 County Road H  
Elkhorn, WI 53121-2046  
262.741.8200  
262.741.8201  
FAX 262.741.8206 TTY

**HERO Center**

380 McCanna Pkwy.  
Burlington, WI 53121-2046  
262-767.5204  
FAX 262.767.5209

**Horizon Center for  
Transportation Technology**

4940 - 88th Avenue  
Kenosha, WI 53144-7467  
262.564.3900  
262.564.3901 FAX

**Kenosha Campus**

3520 - 30th Avenue  
Kenosha, WI 53144-1690  
262.564.2200  
262.564.2201 FAX  
262.564.2206 TTY

**LakeView Advanced  
Technology Center**

9449 - 88th Avenue  
(Highway H)  
Pleasant Prairie, WI 53158-2216  
262.564.3400  
262.564.3401 FAX

**Racine Campus**

1001 South Main Street  
Racine, WI 53403-1582  
262.619.6200  
262.619.6201 FAX  
262.619.6206 TTY

**WGTD-FM/91.1**

3520 - 30th Avenue  
Kenosha, WI 53144-1690  
262.564.3800  
262.619.6800  
262.564.3801 FAX  
262.564.3801 FAX



[www.gtc.edu](http://www.gtc.edu)

an equal opportunity/access/employer and educator  
ofrece igualdad en oportunidades/acceso/empleo y educación