GATEWAY TECHNICAL COLLEGE

2013 Comprehensive Annual Financial Report

(with Independent Auditor's Report)
For the Fiscal Year Ended June 30, 2013

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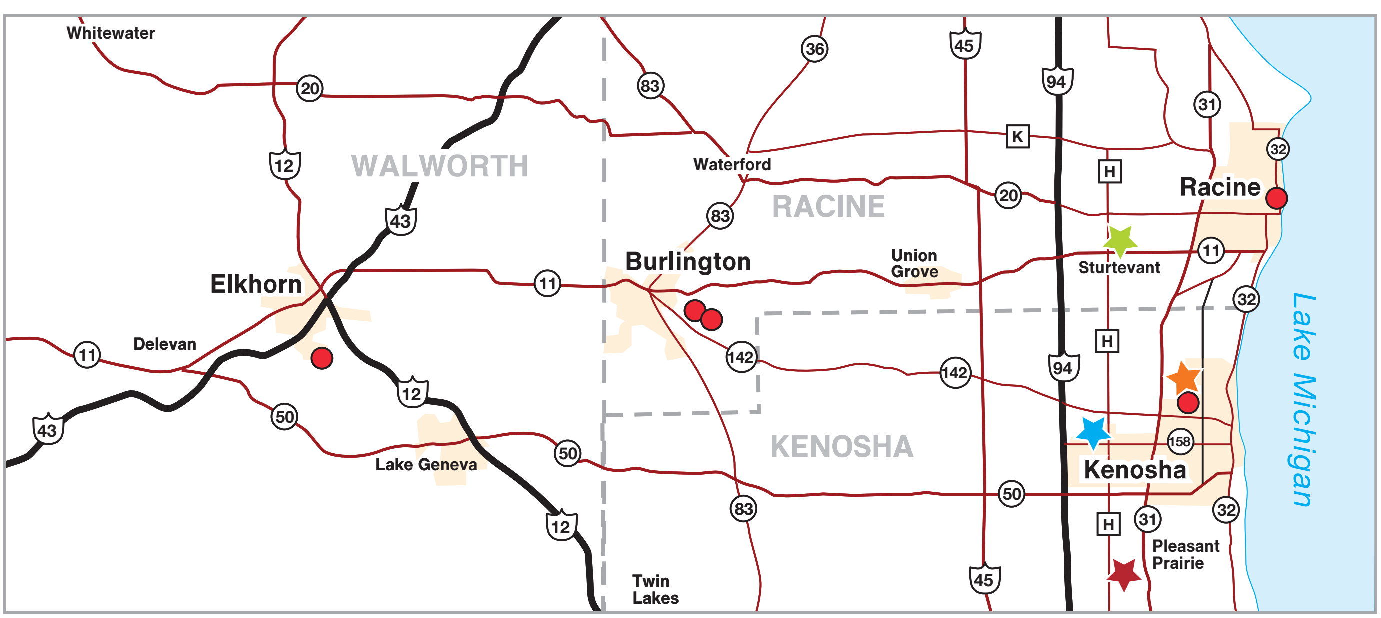
Gateway Technical College



GATEWAY TECHNICAL COLLEGE DISTRICT

Racine/Kenosha/Elkhorn, Wisconsin

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2013
(With Independent Auditor's Report)

Official Issuing Report:

Bane Thomey
Chief Financial Officer/
Vice President of Finance & Administration

Report Prepared By:

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Controller

Special thanks to Business Office staff and Marketing & Communication Department for their assistance with this document

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

GATEWAY TECHNICAL COLLEGE DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2013

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Introductory Section

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GATEWAY TECHNICAL COLLEGE

Bryan D. Albrecht, Ed.D.
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November 8, 2013

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, 2013, 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 – Vision 3.2.1

Gateway Technical College District (Gateway) is one of 16 technical colleges in the Wisconsin Technical College System (WTCS) and has been serving the community for over 100 years. In 1911, Gateway became the nation's first publicly supported technical institution (Racine Continuation School). In 1971 the District was established when the Kenosha/Walworth County and Racine County districts merged to form our name predecessor – Gateway Technical Institute. Gateway is a fully accredited two-year technical college that provides cutting-edge career education and technical training in Kenosha, Racine, and Walworth counties. The college serves approximately 23,000 students annually and offers more than 65 associate degree and diploma programs while delivering traditional classroom-based instruction as well as demand-driven, technical education in accelerated and non-traditional formats.

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

Gateway is built on a vision where students are at the heart of our commitment; employees are valued as a reason for our success; and the community is our foundation for continued growth. From the beginning, over a century ago, our community recognized the importance of education as a pathway to prosperity. Continuation schools were designed to allow educators to work side by side with local employers to develop skills to support a changing economy. Today, our college continues that legacy of working with our community to ensure education and training opportunities are aligned with the changing needs of our employers.

Vision 3.2.1 embodies our strategy that together we serve three communities; for two centuries; under one shared vision. Vision 3.2.1 builds upon tradition but more importantly it identifies a new future for all students who choose Gateway for their college experience. As we position our college for future success it is imperative that we understand the complex needs of our students. Students come to us for many reasons—some to obtain a certificate, diploma, or degree and others to earn a high school credential or industry certification. Our Vision 3.2.1 is anchored by empowering students to excel so that they can attain the education or training credential they desire to find employment in their career field. Over 95% of Gateway graduates build homes, raise families and work in the communities we serve. We empower academic success and strategically align our services to support a local workforce.

What started as a vision to rebuild Wisconsin's workforce in the last century continues with a sharper focus on the importance of industry partnerships to align our services with the skills needed to spur innovation on a global level. As a college of first choice our students are driving us to use innovation as a tool for continuous improvement. New programs and services are being developed to improve critical points of access, retain students by supporting their individual needs, and build a climate of inclusion and collaboration to assure the Gateway experience for all.

Over the next six years we will be measured by our contributions to the communities we serve. Vision 3.2.1 serves as our navigational tool to chart our path, monitor our benchmarks and assess our progress toward achieving student success. With our Vision 3.2.1 we will add a new chapter to all who select Gateway as their path for personal and professional growth.

Major Initiatives and Accomplishments

Fiscal year 2013 was the inauguration of **Vision 3.2.1**, established under the leadership of President Dr. Bryan D. Albrecht. Vision 3.2.1 is the new strategic direction that will guide Gateway Technical College faculty, staff, and administration through 2018. Following is a representative list of some of the major initiatives and accomplishments for the 2012-13 year.

Community Leadership

Leadership at the College, with President Dr. Bryan Albrecht at the helm, is evident at all levels. Examples of some of the various initiatives include:

- President Dr. Bryan Albrecht was selected to serve on the board of trustees for the National Occupational Competency Testing Institute (NOCTI). The institute is a leading provider of high-quality technical competency assessment products and services for secondary and post-secondary educational institutions in the US and around the world.
- Dr. Bryan Albrecht was presented the state President Award at the Wisconsin Association for Career and Technical Education annual conference.
- Gateway's reputation as a model college was evident as it hosted several state and national conferences in the last year:
    - The annual National Coalition of Advanced Technology Centers (NCATC) was held in October. NCATC is a network of higher education resources that advocates and promotes the use of technology applications which enhance economic and workforce development programs and services.
    - A "Building Sustainable Community College and Industry Partnerships" summit was held in October at the Racine Campus. The summit is designed to strengthen collaboration between community colleges and industry to bridge the skills gap in an increasingly green economy. The summit was held in partnership with the Aspen Institute Skills for America's Future, the American Association of Community Colleges' (AACC) SEED Center and the Illinois Green Economy Network.
    - In partnership with Snap-On Incorporated, Gateway hosted the NC3- National Coalition of Certification Centers at Snap-On's Innovation Center. More than 60 technical college instructors and manufacturing leaders from across the US attended the training and meetings. Paul Taylor, chief economist of the National Automotive Dealer's Association Industry Analysis division spoke on the critical need to address the country's skills gap.
    - Gateway's role in NC3 was recognized by the Community Colleges Futures Assembly and was named as a top 10 finalist in the Workforce Development category. President Dr. Bryan Albrecht was also awarded the Visionary Award from NC3.
    - A SkillsUSA competition for Southeastern Wisconsin students was held at the Horizon Center for Transportation Technology, the Racine Campus and the SC Johnson iMET Center. The events included automotive, welding and precision machining, and skill and leadership competitions.
    - A Tri-State Alliance for Regional Development meeting was hosted at the SC Johnson iMET Center. Technical high school administrators from Wisconsin, Illinois and Indiana convened regarding the importance of providing relevant secondary education for the manufacturing region.
- The Manufacturers Endorsed Education Alliance selected Gateway as one of the first colleges in the nation to be recognized on its M-List for quality manufacturing education and training programs. The Manufacturing Institute, a division of the National Association of Manufacturers, launched the alliance.
- Gateway serves as a benchmark/model college for local, national and international colleagues:

    - Officials from the Moroccan college of Ecole Superieure de Technologie (EST) toured Gateway's facilities and met with college staff and community partners to get an in-depth look at how Gateway has become a regional training center for Automotive Technology instructors and trainers through its NC3 affiliation. The Moroccan college is implementing a similar program in Morocco. The partnership is funded through a grant from USAID/Higher Education for Development.
    - EST instructors worked on the first replicated Biz Squad in the Middle East as part of the "Collegiate Entrepreneurship and Collaborative Strategies" project. Gateway students and instructors in the Biz Squad provided the training platform over the fall semester. The training was aimed at preparing EST instructors to understand the concepts and interactions of the Gateway model Biz Squad course.
    - A Chinese delegation visited Gateway as part of the Vocational Education Leadership Training (VELT) project.
    - Metro Tech Community College, Oklahoma City, OK administrators and civic leaders toured Gateway's manufacturing labs at the Racine, Kenosha, Horizon and Lakeview centers.
    - Debbie Davidson, Vice President of WEDD and instructor, Rick Lofy, presented on Gateway's bootcamps at the Association for Career and Technical Education Vision 2012 Conference in Atlanta.
    - Debbie Davidson and Gateway bootcamp graduate Shanta Harris presented on career pathways in a national webinar hosted by the US Department of Education – Office of Vocational and Adult Education.
    - Gateway's automotive and renewable energy programs and manufacturing bootcamps were highlighted at presentations with the NC3 and NCATC at the American Association of Community Colleges (AACC) Workforce Development Institute held in San Diego, CA.
    - WTCS invited Gateway to showcase our entrepreneurship initiatives at the WTCS Business Division state-called meeting and again at a Cross-Functional Deans state WTCS meeting. Dr. Therese Fellner facilitated the panel entitled "Linking Academic Programs to Economic Development Initiatives: Creating Synergistic Relationships to Promote Entrepreneurship".
    - Gateway was part of a benchmarking study, commissioned by Moraine Park Technical College, due to our success with business partnerships.
- For the second straight year Gateway was recognized by *GI Jobs* as a top 2013 Military Friendly College. The recognition goes to the top 20 percent of colleges, universities and trade schools that are doing the most to embrace America's service members and veterans as students
- Gateway was honored with several awards, including:
    - 2013 President's Award for Campus Compact
    - 2013 Boy Scouts of America Partner Award
    - 2013 United Way President's Award
    - 2010-13 Well Workplace Gold Award
- Gateway's HERO Center and fire truck was featured on the cover of a New York Stock Exchange shareholder's report.
- The Gateway Foundation Board Vice Chair, Fred Ganaway, and the Board Director, Jody Hart, were recognized at the 2012 Association of Fund Raising Professionals Southeastern Wisconsin National Philanthropy Day in Milwaukee.
- Dean Mike O'Donnell began serving on a national accreditation committee for the American Physical Therapy Association and continues to serve on the Walworth County Workforce Development Board, as well as the Walworth County Literacy Council.

- HR continued to implement initiatives as a result of the new Employee Handbook and the end of the collective bargaining agreements effective with the new fiscal year:
    - Leadership Training was held throughout the year for administrative staff.
    - A Leadership Mentoring program was implemented for all newly appointed management.
- Purchasing and college staff continue to lead the college in savings, within the technical college purchasing consortium, by pursuing cooperative purchase agreements and utilizing SciQuest -- resulting in an estimated savings of more than $163,000 this year.
- A cross-functional team including Kamaljit Jackson, Stacy Riley, Jeff Robshaw and Bane Thomey completed a 13 week Lean Six Sigma (LSS) course and earned their green belts. The LSS initiative is a proven methodology used to implement continuous process improvement and reduce non value added activities at Gateway.
- Pat Hoppe, instructor, will co-chair the statewide Electronics Skills USA competitions. He has been serving as a judge for the last twelve years, as well as coordinating the regionals held at Gateway.
- Bill Whyte, Vice President of HR, was elected vice chairperson of the Leadership Kenosha Board of Directors.
- Bane Thomey, Chief Financial Officer, graduated from Leadership Kenosha and her team "Lifting Soles" received the Project of the Year designation.

Community Partnerships

Our goal at Gateway is to provide career and technical skill training to assist citizens in transitioning into the workforce. Business and industry connections play a big part in our success. In addition, partnering with our local high schools provides students with dual-credit opportunities and prepares them to be career and college ready. And with community partnerships, we strive to address the community's needs through the implementation of service learning.

- Governor Scott Walker recognized Gateway's SC Johnson integrated Manufacturing and Engineering Technology Center (iMET) as a great example of a public-private partnership contributing to the success of integrated manufacturing technology and providing the needed training for workers and employers in today's economy.
- The new "Fab Lab" – Tarnowski Hall's Flexible Manufacturing Lab at the SC Johnson iMET Center -- fosters an innovative and collaborative climate in the community. The workspace contains a variety of computer controlled tools that allow the manufacture of nearly anything an individual can imagine.
    - The grand opening of the SC Johnson iMET Center included sessions by the executive director of the Manufacturing Skills Standards Council, the CEO of the STEM (Science, Technology, Engineering and Math) Academy, national experts in the area of rapid prototyping and additive manufacturing, comments from Fisk Johnson, chairman and CEO of SC Johnson, and Reggie Newson, Wisconsin secretary of Workforce Development.
- U.S. Senator Tammy Baldwin visited Gateway's SC Johnson iMET Center, as well as the Horizon Center for Transportation Technology and Xten Industries, to learn about the workforce training partnership established between Gateway and Xten. The partnership includes a training program that brings Gateway to Xten in an effort to increase efficiency in Xten's manufacturing process.
- The College Connections division, piloted in FY2012, has been successful in FY2013 making an extensive effort to connect the high school community with the college, illustrated by the following accomplishments:
    - Connected with the superintendents and principals of all district high schools

- Implemented 69 transcripted credit agreements with 16 high schools offering 31 different Gateway courses. A total of 1,159 high school students earned transcripted credits during the 2012/13 fiscal year.
    - Represented Gateway at 18 career fairs at various high schools in the district.
    - Led 125 group activities, including campus tours, events, and career panels at high schools where approximately 4,000 students participated.
    - College Connection coaches met one-on-one with 1,825 students at 23 district high schools.
- Gateway and MSOE have partnered on a new pathway for the Electrical/Electronics Engineering area. EET students can now transfer directly to MSOE's BSEE program as full juniors.
- Gateway and UW-Parkside have partnered to offer dual admission for qualifying students in the 1-plus-3 General Studies certificate program. In addition to giving students an affordable option to earn college credits it also allows them opportunity to seek financial aid through UW-Parkside, which they would have been unable to do at Gateway without declaring a program of study.
- Gateway and UW-Parkside co-hosted the Competitive Wisconsin, Inc. briefing. Local workforce development partners shared information on local initiatives as well as the statewide Be Bold strategy (www.competitivewi.com).
- Gateway partnered with the Innovation Center at the Whitewater Technology Park for two initiatives: Lean Six Sigma Greenbelt workshops and a Business Solutions Breakfast series for area business owners and managers.
- A partnership with area health providers, such as Kenosha Community Health Center, has paved the way for standardized health requirements for Gateway Nursing students to enter their clinical experiences, resulting in reduced costs and a more efficient way for them to complete their degree.
- Instructors from 13 area school districts were trained on the ShopKey5 Automotive Service and Estimating Information System. All received NC3 ShopKey5 certification allowing the instructors to train high school students using the ShopKey5 system free under the Gateway license.
- In partnership with Kenosha Area Business Alliance (KABA), Gateway hosted:
    - The first School2Skills Tour- introducing high students to manufacturing through visits to local manufacturers and the SC Johnson iMET Center.
    - A Kenosha County K-14 Strategy Meeting to explore a variety of career tools and initiatives available to students for the purpose of connecting them to business opportunities through education.
- Gateway is partnering with Modine to provide ongoing training in Geothermal applications.
- Gateway connects with the community by hosting an extensive range of community events throughout the year at the various campuses; such as RUSD workshops, Racine County Fire Chiefs Association annual seminars, police department/fire department workshops, aldermanic district candidate's forums, Kenosha County Aging and Disability Resource workshops, Kenosha Relay for Life meetings, etc.

Service Learning –Support of non-profits

- Gateway is pleased to announce a half-time staff person who will be completing the AmeriCorps VISTA's (Volunteers in Service to America) tasks of developing and progressing the Service Learning Center. The Service Learning Coordinator acts as liaison for all community organizations in Racine, Kenosha, and Walworth Counties interested in partnering with Gateway students and staff in the development, implementation, and completion of service learning projects, events, or experiences. Several initiatives included:

- A service learning workshop to help educate faculty on implementing service learning in existing or new classes. The Serving to Learn Locally/Globally classes has 30 faculty graduates and will continue to be offered once a semester.
- Two new workshops were offered in conjunction with the Fall and Spring Workshop Series presented by the Multicultural Program and HPOP. These workshops discuss an "introduction to service learning" as well as the "continuum of service".
- Several courses have incorporated Service Learning within their curriculum including Horticulture, Nursing, Interpersonal Communication, IT Project Management, General Studies, Dental, Criminal Justice, and Land Surveying. Serving the community provides an invaluable learning experience for their students and creates "life lessons."
- From Summer 2012 – Spring 2013, Service Learning was incorporated into 41 courses, with 332 students completing 5119 hours of service. These numbers are compared to the Summer 2011 – Spring 2012 totals of 29 courses, 288 students, and 3598 hours of service.

Through the leadership of Zina Haywood and Diane Skewes the college adopted a village in Belize. In partnership with Peaceworks in Orange Walk Town, Belize, the Serving to Learn Globally class traveled to Belize in January 2013 for a 10 day service trip. This starts a 5-year partnership offered annually for students in Nursing, Information Technology, or Horticulture.

Economic Development

Gateway is committed to economic development and improving the "skills-gap" shortage through it programs and partnerships. Gateway is participating in this effort to deliver the education and competencies workers need. We can provide industry-driven credentials to meet the labor demands locally, regionally, and nationally.

- The Workforce and Economic Development Division (WEDD) staff have been active in various initiatives this year:
  - Debbie Davidson, Gateway Vice President of WEDD and Lauri Howard, Director of Workforce Training have partnered with the Walworth County Job Center and the Walworth County Economic Development Alliance (WCEDA) for the creation of the Walworth County Manufacturing Council to serve as an advisory council on manufacturing.
  - Debbie Davidson is serving on the Wisconsin Idea Scholars Program (WISP). WISP is a state-wide group participating in a yearlong program to learn more about the issues Wisconsin faces.
  - WEDD participated in the US Council on Competiveness 2012 Out of the Blue Strategic Manufacturing Dialogues hosted at Snap-On. It brought together industry and education leaders to discuss workforce solutions around business and education partnerships.
  - Staff began using the GrowthWheel® tool when consulting with their customers. GrowthWheel® is a toolkit for dialogue, decision-making and action planning in start-up and growth companies. It helps entrepreneurs get focus, set agenda, and take the next step. The decision to use GrowthWheel® evolved out of six-county US Economic Development Administration grant. The counties choose GrowthWheel® as their tool for fostering entrepreneurship and business growth.
  - WEDD offered a Patent Workshop Series to provide entrepreneurs with the strategies to safeguard their ideas and understand the patenting process.
  - They offered Business Mentoring, in partnership with SCORE Southeast Wisconsin, to provide support and guidance in areas such as business concept

development, sales and marketing strategies, operating plans, and financial planning.
    - They offered a "Rapid Innovation and Growth" daylong workshop geared toward top decision-makers and key executives who are focused on fueling business growth with new products.
- Gateway's successful bootcamps continue to meet the demand for skilled workers in CNC and welding. Of the three CNC Bootcamps held during the fiscal year: 58 students enrolled, 56 completed, and 41 were employed as of June 30th.
- The bootcamp model has also expanded to other areas:
    - Welding/Fabrication Bootcamp is a rigorous 15-week program providing a solid foundation in welding and fabrication, print reading, safety, lean principles and applied math. The program includes working towards industry-approved certification. A generous donation by SC Johnson is funding the bootcamps.
        - Two Weld/Fab Bootcamps enrolled 23 students with 22 completing and 10 obtaining employment as of June 30th.
    - A Certified Nursing Assistant (CAN) /ELL Bootcamp was developed and offered using the I-BEST (Integrated Basic Skills Training) model.
        - Two camps were held (Fall and Spring) with 28 students enrolling and 26 completing.
    - Industrial Machine Repair Technician Bootcamps are a new offering as of June 2013.

Green Initiatives

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

- In April the college hosted its annual Celebrate Earth Day event. The popular celebration is held at the Kenosha, Racine, and Elkhorn campuses providing the community with hands-on, "green" and sustainable-focused demonstrations and family-friendly activities.
    - IT Project Management students educated the community on proper recycling practices and also took in over 3,000 lbs of electronics.
- The GreenPrint program became effective for students and staff with some notable achievements in this initial year of implementation:
    - It reduced output devices (printers, copiers, fax machines, scanners) by 49% from 508 to 259 by consolidating to multifunction devices.
    - All students and staff received a new ID card. The card gives students cashless printing and copy services and allows Gateway to recoup the cost of student printing.
    - The print output was reduced by 54% and the device energy consumption was reduced by approximately 30%.
- The Center for Sustainable Living (CSL) continues to serve as the arena to provide increased awareness of sustainability issues among campus and community members through education and outreach and empowers students, staff, and community members to take sustainability actions.
    - A new manager for the CSL focused on connecting to the K-12 districts and the community. Since September 2012 the center has been busy with over 1,300 visitors including 426 K-12 students, 361 Gateway students and 172 from the general public.
    - The first annual Sustainable Leadership Summit was hosted at the center for high schools in the tri-county area. Over 80 students participated.
    - Geo Exchange students drilled a geo well and installed a floor heating system for the center.
    - Land Surveying students mapped the CSL property and worked on the design of a walking path for future development.

  - Students began a Sustainable Living Club this year. In conjunction with the Business Professionals of America (BPA) club they held a Denim Drive to collect old denim to be used for the purpose of recycling into building insulation.
- The National SEED (Sustainable Education and Economic Development) Summit was held on the Racine campus in October. More than 100 individuals from across the county came together to discuss sustainability and the role of technical colleges.
- A Green roof was installed at the Racine campus. Not only is it self-sustaining but it adds to the beauty of the campus.
- Gateway held its 21st Wintergreen in January. Presenters included Craig Bergmann a top landscape designer in the Midwest, Rebecca Nelson of Nelson Pade Aquaponics, an international leader in the field and Jeff Epping, Director of Olbrich Botanic Gardens.
- The Curriculum Office, Student Service Centers, and the IT department partnered on a cost-saving project to reduce paper waste. Instead of printing 1,500 copies of curriculum sheets for distribution that may go unused; print-on-demand kiosks in the student service centers will be used by students when they want a curriculum sheet.
- Since Enrollment Services implemented Point-of-Services (POS) scanning to scan all student documents at the point of service it has significantly improved the college's document intake efficiencies and eliminated the lag time to viewing documents. Over 105,000 documents were processed over the last year which has supported the college's green initiatives by scanning instead of making copies.

Facilities

Expansion and remodeling projects completed during the fiscal year will provide added resources and training opportunities to help students in their academic needs:

- February marked the grand opening of the SC Johnson integrated Manufacturing and Engineering Technology Center (iMET). The 16,000 square foot addition hosts the region's first flexible manufacturing training center (Fab Lab) dedicated to training the manufacturing workforce through short-term customized training. The lab focuses on industrial design and rapid prototyping. The iMET also serves as the home of the highly successful bootcamp training programs in CNC machining, welding and fabrication and machine repair.
- A newly relocated 11,272-square-foot Student Success Center opened on the Racine Campus. The new student friendly, welcoming space accommodates customer service improvements and houses expanded services, including admissions, registration, a center for career and placement services, recruitment services, counseling, financial aid and veteran services, and a multipurpose space for student orientations, workshops and training.
- Culinary Arts students are benefiting from a new 2,600 expansion, remodeling and equipment update to the kitchen on the Racine Campus. It includes a new retail bakery program where students are able to produce and sell bakery on-site.
- The Manufacturing, Engineering and Technical wing of the Kenosha campus was remodeled and upgraded to support new programs in GeoExchange, Solar, and Wind power.

Student Success

- The Student Success division has successfully implemented its complete re-engineering of the division with a concentration on the new vision and a "team of experts" service model. Several new initiatives include:
  - A QuickStart program was developed to assist prospective students in navigating the complex admissions, testing, financial aid and registration processes.
  - Graduation processing was streamlined including auditing students' records for program requirement completion and updating transcripts.

    - Disability Support Services (previously known as Special Needs) is very active in educating the students and staff on services available for students
        - A new Intake Process for Disability Support Services was implemented. The goal is to provide better service to students by decreasing the length of time it takes to review documentation and then provide disability accommodations and services.
    - New Student Specialists' offer new student workshops such as Get Ready and Get Set. The workshops help inform prospective students and assist with admission and financial aid processes, as well as assessment testing.
    - A Customer Feedback Card survey system was implemented and monitored on a weekly basis. As of May 2013 over 1,400 responses were received. Customer satisfaction has run in the 94.0 to 99.6 percentile for satisfaction with services.
- In partnership with CardSmith the college launched a new campus ID card program. In addition to identification, library, and event access the new GatewayOneCard gives the College's more than 20,000 students convenient access to cashless printing and copy services on all campuses.
- Students participating in the BizSquad teams continue to demonstrate success and provide valuable services for their customers:
    - In Fall 2012 BizSquad students trained EST Oujda, Morocco faculty on the student's process to deliver business support to small businesses.
    - In Spring 2013 six business BizSquad students completed their international exchange with our sister school KSH in Hanau, Germany. The joint project with German students completed a business plan, corporate identity package, and marketing plan for a Racine web design startup company.
    - Gateway student, Connie Howen, placed 5th in the Milwaukee Biz Starts competition and was awarded $1,000.
- In April the first Annual Student Leadership Conference was held at Gateway.
- The cover of the April edition of the American Welding Society Journal featured Gateway student Jeremy Jurkiewicz, a Racine native who served in Afghanistan with the Army reserves, and a student in the bootcamp welding fabrication program sponsored by SC Johnson, Inc.
- Six Business Professionals of America students captured first-place honors at the state leadership conference and three BPA students captured a national gold medal for web design at the BPA conference in Orlando.
- Five DECA students won first place awards and scholarships at the State Career Development Conference. As a chapter the students took first place for the John Gauthier DECA Diamond Award. The award goes to the chapter best exemplifying the four points of the DECA diamond: Social Intelligence, Civic Consciousness, Leadership Development, and Vocational Understanding.
- Gateway's Interior Design students were named the winners of the 2013 Milwaukee/NARI Home Improvement Show Interior Design Contest garage makeover display.
- Several campus clubs gave back to the community through various initiatives:
    - The Elkhorn Graphic Design Association worked with the seniors at Holton Manor, an assisted living facility. Students worked with seniors to create art for holiday cards. Proceeds from the sale of the cards will be donated to the facility.
    - Alliance for Multicultural Students (AMS) volunteered at the Racine County Food Bank Saturday in December.
    - Business Professionals Association-Kenosha students volunteered at the Shalom center food pantry to help stock and sort food items.
    - Welding students in Elkhorn created a 10 person wheelchair/wagon for the Union Grove Veteran's Home. It will help transport residents around the facility.

- Land Survey Club members helped to mark boundaries for the Caledonia Conservancy. The goal is to make this a long-term relationship between the club and the conservancy. The conservancy is a nonprofit agency dedicated to protecting and preserving nature areas and trails.
  - Horticulture Business Operations students designed a landscape for the new Hospice Alliance Facility in Pleasant Prairie.
  - Students in the Student Technology Support Center (STSC) prepared laptops that were donated to the Kenosha Urban Outreach center.
  - Marketing research students administered approximately 500 surveys for a local business considering expansion, followed by a presentation to the owners. It was a successful real life experience.
  - Culinary Arts students prepared soup and reheated donated soup to be served at the annual Empty Soup Bowls event in Racine.
- A total of 527 Gateway students celebrated the first fall semester graduation ceremony, held in December 2012.
- The Fall graduation ceremony for Paramedic program is representative of the success of a program in its 22nd year at Gateway. A total of 21 students were already credentialed and working as National Registry Paramedics (100 percent success) and 15 newly graduated are eligible to take the credential and licensing examination. Collectively, these paramedic students addressed the needs of 7,194 patients during their training.
- Two Fire Protection Technician students received special recognition:
  - Nick Shine, a student intern at the Pleasant Prairie Fire Department, received a Unit Citation award.
  - Joseph Krefft was awarded Salem Fire Department's "Firefighter of the Year" award.
- Hotel/Hospitality student Danielle Skipper was awarded the Greater Milwaukee Hotel & Lodging Association (GMHLA) Scholarship.
- Ten students earned Belden IBDN 726 Copper Certifications.
- The 2012 Graduate Follow-up Survey results continue to reflect an overall high satisfaction rate in Gateway and the instruction delivered here, with 97 percent of graduates reporting they were very satisfied or satisfied with their training at Gateway. A total of 85 percent reported they were employed within six months of graduation and 57 percent were employed in a job related to their Gateway program.

Technology Initiatives

- The Learning Innovation Division (LID) and Information Technology/Services division continues to work on a variety of initiatives designed to maintain, enhance, and extend our infrastructure, support systems, and technology tools for the Gateway community which include the following initiatives:
  - The initiative to enhance Gateway's enterprise system Ellucian has begun with projects including e-Advising and Retention Alert technologies that will assist Student Success staff to work closely with students to improve communication and boost the retention efforts.
  - An Electronic Signatures project was implemented to provide online forms for Student Services.
  - The Technology Support Center (Helpdesk) project continues to be very positive. LID staff planned a deployment of support kiosks district-wide to provide students with another avenue for accessing technology support.
  - The new approach of installing multimedia classroom in-house has resulted in a more efficient, flexible, and responsive process.
  - Desktop virtualization has expanded to over 435 VDI desktops at the college and server virtualization was increased by 51 servers bringing the total to 151 servers

virtualized. The virtualization strategy simplifies end-user support, saves energy, and reduces costs at the desktop level.
    - The VANguard initiative partnership with regional K-12 school districts, allowing schools to share coursework and take advantage of Gateway programing delivered using distance learning technologies, served 394 students this year—a 31% increase over the prior year.
    - Other initiatives included implementing storage enhancements, network improvements to deploy redundancies to protect the network, and setting the stage for disaster recovery and business continuity improvements.
    - Implementation of Blackboard's Mobile Learn application was successful and provides students with access to their coursework at any time and any place.
    - Gateway4Me, the college's mobile app, went live this year. It provides fast and convenient access to Gateway's resources.
    - In collaboration with the Institutional Effectiveness Division Lynda.com was rolled out. It offers online training courses to help faculty and staff hone their skills in the areas of software, time management, and other "soft skill" areas.
    - Staff have built and equipped video/lecture capture studios on each major campus. Faculty can use the studios to capture lectures to be streamed in online video formats.
- The Human Resources department implemented NEOGov, an online hiring system. Some of the paperless system features include sending electronic letters, screening all positions remotely and allowing applicants to self-select interview times.
- The WEDD division implemented CRM-Customer Relationship Management- allowing WEDD to track customer information related to sales calls, training requested, changes in customer business needs, and more. It provides better coordination of marketing and service to our customers.

Special Funding/Grants

A representation of some of the grants and special funding Gateway received this year include:

- Beverly and the late Otto Tarnowski donated nearly $1 million to support the construction of the new SC Johnson iMET Center.
- In October 2012 the SCJ-funded Welding/ Fabrication Boot Camp started. SC Johnson generously is granting over $1 million in the next two years to expand bootcamp opportunities for CNC, Welding, Machine Repair, and Certified Nursing Assistants.
- The Wisconsin Covenant Foundation awarded $644,592 Workforce Partnership Grant to Gateway which will be used to provide specific training for local businesses. Gateway has partnered with DeltaHawk Engines Inc. to provide training for new assemblers and technicians. The partnership will create a new 30-week Diesel Aviation Manufacturing certificate to help meet new hiring needs.
- Dreamkeepers: A Scholarship America program focusing on student emergency funds launched and will be funded for three years. $40,000 was funded the first year for student emergency grants and the Gateway Foundation has received $20,000 for capacity and sustainability at the college. This will enable and support an online application.
- The new Apprenticeship offerings resulted in Gateway receiving $50,000 in grants for apprenticeship programs in: Barbering, Culinary Arts, Industrial Electrician, Maintenance Mechanic, Machine Repair, Welding & Fabricating, Industrial Manufacturing Technician, and Tool & Die.
- The Wisconsin Department of Justice Office Assistance awarded a $44,000 grant for our Criminal Justice, Law Enforcement Academy, and Service and Specialty Training programs.
- Under the Adult Literacy funding from the WTCS, Gateway was awarded $45,000 to fund the Bridge to CNC. It is a pilot program to prepare adult basic education students

and English language learners to access and succeed in an advanced manufacturing career pathway.

- The TRiO grant was awarded for another year of service. The program continues to operate at full capacity. The TRiO Student Support Services grant has been instrumental in providing academic and support services to lower-income, first-generation or disabled college students.
- The Health Profession Opportunity Program (HPOP) grant continues to promote self-support through education and employment in the health care profession by providing funding and assistance to eligible low income individuals from southeastern Wisconsin. A total of 43 Gateway graduates, also part of the HPOP program, became the largest group of technical diploma and associate degree graduates to participate in the program.
- Gateway was awarded 16 Workforce Advancement Training Grants, for approximately $300,000, this past fiscal year in to provide training/certification to local companies to upgrade employee skills, improve processes, making them more technologically proficient and improve performance standards.

New Programs

- Weekend College! – Students can earn their General Studies credits during the weekend providing a flexible option which gives them even more opportunities to earn their degree or diploma. With many students working full-time or juggling family responsibilities Weekend College provides the flexibility to take courses.
- GED Boot camps, started this year, have addressed the immediate needs of in-coming students who are without a high school diploma or GED certificate. For 40 hours in one week students receive refresher instruction in five GED subject areas and take all five tests.
- The Developmental Education department offered the CNC Bridge program. A Certified Nursing Assistant (CAN) ABE/ELL Boot Camp was developed and offered using the I-BEST (Integrated Basic Skills Training) model. Students benefit from two instructors in the program. One is a subject matter expert and the other is a specialist in basic skills such as English, reading, and math.
- In May 2013 Gateways first ABE/ELL Summer Immersion Program started.
- The newly revamped Multicultural Program is successfully engaging students through various initiatives:
    - 1:1 Case-Management and in partnership with the federal grants programs of TRiO, HPOP, and Project HEAL they are addressing retention strategies and offering workshop series on employability skills, managing family life, and other academic resources.
    - Staff also revised and updated the various internet social interfaces to maintain and manage consistent connection, communication, and retention efforts among students of color in the program and the general student population.
    - In conjunction with the WEDD division, the Minority Entrepreneur Breakfast initiative was started. The intent is to promote students of color that are considering starting their own business while or after obtaining their education. Successful business owners in the district participate as well to provide information on business plans, financial projections, needs assessments, and networking to the students.
- TRiO program staff are leading the Gateway Tutoring Services Alliance committee. The committee's purpose is to develop synchronized tutoring procedures across the college including screening application process, training, and documentation of tutoring hours.
- The WEDD division launched an e-newsletter campaign titled "Gateway Technical College, Workforce and Economic Development Division Opportunities". The monthly publication addresses opportunities for our community partners and industry to connect with our programs and services.

- Ideas are being generated for collaborating with the Wisconsin Green Industry Federation to create a landscape apprenticeship program. It would incorporate the state federation's certification requirements as well as national PLANT certification standards.
- An International Education project class was held to educate faculty and staff on various elements of study abroad preparation and tactics. Upcoming 2014 study abroad programs include Belize, Hessen-Germany, and Paris/Berlin.

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 3.2.1– Three Communities – Two Centuries – One Vision.
Gateway's vision is clear. Together we serve three counties; for two centuries; under one shared vision. Over the next six years we will be measured by our contributions to the communities we serve. Vision 3.2.1 serves as our navigational tool to chart our path, monitor our benchmarks and assess our progress toward achieving student success.

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

Five key strategic directions will lead Vision 3.2.1:
- Students will experience educational excellence and academic success.
- Gateway will empower students to attain credentials and find employment in their career field.
- Employees will work together in a college culture of innovation and opportunity.
- Gateway will strategically align programs and services with changing industry needs.
- Gateway will be valued as the community's college and a place of opportunity for all.

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

Management Systems and Controls

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

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

Single Audit

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

Budgeting Controls

Budgeting is done in accordance with Chapter 65 of Wisconsin Statues, Wisconsin Technical College System administrative rules and local District policy. Gateway maintains budgetary controls which are designed to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the District Board. Activities of the general fund, special revenue fund, debt service fund, capital projects funds, enterprise funds, 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.

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

Revenue and expenditure forecasts, as well as actual results versus budget, are presented to the District Board monthly and on a quarterly basis. If modifications or changes of the approved budget are required, then approval by a two-thirds vote of the District Board is needed.

Cash Management

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

Risk Management

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

As of fiscal year 2013 DMI has been in operation for nine years. The DMI model continues to be viewed as a unique and specialized approach for meeting the insurance and risk management needs of our college partners. An indicator of the success DMI has experienced in good loss control and favorable loss ratios is its 2012 combined loss ratio of 87%. For any given policy year the breakeven combined loss ratio for the insurance industry is 100%. For 2012 the industry combined ratio was 106%.

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, 2012.

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 the Government Finance Officers Association (GFOA) for their review.

Acknowledgment

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

Respectfully submitted,

Bryan D. Albrecht, Ed.D.
President

Bane Thomey
CFO /Vice President of Finance & Administration

GATEWAY TECHNICAL COLLEGE

DISTRICT BOARD AND PRINCIPAL OFFICIALS
As of June 30, 2013

District Board

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

Principal Officials

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

Gateway Technical College District Board of Trustees Fiscal Year 2013

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

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

Ram Bhatia
Racine County

Leslie Scherrer
Walworth County

Jennifer Trick
Racine County

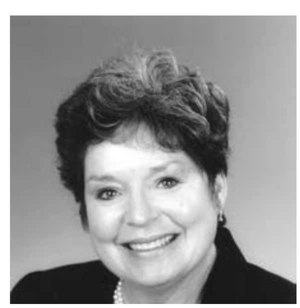
Todd Battle
Kenosha County

R. Scott Pierce
Kenosha County

Neville H. Simpson
Kenosha County

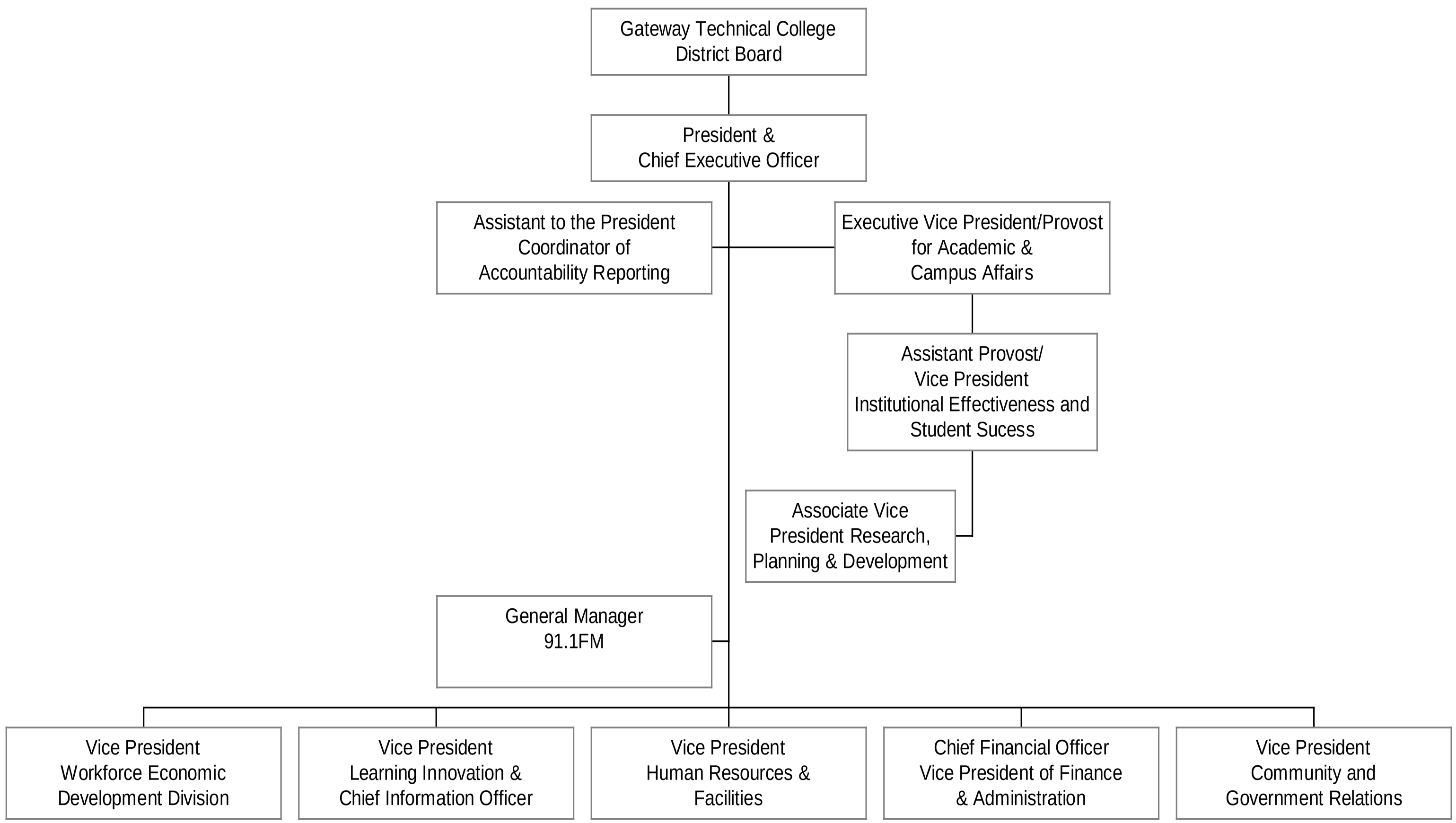
Gary Olsen
Walworth County

Roger Zacharias
Kenosha County



Pamela Zenner-Richards
Racine County

Gateway Technical College
Organizational Chart
as of June 30, 2013



Association of School Business Officials International

The Certificate of Excellence in Financial Reporting Award
is presented to

Gateway Technical College

For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2012

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards

Ron McCulley, CPPB, RSBO
President

John D. Musso, CAE, RSBA
Executive Director

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Financial Section

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INDEPENDENT AUDITORS' REPORT

To the District Board
Gateway Technical College District
Kenosha, Wisconsin

Report on the Financial Statements

We have audited the accompanying basic financial statements of the Gateway Technical College District (the District) as of and for the years ended June 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of the discretely presented component unit, Gateway Technical College Foundation, Inc. (the Foundation). Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors. 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. The financial statements of the Gateway Technical College Foundation, Inc., a discretely presented component unit of the District, were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Gateway Technical College District as of June 30, 2013 and 2012, and the respective changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1.I. to the financial statements, the District adopted new accounting guidance, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for the year ended June 30, 2013. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of funding progress and the schedule of employer contributions on pages 25 through 42 and 83 through 84 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Report Issued in Accordance with *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2013, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Schenck SC

Certified Public Accountants
Green Bay, Wisconsin
November 8, 2013

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, 2013.

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

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

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

Statements of Net Position

The Statement of Net Position includes all assets (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 Position.

Stated in Thousands ($000)

	2013	2012	Incr (Decr) 2013-2012	2011	Incr (Decr) 2012-2011
Assets					
Cash and other current assets	$ 43,744	$ 40,044	$ 3,700	$ 39,690	$ 354
Capital assets, net of accumulated depreciation	61,146	55,134	6,012	50,929	4,205
Other non-current assets	-	244	(244)	161	83
Total Assets	104,890	95,422	9,468	90,780	4,642
Liabilities					
Current	13,702	14,744	(1,042)	13,411	1,333
Non-Current	41,416	36,615	4,801	33,105	3,510
Total Liabilities	55,118	51,359	3,759	46,516	4,843
Net Position					
Net investment in capital assets	20,983	18,916	2,067	19,615	(699)
Restricted	2,017	2,392	(375)	2,096	296
Unrestricted	26,772	22,755	4,017	22,553	202
Total Net Position	$ 49,772	$ 44,063	$ 5,709	$ 44,264	$ (201)

Total assets increased $9.5 million or 9.9% in FY 2013 and increased $4.6 million or 5.1% in FY 2012. Total liabilities increased by $3.8 million or 7.3% in FY 2013 as compared to an increase of $4.8 million or 10.4% in FY 2012. Overall, the total net position increased by $5.7 million or 13.0% in FY 2013 while FY 2012 experienced a ($.2 million) or.5% decrease for the fiscal year.

Fiscal Year 2013 Compared to Fiscal Year 2012

- The significant increase in cash and cash equivalents for FY 12/13 reflects a steady trend of increases for the last few years. For FY 12/13 it increased by almost $6.0 million or 41.9% as compared to a $1.1 million increase or 8.7% in FY 11/12. While cash received from tuition and fees decreased by 6.2% or ($.7 million); the cash payments for employees and related benefits decreased by 6.3% or over ($4.6 million). The major factors for the $4.6 million disbursement reduction are a 17% decrease in health premium costs plus, effective with FY 12/13, all employees receiving health benefits are contributing 12% towards the premiums. In addition funds disbursed for the Wisconsin Retirement System (WRS) decreased by over $2.5 million in FY 12/13 as compared to FY 11/12 as all WRS eligible employees began contributing their portion (50%) of the pension expense.

- Other current assets decreased by ($2.3 million) or 8.9% mainly due to a few factors. Accounts receivable decreased by ($.7 million) or 42.0%, while Federal and state aid receivables decreased by ($2.3 million) or 35.7%. Prepaid expenses increased $.9 million or 156.1%. Due to a change in health insurance plans there was a prepayment in June for the July health premium.

- Capital assets, net of accumulated depreciation, increased by $6.0 million or 10.9**%.** Besides a net capital equipment addition of approximately $2.3 million there were various remodeling/constructions projects at all campuses. Major Racine projects included a Fab Lab remodel and 16,000 sq ft addition to the SC Johnson iMET center. On the Racine campus the culinary classroom in the Lake Building was remodeled. Additionally, the third floor of the Racine Building which formerly held the child care facility was remodeled for student services. On the Kenosha Campus, the Pike Creek Horticulture Center was expanded and remodeled.

- Overall current liabilities decreased 7.1% in FY 2013 compared to an increase of 9.9% in FY 2012. General accounts payable was down by 14.3% or ($0.4 million), while the accrued payroll and benefits liability declined by 61.1% or ($1.4 million). The accrued payroll and benefits decrease was down mainly due to vacant positions combined with a change in the health insurance premium and benefit amounts.

- Long-term liabilities increased 13.1% or $4.8 million as compared to FY 2012 increase of 10.6% or $3.5 million in FY 2012. General obligation debt increased by approximately $4.6 million in FY 2013. $231,000 of deferred bond premiums was added in FY 2013 as compared to $105,000 in FY 2012. In FY 2013 the long-term liability for other post-employment benefits (OPEB) increased by $225,000 or 9.4%. Additional information can be found in footnote #7 in the notes to the financial statements.

- Total net position increased in FY 2013 by $5.7 million, while it decreased in FY 2012 by ($.2 million). The increase in FY 2013 reflects an increase of $2.1 million net investment in capital assets, a ($.4 million) decrease in restricted assets, and a $4.0 million increase in unrestricted assets.

Fiscal Year 2012 Compared to Fiscal Year 2011

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

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

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

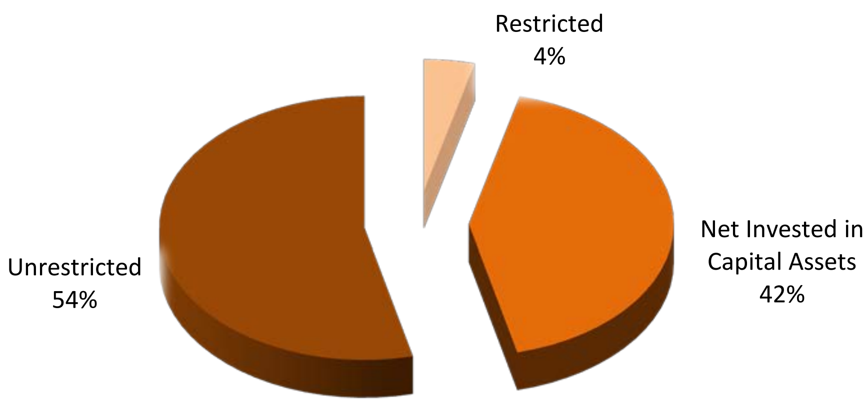
- Overall current liabilities increased 9.9% in FY 2012 as compared to 8.3% in FY 2011. General accounts payable was up by 31.4% or $639,000, while the accrued payroll and benefits liability remained relatively flat. The accounts payable increase was mainly due to remodeling/construction invoices due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

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

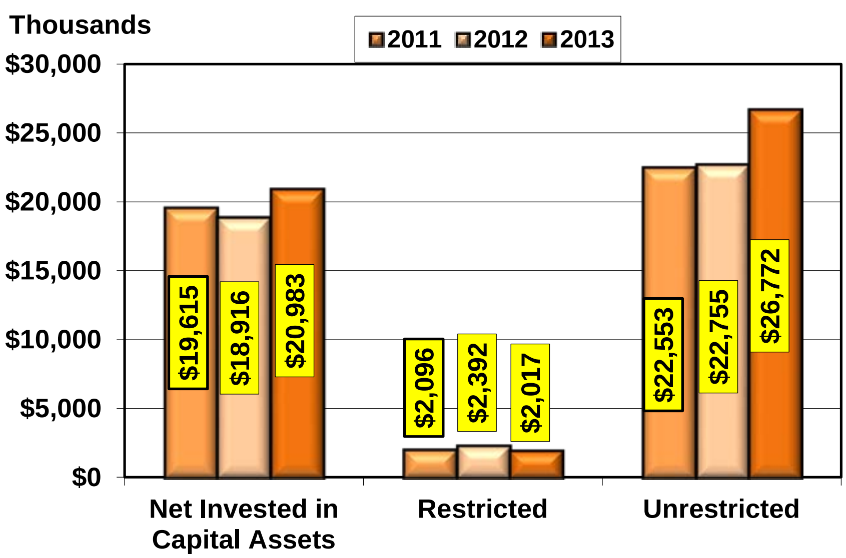
- Total net position decreased in FY 2012 by ($.2 million), while it had increased in FY 2011 by $3.6 million or 8.9%. The decrease in FY 2012 reflects a decrease of ($.7 million) net investment in capital assets, offset by a $.5 million total increase in restricted and unrestricted assets.

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

Net Position
June 30, 2013



Comparative Net Position
Fiscal Years 2013, 2012 and 2011



Statements of Revenues, Expenses and Changes in Net Position

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

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

Stated in Thousands ($000)

	2013	2012	Incr (Decr) 2013-2012	2011	Incr (Decr) 2012-2011
Operating Revenues					
Student fees	$ 9,361	$ 10,410	$ (1,049)	$ 14,011	$ (3,601)
Federal & state grants	46,511	46,187	324	47,289	(1,102)
Contract revenues	2,178	2,257	(79)	2,231	26
Auxiliary & miscellaneous revenues	1,947	1,460	487	1,790	(330)
Total Operating Revenues	$ 59,997	$ 60,314	$ (317)	$ 65,321	$ (5,007)
Operating Expenses					
Instruction	$ 56,214	$ 60,869	$ (4,655)	$ 58,458	$ 2,411
Instructional resources	1,137	1,427	(290)	1,301	126
Student services	10,748	10,087	661	9,832	255
General institutional	8,183	8,373	(190)	8,089	284
Physical plant	7,465	7,719	(254)	8,004	(285)
Student aid	29,874	30,725	(851)	36,245	(5,520)
Public services	358	344	14	337	7
Auxiliary services	508	575	(67)	580	(5)
Depreciation	4,544	4,308	236	3,951	357
Total Operating Expenses	$ 119,031	$ 124,427	$ (5,396)	$ 126,797	$ (2,370)
Non-operating Revenues (Expenses)					
Property taxes	$ 59,396	$ 59,004	$ 392	$ 58,328	$ 676
State appropriations	5,486	6,082	(596)	7,265	(1,183)
Loss on disposal of capital assets	(2)	(14)	12	(44)	30
Investment income	39	33	6	77	(44)
Interest expense & debt issuance costs	(1,519)	(1,263)	(256)	(1,264)	1
Total Non-operating Revenues (Expenses)	$ 63,400	$ 63,842	$ (442)	$ 64,362	$ (520)
Capital Contributions					
Federal & state capital grants	193	35	158	532	(497)
Other capital grants/donations	1,433	35	1,398	189	(154)
Total Capital Contributions	1,626	70	1,556	721	(651)
Net increase (decrease) in net position	5,992	(201)	6,193	3,607	(3,157)
Cumulative Effect of Change in Accounting Principle	(283)	-		-	
Net Position - beginning of year	44,063	44,264		40,657	
Net Position - end of year	$ 49,772	$ 44,063		$ 44,264	

OPERATING REVENUES include the charges for services offered by the District and other federal and state operating grants. During FY 2013 the District generated $60.0 million of operating revenue which is a .5% decrease over FY 2012. Significant changes for the fiscal years are as follows:

Fiscal Year 2013 Compared to Fiscal Year 2012

- Student tuition and fees dropped by approximately $1.0 million or 10.1%. This is due in part to the District experiencing a 6.5% decrease in student FTE's (full-time equivalent). FTE's were 5,813 in FY 2013 as compared to 6,217 in FY 2012. Additionally, the reduction is due in part to the $.4 million increase in scholarship allowances, which reduces the net tuition and program fee revenue reflected. To eliminate the duplicate recording of revenue, the financial aid funds are recorded as revenue under federal and state grants on the Statement of Revenues, Expenses and Changes in Net Position; and in conjunction, the tuition and fee revenue is reduced by the financial aid tuition allowances applied.

- Federal grants increased by 0.8% or $.3 million in FY 2013 compared to a decrease of 1.8% or $0.8 million in FY 2012 while state grants remained relatively flat in FY 2013.

- Miscellaneous revenues increased by $455,000 or 37.8% in FY 2013 compared to a $301,000 decrease or 20.0% in FY 2012. This is mainly due to bookstore commissions increasing by $184,000 and the receipt of $271,000 in donations to support the instruction of students in our bootcamp training.

Fiscal Year 2012 Compared to Fiscal Year 2011

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

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

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

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

OPERATING EXPENSES are costs incurred for providing education, training and related services. Operating expenses decreased by 4.3% or ($5.4 million) in FY 2013 as compared to a 1.9% or ($2.4) million decrease in FY 2012. The significant changes for the fiscal years are as follows:

Fiscal Year 2013 Compared to Fiscal Year 2012

- The main factor in the ($5.4 million) reduction in operating expenses relates to the ($4.7 million) or 7.6% reduction in instructional expenses and ($.8 million) or 2.8% decrease in student aid expense. A significant portion of the instructional decreases are due to vacant positions; restructured benefits; eliminating extended contracts; and one time grievance settlements for long-term care benefits that occurred in FY 2012.

- Restructured benefits savings of over $5 million is mainly comprised of the following that became effective July 2012: a 17% decrease in health insurance premiums; employees contributing 12% towards the premium expense; and all employees eligible for a pension benefit contributing 50% towards the pension expense.

- An offset to the overall ($5.4 million) expense reduction is an increase to Student Services expenses of 6.5% or $.7 million. Due to the second year of implementation of additional support for student services, the corresponding expenses increased. In addition, the write-off of student debt increased by $374,000.

- Instructional resources and general institutional decreased by approximately ($290,000) and ($190,000) respectively mainly due to vacant positions and restructured benefits, offset by increases in other expenses.

- Physical plant expenses decreased by ($253,000) due to vacant position and benefit savings of $579,000 offset by other expenditure increases of $326,000. The other expenditures are comprised of increases in building and site repairs, snow removal, and utilities.

- Depreciation expense increased $236,000 or 5.5% as compared to a FY 2012 increase of $357,000 or 9.0%.

Fiscal Year 2012 Compared to Fiscal Year 2011

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

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

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

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

NON-OPERATING REVENUES represent funds that are obtained to support operations, but are not directly related to operating activity. Wisconsin legislation subsidizes the operating expenses of the 16 technical colleges by authorizing an allocation of state revenue and giving the colleges the authority to levy property taxes in the municipalities they serve. Overall, non-operating revenues, net of interest expense, decreased by ($.4 million) or .7% in FY 2013 compared to ($1.2) million decrease or 1.8% in FY 2012. The significant components of the fiscal years are as follows:

- Property taxes are the primary source of revenue for the District comprising 46.9% of our revenue source in FY 2013. Overall property taxes revenues for the year were $59.3 million, an increase of 0.7% over the $59.0 million recognized in FY 2012.

- The FY 2013 operating levy of $51.2 million remained the same as FY 2012 in accordance with the Wisconsin State Biennium Approved Budget. The state budget included provisions requiring a tax levy freeze for operations for the Wisconsin Technical Colleges for 2012 and 2013. The FY 2013 Debt service levy was $8.3 million which was an increase of 7.0% over FY 2012 levy of $7.7 million.

- The District experienced a 9.8% or ($596,000) decrease in state operating appropriations for FY 2013 as compared to a 16.3% or ($1.2 million) decrease in FY 2012. The significant decrease in FY 2012 is due to a 30% cut in state funding. In addition, the amount of state aids received is based on a complicated formula that takes into consideration activities of the other fifteen technical colleges in Wisconsin, including actual expenditures, student FTE's, and equalized property valuations of each district. Final state aid payments are not received until November following the fiscal year end. In FY 2013 the district received a prior year state aid adjustment increase of $92,300, as compared to a $441,000 increase in FY 2012.

NON-OPERATING EXPENSES consist of interest expense and debt issuance costs on long-term debt. Effective with FY 2013 the District implemented GASB Statement 65, *Items Previously Reported as Assets and Liabilities*. As a result of this regulation, debt issuance costs are now recognized as an expense in the year they are incurred. Previously these costs were deferred and amortized over the life of the debt. Due to this implementation, FY 2013 reflects an increase of approximately $256,000 or 20.2% for the expense. In addition the statement reflects a cumulative effect of change in accounting principle in the amount of $283,000 for the debt issuance costs deferred prior to FY 2013.

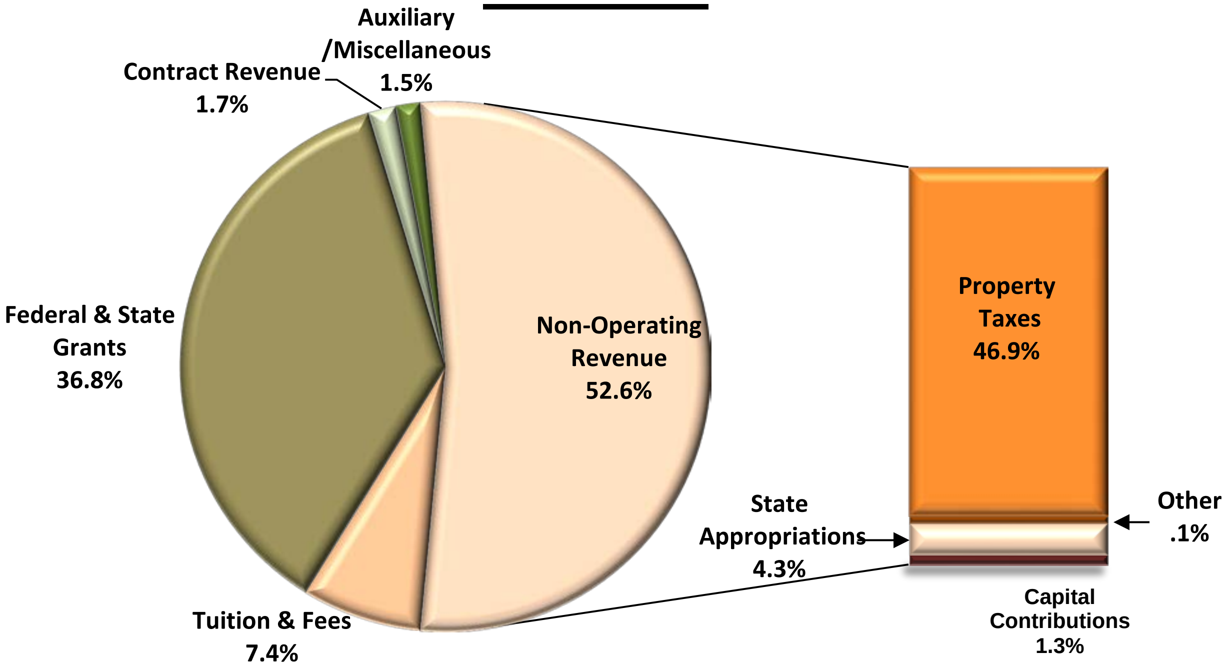
CAPITAL CONTRIBUTION REVENUE is revenue due to donations of cash or capital equipment and grant funds to be used exclusively for the purchase of capital assets. Overall contribution revenues increased almost $1.6 million in FY 2013 as compared to a ($.6) million decrease in FY 2012. The significant components of this change are as follows:

- Donated funds increased by $1.4 million mainly due to $1.236 million received towards the construction of the SC Johnson iMET (integrated Manufacturing & Engineering Technology) Center addition.

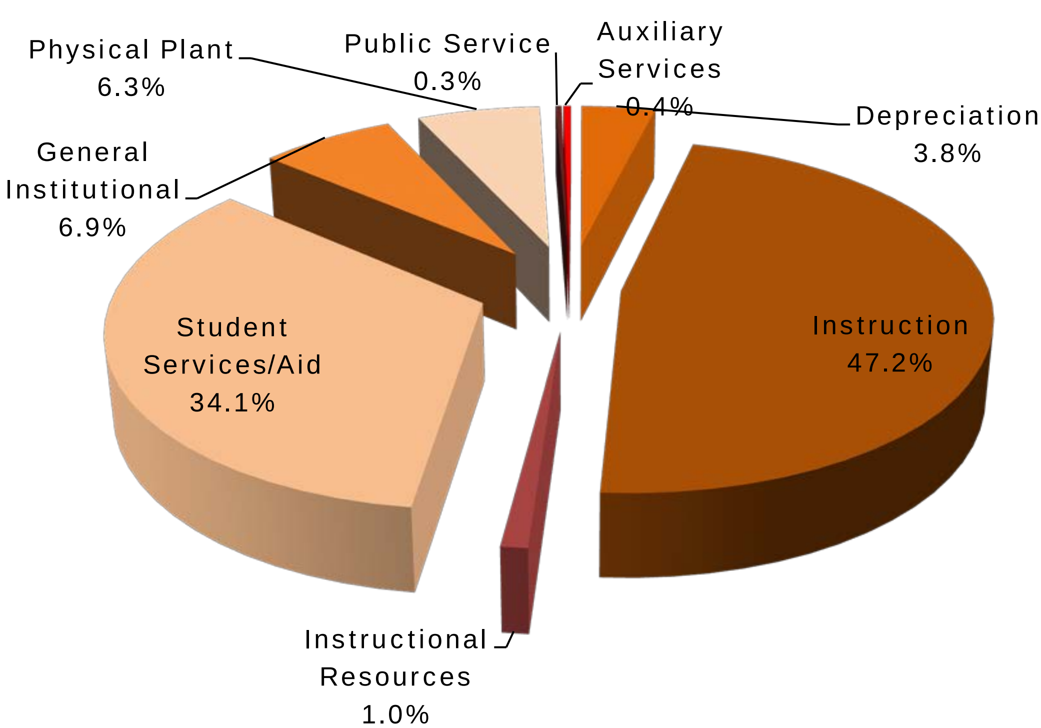
- Over $184,000 was received in Federal grants towards the purchase of capital equipment in FY 2013 while no Federal funds were received in FY 2012 for capital.

The following graphs represent the distribution of revenues and operating expenses for the fiscal year ended June 30, 2013.

Revenues



Operating Expenses



Statements of Cash Flows

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

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

Stated in Thousands ($000)

	2013	2012	Incr (Decr) 2013-2012	2011	Incr (Decr) 2012-2011
Cash Used By Operating Activities	$ (53,959)	$ (57,700)	$ 3,741	$ (59,648)	$ 1,948
Cash Provided By Non-Capital Financing Activities	65,049	64,986	63	65,374	(388)
Cash Used By Capital and Related Financing Activities	(5,137)	(6,174)	1,037	(4,918)	(1,256)
Cash Provided By Investing Activities	39	33	6	36	(3)
Net Increase in Cash and Cash Equivalents	$ 5,992	$ 1,145	$ 4,847	$ 844	$ 301

Fiscal Year 2013 Compared to Fiscal Year 2012

The cash and cash equivalents balance increased from $14.3 million in FY 2012 to $20.3 million in FY 2013. Overall, in FY 2013, cash and cash equivalents increased by $6.0 million or 41.9% as compared to the FY 2012 increase of $1.1 million or 8.7%.

The District used $3.7 million or 6.5% less cash for operating activities in FY 2013 compared to $1.9 million or 3.3% less in FY 2012. A few of the significant factors were: Payments to employees, including related benefits was down by $4.6 million or 6.31%. The decrease is due to vacancies, significant retirements in FY 2012 as well as restructuring health and dental insurance benefits, combined with all employees contributing a portion of their premium. All eligible employees also began contributing 50% towards their pension benefits in FY 2013 as compared to only non-represented contributing in FY 2012.

While Federal and State grants received were up by $3.3 million or 7.2%, student tuition and fees received was down ($.7 million) or 6.2%. The decrease in tuition and fees is due to a decline in enrollment. Federal and state financial aid funds received to cover the tuition and fees are reflected in the statements as federal and state revenue and not as tuition. The main factor for the increase in operating funds spent was the disbursals for materials and services. Disbursements were up $4.0 million or 8.7% in FY 2013. Due to a change in our health insurance carrier effective July 2012 there was no prepayment in June 2012 for the July premium as compared. Comparatively, in June 2013 there was a $1.0 million prepayment for insurance premiums. Other increases include payments for contracted services, professional development, and initial start-up fees for our new managed document services for tracking and managing staff and student printing.

Overall cash provided by non-capital financing activities was relatively flat. Local government property taxed received increased by $0.7 million or 1.12% while state appropriations received decreased by ($0.6 million) or 9.8%. Since FY 2012, the Wisconsin Technical Colleges experienced a 30% cut in state funding as a result of the Wisconsin State Biennium Approved Budget. With the state budget changes in effect, the District anticipated a flat levy as well as flat state aid.

Overall net cash used for capital and related financing activities decreased by 16.8% or ($1.0 million) in FY 2013 as compared to an increase of 25.6% or $1.3 million in FY 2012. Contributions for capital assets increased by $1.4 million due to funding received for the addition to the SC Johnson iMET Center. Purchases of capital assets and funds spent on construction/remodeling actually increased by $1.7 million or 19.2% compared to $1.1 million or 14.8% increase in FY 2012. The District had several major renovation and expansion projects that occurred in FY 2013. Additionally, the District issued $2.0 million or 20.0% additional debt for capital projects compared to a $1.0 million increase or 11.1% from FY 2012. Please see footnote #5 for further details.

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

Fiscal Year 2012 Compared to Fiscal Year 2011

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

The District used $1.9 million or 3.3% less cash for operating activities in FY 2012 compared to $4.7 million or 8.6% more in FY 2011. A few of the significant factors were: Even though tuition and fees revenue received was down by $5.2 million, Federal and state revenue was up by $3.1 million. Student tuition was down due to a 2.6 % decrease in enrollments and federal and state financial aid funds received to cover the tuition and fees are reflected in the statements as federal and state revenue and not as tuition. Payments to employees, including benefits, were up by $1.9 million or 2.8%. This is due to the 2.0% increase in wages for represented staff, as per union contracts, while administrative staff salaries were frozen from FY 2011 to FY 2012. The District recognized the need to freeze wages in FY 2012, for those not restricted by contracts. An increase in disbursals for benefits was mainly due to retiree health expenses increasing by 11.5% due to an increase in retirements during FY 2012. The most significant factor, where less operating funds were spent, was in the disbursals for materials and services. Disbursals were down by $6.2 million or 12.0% in FY 2012 compared to FY 2011. Approximately $5.8 million relates to the reduction in student aid fund disbursals and $1.1 million reduction in prepaid expenses. Due to a change in our health insurance carrier effective July 2012 there was no prepayment in June 2012 for the July premium as compared to June 2011 when there was a $1.1 million prepayment for insurance premiums.

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

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

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

Capital Asset and Debt Administration

Stated in Thousands ($000)

	2013	2012	2012-2011	2011	2011-2010
Land and Land Improvements	$ 7,203	$ 7,170	$ 33	$ 6,442	$ 728
Less Accumulated Depreciation	(1,563)	(1,293)	(270)	(1,049)	(244)
Buildings, Improvements and Leasehold Interest/Improvement	73,906	65,737	8,169	60,967	4,770
Less Accumulated Depreciation	(32,729)	(30,408)	(2,321)	(28,232)	(2,176)
Equipment	29,532	27,226	2,306	25,639	1,587
Less Accumulated Depreciation	(17,852)	(15,932)	(1,920)	(14,338)	(1,594)
Construction in Progress	2,649	2,634	15	1,500	1,134
Cost of Capital Assets Net of Accumulated Depreciation	$ 61,146	$ 55,134	$ 6,012	$ 50,929	$ 4,205
Capital related debt outstanding at Year End	$ 41,784	$ 39,735	$ 2,049	$ 36,135	$ 3,600

Fiscal Year 2013 Compared to Fiscal Year 2012

Capital assets, net of accumulated depreciation, increased by $6.0 million from FY 2012 to FY 2013. The largest increase was in Building and Building Improvements, net of accumulated depreciation, by $5.8 million or 16.6%. The majority of the additions/improvements were investments to the Racine campus with a $2.3 million addition to the SC Johnson iMET center accompanied by a $0.2 million remodel to the Fab Lab. In the Racine Building with an investment of $1.0 million, the third floor was remodeled for Student Services, formerly a child care center. Additionally, for $1.0 million, the Lake building second floor was remodeled and expanded into a new state of the art culinary facility. On the Kenosha Campus, key projects included a $1.8 million expansion/remodel to the Pike Creek Horticulture Center as well as a $.5 million investment into HVAC for the Madrigrano building. The investment in equipment, net of depreciation, remained relatively flat. Although approximately $4.5 to $5.0 million in equipment purchases occur each fiscal year, only items $5,000 or more in value are capitalized. Construction in progress was relatively flat compared to FY 2012.

Additional information regarding capital asset activity can be found in footnote #4 in the notes to financial statements.

The district had general obligation debt, relating to capital assets, outstanding of $41.8 million at June 30, 2013, an increase of $2.0 million, as compared to $39.7 million at June 30, 2012. The District maintained the highest rating of Aaa from Moody's Investors Services for the debt issues. Gateway meets all of its debt service requirements, including timely repayment of all debt payments. Current debt issued for buildings and improvements is repaid in 10 years or less, debt issued for equipment will be repaid in 7 years or less to correspond to the useful lives of the capital investment. Additional information about Gateway's long-term debt may be found in footnote #5 in the financial statements.

Fiscal Year 2012 Compared to Fiscal Year 2011

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

The district had a total general obligation debt, relating to capital assets, outstanding of $39.7 million at June 30, 2012, an increase of $3.6 million, as compared to $36.1 million at June 30, 2011. The District maintained the highest rating of Aaa from Moody's Investors Services for the debt issues. Gateway meets all of its debt service requirements, including timely repayment of all debt payments. Current debt issued for buildings and improvements is repaid in 10 years or less, debt issued for equipment will be repaid in 7 years or less to correspond to the useful lives of the capital investment. Additional information about Gateway's long-term debt may be found in footnote #5 in the financial statements.

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-Favorable (Unfavorable)
	Original	Final		
Revenues				
Local government - tax levy	$ 48,830,000	$ 48,830,000	$ 48,789,806	$ (40,194)
Intergovernmental revenue:				
State aids	5,265,000	5,265,000	5,662,633	397,633
Federal	5,000	5,000	33,411	28,411
Tuition and fees:				
Statutory program fees	18,371,000	18,371,000	16,962,737	(1,408,263)
Material fees	920,000	920,000	793,586	(126,414)
Other student fees	1,845,000	1,845,000	1,763,586	(81,414)
Miscellaneous - institutional revenue	2,530,000	3,230,000	3,329,078	99,078
Total revenues	77,766,000	78,466,000	77,334,837	(1,131,163)
Expenditures				
Current:				
Instruction	51,953,000	52,653,000	49,108,015	3,544,985
Instructional resources	1,302,000	1,302,000	1,127,512	174,488
Student services	9,008,000	9,008,000	8,254,879	753,121
General institutional	7,840,000	7,840,000	6,917,522	922,478
Physical plant	7,663,000	7,663,000	7,386,929	276,071
Total expenditures	77,766,000	78,466,000	72,794,857	5,671,143
Revenues over expenditures	-	-	4,539,980	4,539,980
Other financing uses				
Transfers out	-	(1,000,000)	(1,000,000)	-
Net change in fund balance	-	(1,000,000)	3,539,980	4,539,980
Fund balance				
Beginning of year	21,190,021	21,190,021	21,190,021	-
End of year	$ 21,190,021	$ 20,190,021	$ 24,730,001	$ 4,539,980

Overall the District favorably exceeded its budget parameters for the fiscal year and exceeded its revenues over expenditures by $4,539,980. The net change in fund balance includes administration's approval of a $1,000,000 transfer from the general fund to the capital projects fund.

In order to reflect an increase in expected revenues and expenses for transcripted credits, CNC boot camps and the CDL program, a budget revision was approved by the district board. This revision included an increase in Miscellaneous Institutional Revenue and Instructional Expenses of $700,000 each. Additionally, a budget revision was approved to transfer out $1,000,000 from the General Fund to be used for one time initiatives in the Capital Projects fund.

The most significant Budgetary Variances were:

- Total revenues were slightly unfavorable by 1.4% or $1.1 million. Tuition & Fees were under budget by $1.6 million. This is due to the decline in student enrollment. FTE's dropped 6.5% from 6,217 in FY 2012 to 5,813 in FY 2013.

- Overall expenses were under budget by $5.7 million. The decrease is due largely in part to savings of 11.1% or $2.3 million in administration and instructor salaries as well as a reduction of $1.0 million in all other salary classifications. Offsetting the savings was an increase of $28.6% or $1.1 million in adjunct instruction. As in years past, the increase in adjunct salaries is offset by the decrease in hiring full time faculty to accommodate change in enrollment.

- Employee benefits were under budget by $2.5 million or 13.7%. The decrease is due largely in part to health & dental insurance savings of $1.8 million or 17.3% and social security and retirement of 18.4% or $0.6 million. These savings were driven in part by unfilled full-time positions which were budgeted at family coverage.

Overall Financial Position

Gateway's financial position remains strong for fiscal year 2013 as evidenced by the following indicators provided by rating agencies or shown in the preceding Budgetary Variances schedule:

- The General Fund experienced an increase to fund balance of $3.5 million. This result includes a $1.0 million transfer to the Capital Projects Fund.

- Total General Fund reserves were $24.7 million at June 30, 2013, a healthy 32% of total General Fund revenues.

- The District's financial position is evaluated periodically by Moody's Investors Services. The most recent credit report cites the following: *"Assignment of the Aaa rating reflects the district's substantial tax base strategically located between the cities of Milwaukee and Chicago; sound financial operating supported by healthy reserves; and an average debt burden with rapid principal amortization."*

Evidenced further in the Basic Financial Statements:

- Cash and cash equivalents increased by $6.0 million or 42%.

- The current ratio, current assets compared to current liabilities, was at 3.19 times as of June 30, 2013.

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

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

- The Wisconsin 2011-2013 State Biennium budget imposed a tax levy freeze for operations and had previously reduced state aid to the technical colleges by 30%. The tax levy freeze capped the operational levy at the higher of the FY 2011 levy amount or the amount of revenue generated from the FY 2011 mill rate without a referendum. Therefore, for FY 2013 both the operational tax levy and state aid were held flat. The District's equalized property values declined by 7.13%. Property taxes are the District's primary source of revenues comprising 63.1% of the General Fund resources.

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

- Due to the collective bargaining agreements ending June 30, 2012, the District experienced a surge in retirements throughout prior year, FY 2012, amounting to 75. Comparatively, there were 21 retirements in FY 2011. In FY 2013, there were 15 retirements, trending more in line with historical retirement tendencies. While retiree expenses are increasing, the District will realize savings in lower salaries for new hires as well as reduced health and pension expenses for active employees.

- The District addressed these challenges proactively by budgeting conservatively and effectively managing expenses. For FY 2013, all employees began contributing ½ the cost of the WRS pension contribution. Additionally, the health insurance plan was restructured and all participating employees contribute 12% towards their health insurance premiums.

Economic Factors

The Gateway District consists of Kenosha, Racine and Walworth Counties located in Southeastern Wisconsin. The counties in this region share similar challenges in terms of economic development, such as the need for high-skilled jobs and infrastructure to support growing communities. Gateway provides a leadership role in delivering training services to meet the needs these needs. In order to ensure continued growth and offer the programs needed to provide skilled workers to meet the requirements of employers the District needs to address the economic factors that can affect our strong financial position.

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

FY 2013 and FY 2012. A mill rate increase is anticipated for FY 2014 as District valuations are down 3.8% with a state average decline of .78%.

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

- The unemployed rate remained high in 2013 as a result of the economic recession. As of June 2013, the rates were 8.5% for Kenosha, 8.9% for Racine and 7.2% for Walworth Counties. The state average was 6.8%.These conditions create the need for more program offerings and training services to meet the needs of dislocated workers.

- During a recession, the technical college system tends to experience an increase in enrollments. As the economy improves and people go back to work the enrollment tends to stabilize or decrease. The District has seen enrollment increases averaging 9.8% per year from FY 2009 to FY 2011. In FY 2012, FTE decreased by 2.6% and in FY 2013 FTE decreased 6.5%. For FY14, enrollment is expected to decrease slightly.

- Looking forward, administration is monitoring state budget discussions on performance based funding that will impact the college's state aid.

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

Requests for Information

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

BASIC FINANCIAL STATEMENTS

GATEWAY TECHNICAL COLLEGE DISTRICT
Statements of Net Position
June 30, 2013 and 2012

	2013		2012	
ASSETS	District	Foundation	District	Foundation
Current Assets				
Cash and cash equivalents	$ 14,403,512	$ 2,942,943	$ 9,013,288	$ 3,638,802
Restricted assets - cash and cash equivalents	5,873,673	-	5,271,493	-
Receivables:				
Property taxes	16,966,705	-	17,130,425	-
Accounts, net of reserve of $523,750 and $477,705 for 2013 and 2012, respectively	944,732	10,810	1,618,700	1,592
Federal and state aid	4,121,514	-	6,411,356	
Prepaid expenses	1,434,314	3,000	560,110	5,360
Debt issuance costs	-	-	38,677	-
Total Current Assets	43,744,450	2,956,753	40,044,049	3,645,754
Non-Current Assets				
Debt issuance costs	-	-	244,281	-
Capital assets	113,289,907	1,249,810	102,766,750	1,249,810
Less: accumulated depreciation	(52,144,042)	(238,721)	(47,633,481)	(210,008)
Total Non-Current Assets	61,145,865	1,011,089	55,377,550	1,039,802
Total Assets	104,890,315	3,967,842	95,421,599	4,685,556
LIABILITIES				
Current Liabilities				
Accounts payable	2,292,701	46,442	2,674,902	47,558
Accrued payroll and benefits	891,907	-	2,290,824	-
Accrued vacation	522,990	-	534,500	-
Accrued interest payable	300,088	-	303,160	-
Due to student groups/organizations	423,228	-	419,063	-
Unearned revenue	1,971,177	-	1,649,173	-
General obligation debt - current portion	7,300,000	-	6,872,334	-
Notes payable	-	100,000	-	95,000
Total Current Liabilities	13,702,091	146,442	14,743,956	142,558
Non-Current Liabilities				
General obligation debt	38,042,385	-	33,393,959	-
Notes payable	-	494,633	-	591,017
Other postemployment benefits	2,613,418	-	2,388,695	-
Unearned revenue	760,295	-	832,035	-
Total Non-Current Liabilities, less current portion	41,416,098	494,633	36,614,689	591,017
Total Liabilities	55,118,189	641,075	51,358,645	733,575
NET POSITION				
Net investment in capital assets	20,982,819	-	18,916,039	-
Restricted for:				
Debt service	624,867	-	1,202,227	-
Student financial assistance - expendable	155,901	-	175,355	-
Student organizations	1,236,841	-	1,014,702	-
Scholarships and other activities	-	2,415,938	-	3,130,992
Unrestricted	26,771,698	910,829	22,754,631	820,989
Total Net Position	$ 49,772,126	$ 3,326,767	$ 44,062,954	$ 3,951,981

The accompanying notes are an integral part of these statements.

GATEWAY TECHNICAL COLLEGE DISTRICT
Statements of Revenues, Expenses and Changes in Net Position
For the years ended June 30, 2013 and 2012

	2013		2012	
	District	Foundation	District	Foundation
Operating Revenues				
Student tuition and program fees, net of scholarship allowances of $ 11,397,330 and $ 10,995,339 for 2013 and 2012, respectively	$ 9,361,252	$ -	$ 10,409,936	$ -
Federal grants	42,989,817	-	42,666,119	-
State grants	3,521,173	-	3,520,742	-
Contract revenue	2,177,349	-	2,256,918	-
Auxiliary enterprise revenues	288,855	-	256,823	-
Miscellaneous - institutional revenue	1,658,302	1,425,152	1,203,156	1,869,016
Total Operating Revenues	59,996,748	1,425,152	60,313,694	1,869,016
Operating Expenses				
Instruction	56,214,432	-	60,869,404	-
Instructional resources	1,137,133	-	1,426,902	-
Student services	10,747,472	-	10,087,038	-
General institutional	8,183,287	2,185,525	8,373,179	305,554
Physical plant	7,465,411	-	7,718,475	-
Student aid	29,874,262	-	30,725,417	-
Public services	357,714	-	344,410	-
Auxiliary services	507,723	-	574,483	-
Depreciation	4,543,691	28,713	4,307,822	28,713
Total Operating Expenses	119,031,125	2,214,238	124,427,130	334,267
Net Operating Income (Loss)	(59,034,377)	(789,086)	(64,113,436)	1,534,749
Nonoperating Revenues (Expenses)				
Property taxes	59,395,806	-	59,003,731	-
State appropriations	5,485,937	-	6,081,694	-
Loss on disposal of capital assets	(2,245)	-	(13,933)	-
Investment income	38,735	201,042	33,320	76,148
Interest expense & debt issuance costs	(1,518,828)	(37,170)	(1,263,110)	(42,996)
Total Nonoperating Revenues (Expenses)	63,399,405	163,872	63,841,702	33,152
Capital Contributions				
State capital grants	-	-	35,183	-
Federal capital grants	193,935	-	-	-
Contributions	1,421,800	-	35,679	-
Donated capital assets	11,367	-	-	-
Total Capital Contributions	1,627,102	-	70,862	-
Change in Net Position	5,992,130	(625,214)	(200,872)	1,567,901
Cumulative Effect of Change in Accounting Principle	(282,958)	-	-	-
Net Position - Beginning of Year	44,062,954	3,951,981	44,263,826	2,384,080
Net Position - End of Year	$ 49,772,126	$ 3,326,767	$ 44,062,954	$ 3,951,981

The accompanying notes are an integral part of these statements.

GATEWAY TECHNICAL COLLEGE DISTRICT

Statements of Cash Flows

For the years ended June 30, 2013 and 2012

	2013		2012	
	District	Foundation	District	Foundation
Cash flows from operating activities				
Tuition and fees received	$ 9,897,127	$ -	$ 10,551,414	$ -
Federal and state grants received	48,953,210	-	45,655,472	-
Contract revenues received	2,581,446	-	2,441,159	-
Payments to employees, including related benefits	(67,625,995)	-	(72,182,511)	-
Payments for materials and services	(49,548,989)	(2,184,281)	(45,583,779)	(301,863)
Auxiliary enterprise revenues received	288,855	-	256,823	-
Other receipts	1,495,835	1,415,934	1,161,814	1,879,805
Net cash provided (used) for operating activities	(53,958,511)	(768,347)	(57,699,608)	1,577,942
Cash flows from non-capital financing activities				
Local government property taxes received	59,559,526	-	58,897,624	-
State appropriations received	5,489,902	-	6,088,083	-
Net cash provided by noncapital financing activities	65,049,428	-	64,985,707	-
Cash flows from capital and related financing activities				
State and federal grants received for capital assets	37,592	-	29,546	-
Contributions received for capital assets	1,421,800	-	35,679	-
Proceeds from sale of capital assets	10,427	-	6,308	-
Purchases of capital assets	(10,261,941)	-	(8,606,315)	-
Proceeds from issuance of capital debt	12,000,000	-	10,000,000	-
Premium received on debt issuance	331,774	-	117,362	-
Debt issuance costs paid	(239,459)	-	(135,855)	-
Principal paid on capital debt	(7,155,000)	(91,384)	(6,400,000)	(88,911)
Interest paid on capital debt	(1,282,441)	(37,170)	(1,221,280)	(42,996)
Net cash used for capital and related financing activities	(5,137,248)	(128,554)	(6,174,555)	(131,907)
Cash flows from investing activities				
Investment income received	38,735	201,042	33,320	76,148
Net increase (decrease) in cash and cash equivalents	5,992,404	(695,859)	1,144,864	1,522,183
Cash and cash equivalents				
Beginning of year	14,284,781	3,638,802	13,139,917	2,116,619
End of year	$ 20,277,185	$ 2,942,943	$ 14,284,781	$ 3,638,802
Reconciliation of cash and cash equivalents to the Statement of Net Position				
Cash and cash equivalents	$ 14,403,512	$ 2,942,943	$ 9,013,288	$ 3,638,802
Restricted assets - cash and cash equivalents	5,873,673	-	5,271,493	-
	$ 20,277,185	$ 2,942,943	$ 14,284,781	$ 3,638,802

The accompanying notes are an integral part of these statements.

GATEWAY TECHNICAL COLLEGE DISTRICT
Statements of Cash Flows (Continued)
For the years ended June 30, 2013 and 2012

	2013		2012	
	District	Foundation	District	Foundation
Reconciliation of operating income (loss) to net cash provided (used) for operating activities:				
Operating income (loss)	$ (59,034,377)	$ (789,086)	$ (64,113,436)	$ 1,534,749
Adjustment to reconcile operating income (loss) to net cash provided (used) for operating activities:				
Depreciation	4,543,691	28,713	4,307,822	28,713
Changes in assets and liabilities:				
(Increase) decrease				
Receivables	3,116,188	(9,218)	(221,935)	10,789
Inventory	-	-	11,223	-
Prepaid expenses	(874,204)	2,360	1,120,566	(5,360)
Increase (decrease)				
Accounts payable	(677,852)	(1,116)	713,246	9,051
Accrued payroll and benefits	(1,398,917)	-	(112,162)	-
Accrued vacation	(11,510)	-	123,500	-
Other postemployment benefits	224,723	-	508,407	-
Due to student groups/organizations	4,165	-	40,233	-
Unearned revenue	149,582	-	(77,072)	-
Net cash provided (used) for operating activities	$ (53,958,511)	$ (768,347)	$ (57,699,608)	$ 1,577,942
Noncash Capital and Related Financing Activities:				
Donated capital assets	$ 11,367	$ -	$ -	$ -

The accompanying notes are an integral part of these statements.

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2013 and 2012

(1) Summary of Significant Accounting Policies

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

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

Authority to borrow money and levy taxes;

Budgetary authority; and

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

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

(1) Summary of Significant Accounting Policies (continued)

(a) Reporting Entity

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

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

Under the new standard, effective with fiscal years beginning after June 15, 2012, it has been determined the Foundation's resources are significant to the District as a whole and to exclude would cause the District's financial statements to be incomplete. The Foundation has been reported as a discretely presented component unit in the District's financial statements.

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

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

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

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

(1) Summary of Significant Accounting Policies (continued)

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

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

(c) Budgetary Data

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

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

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

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

(d) Property Tax Receivable

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

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

(1) Summary of Significant Accounting Policies (continued)

(d) Property Tax Receivable (continued)

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

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

(e) Student Receivables

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

(f) Cash, Cash Equivalents and Investments

Cash includes amounts in petty cash, demand deposits, and other short-term interest bearing deposits. For purposes of the statement of cash flows, cash on hand, demand deposits with financial institutions, investments in the Local Government Investment Pool, and other short-term investments with maturity dates of less than ninety days, from when purchased, are considered cash equivalents. Investments are stated at cost, which approximates fair value.

(g) Prepaid Expenses

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

(h) Capital Assets

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

(1) Summary of Significant Accounting Policies (continued)

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

(i) Compensated Absences

Employees are granted vacation and sick leave benefits in varying amounts in accordance with the provisions of union contracts and District policy. Liabilities for vacation and salary related payments, including social security taxes, are recorded when incurred. Employees can carryover 80 vacation hours subsequent to the year in which they are earned. Any vacation benefits in excess of 80 hours lapse if not utilized in the year subsequent to that in which they are earned. In the event of retirement or death, the District is obligated to pay all unused vacation benefits. The amount of vacation benefits outstanding at June 30, 2013 and 2012 was $522,990 and $534,500 respectively.

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

(j) Tuition and Fees

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

(k) Unearned Revenues

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

(l) Deferred Outflow/Inflows of Resources

The District implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Revenues, Deferred Inflows of Resources, and Net Position* for the year ended June 30, 2013. In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This section, deferred outflows of resources, represents a

(1) Summary of Significant Accounting Policies (continued)

(l) Deferred Outflow/Inflows of Resources continued

consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District currently does not have any items that qualify for reporting in this category. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflow of resources. This section, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so it will not be recognized as an inflow of resources (revenue) until that time. The District currently does not have any items that qualify for reporting in that category.

The District also implemented GASB Statement No. 65, "*Items Previously Reported as Assets and Liabilities"* for the year ended June 30, 2013. The impact of implementing this regulation resulted in debt issuance costs no longer being amortized over the life of the debt. Previously the amortized debt issuance cost was reflected as a current and non-current asset. Instead the cost is now expensed in the year it is incurred. As a result of this implementation, the District reflects a Cumulative Effect of Change in Accounting Principle of $282,958 for the year ended June 30, 2013.

(m) Scholarship Allowances and Student Aid

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

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

(n) 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.

(1) Summary of Significant Accounting Policies (continued)

(n) Classification of Revenue continued

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

(o) Net Position

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

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

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

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

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

(2) Cash and Cash Equivalents

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

Cash and Cash Equivalents	2013	2012
Cash on hand	$ 34,686	$ 28,918
Demand deposits	16,482,223	9,655,150
Wisconsin Local Government Investment Pool	3,760,276	4,600,713
Total Cash and Cash Equivalents	$ 20,277,185	$ 14,284,781

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

Restricted for		
Capital Projects	$ 4,186,333	$ 3,517,770
Debt Service	1,687,340	1,753,723
	5,873,673	5,271,493
Unrestricted	14,403,512	9,013,288
Total Cash and Cash Equivalents	$ 20,277,185	$ 14,284,781

Custodial Credit Risk – Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution the District will not be able to recover its deposits or will be not be able to recover collateral securities that are in the possession of an outside party. Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of $250,000 for time and savings deposits and $250,000 for demand deposits per official custodian per depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of $250,000 per official custodian per depository institution. Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of $400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. The cash and demand deposits are fully insured or collateralized by securities being held by the Bank of New York Mellon Trust Company, N.A. in the District's name. The value of the collateral for the deposits as of June 30, 2013 and 2012 was $19,026,521 and $11,680,737 respectively.

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

- Securities and/or repurchase agreements issued or guaranteed as to principal and interest by the U.S. Government or its agencies.

(2) Cash and Cash Equivalents (continued)

- 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.

- Repurchase agreements with public depositories if the agreement is secured by federal bonds or securities.
- Bonds issued by a local exposition district, local professional baseball park or football stadium district, local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- Any security maturing in seven years or less of the acquisition date with either the highest or second highest rating category of a nationally recognized rating agency.
- Securities of open-end management investment companies or investment trusts if the portfolio is limited to obligations of the U.S. Treasury and U.S. Agencies.

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

June 30, 2013	Fair	Investment Maturities (in Years)	
Investment Type	Value	Less than 1	1-2
Wisconsin Local Government Investment Pool	$ 3,706,276	$ 3,706,276	$ -

June 30, 2012	Fair	Investment Maturities (in Years)	
Investment Type	Value	Less than 1	1-2
Wisconsin Local Government Investment Pool	$ 4,600,713	$ 4,600,713	$ -

As of June 30, 2013 and 2012, the fair value of the District's share of investments was equal to the carrying value.

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

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

(2) Cash and Cash Equivalents (continued)

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, 2013 and June 30, 2012, the concentration of credit risk was not applicable to the investments held by the District

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

Interest Rate Risk- Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, but all investments held at June 30, 2013 and 2012 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, 2013, and 2012, were as follows:

	2013		2012	
	Mill Rate	Amount Levied	Mill Rate	Amount Levied
Operating levy	1.33999	$ 51,161,000	1.24443	$ 51,161,000
Debt service levy	0.21673	8,275,000	0.18812	7,734,000
Total Property Tax Levy		$ 59,436,000		$ 58,895,000

The state enacted legislation to exempt computer equipment for property tax purposes and provide supplemental aid to hold taxing units harmless from loss of revenue. The District received $161,556 and $165,521 in state aid revenue in lieu of property tax for the year ended June 30, 2013, and 2012, 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.

(3) Property tax (continued)

Property tax revenue recognized in the financial statements total $59,395,806 and $59,003,731 for the years ended June 30, 2013, and 2012, respectively, which includes the District’s property tax levy and miscellaneous other tax collection related adjustments.

(4) Capital Assets

Following are the changes in the District's capital assets for the years ended June 30, 2013 and 2012:

	2013			
	Balance July 1, 2012	Additions	Disposals	Balance June 30, 2013
Capital assets, not being depreciated:				
Land	$ 2,379,913	$ -	$ -	$ 2,379,913
Construction in progress	2,634,069	7,450,339	7,435,487	2,648,921
Total capital assets not depreciated	5,013,982	7,450,339	7,435,487	5,028,834
Capital assets, being depreciated:				
Land improvements	4,790,318	32,762	-	4,823,080
Buildings and improvements	62,488,730	8,170,001	-	70,658,731
Equipment	27,226,210	2,351,344	45,802	29,531,752
Leasehold interest	958,193	-	-	958,193
Leasehold improvement	2,289,317	-	-	2,289,317
Total capital assets being depreciated	97,752,768	10,554,107	45,802	108,261,073
Total capital assets	102,766,750	18,004,446	7,481,289	113,289,907
Less accumulated depreciation for:				
Land improvements	1,293,165	269,894	-	1,563,059
Buildings and improvements	29,392,112	2,132,089	-	31,524,201
Equipment	15,932,258	1,952,511	33,130	17,851,639
Leasehold interest	421,265	48,811	-	470,076
Leasehold improvement	594,681	140,386	-	735,067
Total accumulated depreciation	47,633,481	4,543,691	33,130	52,144,042
Net capital assets	55,133,269	$ 13,460,755	$ 7,448,159	61,145,865
Plus capital project funds borrowed but not spent	3,517,770			1,620,572
Less capital asset related debt	(39,735,000)			(41,783,618)
Net investment in capital assets	$ 18,916,039			$ 20,982,819

(4) Capital Assets (continued)

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

(4) Capital Assets (continued)

Burlington Buildings and Leasehold Improvements

On October 25, 2004 the District entered into a twenty year lease with Burlington Area School District (BASD) for an instructional facility (496 Building). BASD coordinated construction of the building for which the District was to contribute $1,000,000 in the form of leasehold improvements. As of June 30, 2006 the construction was completed and $1,002,233 was reflected as a leasehold improvement in the accompanying capital asset footnote and it is being amortized over the life of the lease or 20 years. Through fiscal year ending June 30, 2013, approximately $206,100 of leasehold improvements were added to the building.

Effective March 15, 2011, the District extended its lease through June 30, 2030, on the newly remodeled Health and Emergency Response Occupations Center (HERO Center), with Burlington Area School District. Through fiscal year ending June 30, 2013 approximately $218,500 of leasehold improvements were added to the building.

(5) Long-Term Obligations

The following is a summary of the changes in long-term obligations for the years ended June 30, 2013 and 2012:

	July 1, 2012	Additions	Reductions	June 30, 2013	Due Within One Year
General Obligation Debt	$ 39,735,000	$ 12,000,000	$ 7,155,000	$ 44,580,000	$ 7,300,000
Debt premium	531,293	331,774	100,682	762,385	-
Accrued OPEB obligation	2,388,695	1,584,352	1,359,629	2,613,418	-
Total long-term obligations	$ 2,388,695	$ 13,916,126	$ 8,615,311	$ 47,955,803	$ 7,300,000

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

(5) Long-Term Obligations (continued)

General obligation debt outstanding at June 30, 2013, and 2012, consists of the following notes:

	2013	2012
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).	$ -0-	$ 215,000
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).	120,000	235,000
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).	235,000	345,000
General obligation promissory notes, 3.125% to 3.60%, payable in annual installments of $50,000 to $2,510,000, plus interest, to April 1, 2015 (issued for $4,500,000 on September 1, 2005, to Piper Jaffray, to finance the acquisition of equipment and various facility remodeling projects).	590,000	690,000
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).	-0-	200,000
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).	530,000	695,000

(5) Long-Term Obligations (continued)

	2013	2012
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).	\$ 490,000	\$ 640,000
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).	2,490,000	3,050,000
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).	610,000	745,000
General obligation promissory notes, 3.75% to 4.00%, payable in annual installments of \$125,000 to \$160,000, plus interest, to April 1, 2017 (issued for \$1,000,000 on January 4, 2008 through R.W. Baird & Co., to finance various facility remodeling projects focusing on Energy Management).	610,000	745,000
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).	1,000,000	2,195,000
General obligation promissory notes, 2.50% to 3.00%, payable in annual installments of \$75,000 to \$150,000, plus interest, to April 1, 2018 (issued for \$1,000,000 on February 10, 2009 through R.W. Baird & Co., to finance various facility remodeling projects).	700,000	820,000
General obligation promissory notes, 2.50% to 3.40%, payable in annual installments of \$70,000 to \$130,000, plus interest, to April 1, 2019 (issued for \$1,000,000 on May 13, 2009 through R.W. Baird & Co., to finance the Racine Welding Lab remodel and Broadband expansion).	705,000	805,000

(5) Long-Term Obligations (continued)

	2013	2012
General obligation promissory notes, 2.50% to 3.50%, payable in annual installments of $95,000 to $125,000, plus interest, to April 1, 2019 (issued for $1,000,000 on July 09, 2009 through R.W. Baird & Co., to finance various facility remodeling projects).	$ 700,000	$ 805,000
General obligation promissory notes, 2.00% to 3.50%, payable in annual installments of $275,000 to $1,370,000, plus interest, to April 1, 2019 (issued for $5,500,000 on October 14, 2009 through R.W. Baird & Co., to finance the acquisition of equipment and to construct the Horizon Center addition in Kenosha).	2,870,000	4,200,000
General obligation promissory notes, 2.00% to 3.50%, payable in annual installments of $135,000 to $155,000, plus interest, to April 1, 2019 (issued for $5,500,000 on February 10, 2010 through R.W. Baird & Co., to finance various facility remodeling projects).	865,000	1,000,000
General obligation promissory notes, 2.00% to 3.50%, payable in annual installments of $25,000 to $850,000, plus interest, to April 1, 2020 (issued for $4,610,000 on April 15, 2010 through R.W. Baird & Co., for refinancing and to finance various facility remodeling projects).	3,820,000	4,560,000
General obligation promissory notes, 2.00% to 3.50%, payable in annual installments of $175,000 to $900,000, plus interest, to April 1, 2020 (issued for $4,500,000 on September 1, 2010 through R.W. Baird & Co., to finance the acquisition of equipment and construct a building addition at the Elkhorn campus).	2,550,000	3,450,000
General obligation promissory notes, 2.00% to 3.50%, payable in annual installments of $195,000 to $235,000, plus interest, to April 1, 2020 (issued for $1,500,000 on November 8, 2010 through R.W. Baird & Co., to finance various facility remodeling projects and equipment).	1,500,000	1,500,000

(5) Long-Term Obligations (continued)

	2013	2012
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $170,000 to $210,000, plus interest, to April 1, 2021 (issued for $1,500,000 on April 4, 2011 through UBS Financial Services, to finance various facility remodeling projects).	$ 1,500,000	$ 1,500,000
General obligation promissory notes, 2.00% to 4.00%, payable in annual installments of $170,000 to $210,000, plus interest, to April 1, 2021 (issued for $1,500,000 on May 16, 2011 through R.W. Baird & Co., to finance various facility remodeling projects and equipment).	1,500,000	1,500,000
General obligation promissory notes, 1.10% to 2.35%, payable in annual installments of $160,000 to $1,100,000, plus interest, to April 1, 2021 (issued for $4,500,000 on September 8, 2011 through UMB Bank, to finance the acquisition of equipment).	4,170,000	4,340,000
General obligation promissory notes, 2.00% to 2.50%, payable in annual installments of $125,000 to $330,000, plus interest, to April 1, 2021 (issued for $2,500,000 on November 15, 2011 through BMO Harris Bank, N.A., to finance the construction of the Pike Creek Horticulture Building and various remodeling projects).	2,375,000	2,500,000
General obligation promissory notes, 1.50%, payable in annual installments of $215,000 to $285,000, plus interest, to April 1, 2021 (issued for $2,000,000 on March 8, 2012 through Northland Securities, Inc., to finance the construction of the Culinary Arts addition and various remodeling projects.)	2,000,000	2,000,000
General obligation promissory notes, 1.75% to 2.50%, payable in annual installments of $110,000 to $145,000, plus interest, to April 1, 2022 (issued for $1,000,000 on May 9, 2012 through BOSC, Inc. to finance the Student Admissions Center remodeling project).	1,000,000	1,000,000

(5) Long-Term Obligations (continued)

	2013	2012
General obligation promissory notes, 2.00% to 4.00%, payable in annual installments of $730,000 to $900,000, plus interest, to April 1, 2022 (issued for $6,500,000 on July 12, 2012 through Hutchinson, Shockey, Erley & Co., to finance the acquisition of equipment, construction on the SC Johnson iMET Center, and various facility remodeling projects.)	$ 6,500,000	$ -0-
General obligation promissory notes, 1.50% to 3.00%, payable in annual installments of $165,000 to $210,000, plus interest, to April 1, 2022 (issued for $1,500,000 on November 8, 2012 through Hutchinson, Shockey, Erley & Co., to finance various facility remodeling projects and acquisition of equipment.)	1,150,000	-0-
General obligation promissory notes, 2.00% to 2.40%, payable in annual installments of $130,000 to $160,000, plus interest, to April 1, 2022 (issued for $1,500,000 on December 27, 2012 through Bernardi Securities, Inc., to finance the Racine Campus Learning Success Center relocation and various remodeling projects.)	1,500,000	-0-
General obligation promissory notes, 2.00% to 2.50%, payable in annual installments of $135,000 to $165,000, plus interest, to April 1, 2023 (issued for $1,500,000 on April 1, 2013 through R.W. Baird & Co., to finance the SC Johnson iMET parking lot addition and various facility remodeling projects.)	1,500,000	-0-
General obligation promissory notes, 2.00% to 2.25%, payable in annual installments of $50,000 to $115,000, plus interest, to April 1, 2023 (issued for $1,000,000 on May 9, 2013 through R.W. Baird & Co., to finance various facility remodeling projects.)	1,000,000	-0-
Total General Long-Term Obligation Debt	$ 44,580,000	$ 39,735,000

(5) Long-Term Obligations (continued)

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

Year Ending June 30	Principal	Interest	Total
2014	$ 7,300,000	$ 1,202,555	$ 8,502,555
2015	7,380,000	1,007,291	8,387,291
2016	6,990,000	802,868	7,792,868
2017	5,905,000	608,498	6,513,498
2018	4,410,000	437,695	4,847,695
2019-2023	12,595,000	713,713	13,308,713
	$ 44,580,000	$ 4,772,620	$ 49,352,620

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, 2013, the 5% limitation was $2,001,255,711 and the District's outstanding general obligation debt (net of resources available to pay principal and interest) was $43,955,133. The 5% limit, as of June 30, 2012, was $2,145,720,926; the District's outstanding general obligation debt (net of resources available to pay principal and interest) was $38,532,773.

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, 2013, the 2% limitation was $800,502,284 and the District's outstanding bonded indebtedness (net of resources available to pay principal and interest) was $0. The 2% limit, as of June 30, 2012, was $858,288,371 and the District's outstanding bonded indebtedness (net of resources available to pay principal and interest) was $0.

(6) Retirement System

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

Wisconsin Retirement System

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

(6) Retirement System (continued)

All employees initially employed prior to July 1, 2011, expected to work at least 600 hours a year (440 hours for teachers) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. All employees, initially employed on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. Note: Employees hired to work nine or ten months per year, (e.g. teacher contracts), but expected to return year after year are considered to have met the one-year requirement.

Prior to June 29, 2011, covered employees in the General/Teacher/Educational Support Personnel category were required by statute to contribute 6.5% of their salary to the plan. Employers could make these contributions to the plan on behalf of the employees. Employers were required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

Effective the first day of the first pay period on or after June 29, 2011 the employee required contribution was changed to one-half of the actuarially determined contribution rate for General category employees, including Teachers, and Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. The District's collective bargaining agreements were still in place; therefore the changes in the employee contribution did not take effect until July 1, 2012 for represented personnel.

Non-represented personnel began contributing one-half of the contribution rate as of July 1, 2011. From July 2011 to December 2011 the non-represented employees' share was 5.8%. Effective January 2012, the non-represented employees' share was 5.9% and effective July 1, 2012 all represented employees, eligible to be members of the WRS, began contributing the employee portion of the WRS contribution rate.

The payroll for Gateway Technical College employees covered by the WRS for the year ended June 30, 2013 was $44,616,887; the employer's total payroll was $49,085,989. The total required contribution paid for the year ended June 30, 2013 was $5,601,418, which consisted of $2,800,709 for the employer's share and $2,800,709 for the employees' share. As of January 2013, the contributions rates are 6.65% for both the employer portion and the employee portion. Total contributions for the years ended June 30, 2012 and 2011 were $5,366,557 and $4,971,492, 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

(6) Retirement System (continued)

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. Participants who initially became WRS eligible on or after July 1, 2011 must have five years of creditable service to be 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 audited financial report. Membership of the plan at June 30 was as follows:

Participant Count	2013	2012
Active	595	534
Retirees	82	105
Covered spouses of retirees	63	82
Life only Retirees	242	217
Total participants	982	938

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

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

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

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

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

(a) Plan Description (continued)

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

(b) Funding Policy

Contribution requirements were established through collective bargaining agreements and may only be amended through negotiations between the District and the respective union. Effective July 1, 2012, the collective bargaining agreements were no longer in effect and changes to the benefit funding occurred.

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

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 2013, the District contributed $1,359,629 of which $628,451 paid the current year normal cost and an additional $731,178 to partially fund the transition obligation.

(c) Annual OPEB Cost and Net OPEB Obligation

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

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

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

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

Component	2013	2012
Annual required contribution	$ 1,621,629	$ 1,780,369
Interest on net OPEB	95,548	75,212
Adjustment to annual required contribution	(132,825)	(104,555)
Annual OPEB cost (expense)	1,584,352	1,751,026
Contributions made	(1,359,629)	(1,242,619)
Change in net OPEB obligation	224,723	508,407
OPEB obligation - beginning of year	2,388,695	1,880,288
OPEB obligation - end of year	$ 2,613,418	$ 2,388,695

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
6/30/11	$ 1,756,847	63.4%	$ 1,880,288
6/30/12	$ 1,751,026	71.0%	$ 2,388,695
6/30/13	$ 1,584,352	85.8%	$ 2,613,418

(d) Funded Status and Funding Progress

The funded status as of June 30, 2013, the most recent actuarial valuation date was as follows:

Actuarial accrued liability (AAL)	$ 18,137,351
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	$ 18,137,351
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	$ 41,193,580
Ratio of UAAL to covered payroll	44%

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

(d) Funded Status and Funding Progress (continued)

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

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, 2013
Actuarial cost method	Projected Unit Credit
Amortization method	Level ; 30-year open amortization period
Remaining amortization period	30 years
Actuarial assumptions:	
Discount rate	4.00%
Healthcare cost trend rate	10 % initial
reduced by decrements to:	6% ultimate after 9+ years
Projected salary increases	4%

(8) Risk Management

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

Districts Mutual Insurance Company (DMI)

In July 2004 all sixteen WTCS technical colleges created Districts Mutual Insurance Company (DMI). Districts Mutual Insurance Company is a fully-assessable mutual company authorized under Wisconsin statute 611 to provide property, casualty, and liability insurance and risk management services to its members. The scope of insurance protection provided by DMI is broad, covering property at $350,000,000 per occurrence; general liability, auto, and educators' legal liability at $5,000,000 per occurrence; and workers' compensation at the statutorily required limits.

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

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

For the fiscal years 2013 and 2012, the District paid a premium of $455,864 and $452,832 respectively. Future premiums will be based on relevant rating exposure bases as well as the historical loss experience by members. DMI's ongoing operational expenses, other than loss adjustment expenses, are apportioned pro rata to each participant based on equity interest in the company.

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

Supplemental Insurance

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

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

- Foreign liability: $2,000,000 aggregate general; $1,000,000 auto per accident;

(8) Risk Management (continued)

$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.

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

(9) Operating Leases

The District leases vehicles, equipment, classroom, office, and aviation facilities under non-cancelable operating leases. As of July 1, 2005, the District signed a ten year lease agreement with Kenosha Unified School District to lease the Lakeview Advanced Technology Center at the annual rate of $44,800, subject to increases after four years. Also, effective with fiscal year 2005-06 the District leased an instructional facility, known as the Burlington Center, from Burlington Area School District (BASD). The lease has a term of twenty years and annual lease payments averaging under $200,000 per year.

Effective with fiscal year 2009-10 the District signed another twenty year lease with BASD, for the leasing of the HERO Center. The annual lease payments are currently $160,000 per year.

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

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

(9) Operating Leases (continued)

Year Ending June 30	Amount
2014	$ 766,981
2015	561,660
2016	410,897
2017	400,207
2018	398,788
2019 - 2023	1,866,026
2024 - 2028	767,978
2029	86,369
Total required minimum lease payments	$ 5,258,906

Rental expenses for all operating leases aggregated $826,787 and $958,089 for the years ended June 30, 2013 and 2012, respectively.

The District currently leases facilities located on the Elkhorn Campus, related to the Walworth County Education Consortium Alternative High School and the Walworth Job Center. As of June 30, 2013 and June 30, 2012, the cost of the lease assets is $1,089,035 for both years and the depreciation is $386,149 and $347,541 respectively. Effective with fiscal year 2008/09, the District is leasing facilities furniture (15 year lease) to Racine County Economic Development Corporation at our SC Johnson iMET Center.

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

Year Ending June	Amount
2014	$ 81,624
2015	78,990
2016	71,088
2017	1,668
2018	1,668
2019-2023	8,340
Total future minimum lease revenue	$ 243,378

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, 2013 and 2012 was $198,214 and $226,212 respectively.

(10) Expenses Classification

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

	2013	2012
Salaries and wages	$ 48,806,522	$ 49,060,461
Fringe benefits	17,409,046	23,133,387
Travel, memberships, professional dev.	1,165,200	957,520
Supplies and minor equipment	8,935,173	8,724,938
Contract services	3,669,705	3,207,743
Bank/Agency credit/collection fees	89,929	87,761
Rentals	826,787	958,089
Repairs and maintenance	829,905	709,408
Insurance	524,070	574,587
Utilities	1,621,648	1,618,643
Depreciation	4,543,691	4,307,822
Student aid	29,874,262	30,725,417
Student debt write-off	735,187	361,354
Total Operating Expenses	$ 119,031,125	$ 124,427,130

(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, 2013, eight additional technical colleges have joined. As of June 30, 2013 there are eleven full members (CVTC, FVTC, GTC, LTC, MPTC, MSTC, NTC, NWTC, WCTC, WTC and WITC), and one service level agreement (Agnesian Healthcare). WISPALS is governed by the eleven full member colleges' presidents and librarians, with each college having an equal vote. Through the joint venture each full member college owns one-eleventh of the computer hardware and WCTC's Pewaukee campus. Operating costs of WISPALS are also shared equally by the eleven full member colleges.

Gateway Technical College's share of the operating costs, for the years ended June 30, 2013 and 2012 was $63,312 and $68,390 respectively. The net assets for the joint venture increased, by $8,321 for the fiscal year. WISPALS has no joint venture debt outstanding.

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

(12) Commitments and Contingent Liabilities

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

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

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

As of June 30, 2013 the District has commitments outstanding for construction projects of approximately $1,288,688. As of June 30, 2012 the commitments for construction projects were $1,002,353.

(13) Component Unit

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

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

(13) Component Unit (continued)

1. Cash and Investments

The Foundation invests funds with Johnson Trust. Investments at June 30, 2013 and 2012 are as follows:

June 30, 2013	Cost	Fair Value	Unrealized Gains
Equity	$ 953,374	$ 1,133,863	$ 180,489
Fixed Income	984,332	999,095	14,763
Cash & Equivalents	53,119	53,119	-
Total Investments	$ 1,990,825	2,186,077	$ 195,252
Bank Deposits		756,866	
Total Cash and Investments		$ 2,942,943	

June 30, 2012	Cost	Fair Value	Unrealized Gains
Equity	$ 948,861	$ 989,335	$ 40,474
Fixed Income	925,832	969,220	43,388
Cash & Equivalents	47,598	47,598	-
Total Investments	$ 1,922,291	2,006,153	$ 83,862
Bank Deposits		1,632,649	
Total Cash and Investments		$ 3,638,802	

Investment income reported in the statement of revenues, expenses and changes in net position totaled $201,042 and $76,148 respectively for the years ended June 30, 2013 and 2012 and consisted of the following:

	2013	2012
Market appreciation	$ 122,256	$ 10,543
Interest and dividend income	78,786	65,605
Investment return	$ 201,042	$ 76,148

2. Capital Assets

	Balance July 1, 2012	Additions	Disposals	Balance June 30, 2013
Capital assets, not being depreciated:				
Land	$ 130,000	$ -	$ -	$ 130,000
Capital assets, being depreciated:				
Buildings	1,119,810	-	-	1,119,810
	1,249,810	-	-	1,249,810
Less accumulated depreciation for:				
Buildings	210,008	28,713	-	238,721
Net capital assets	$ 1,039,802	$ 28,713	$ -	$ 1,011,089

	Balance July 1, 2011	Additions	Disposals	Balance June 30, 2012
Capital assets, not being depreciated:				
Land	$ 130,000	$ -	$ -	$ 130,000
Capital assets, being depreciated:				
Buildings	1,119,810	-	-	1,119,810
	1,249,810	-	-	1,249,810
Less accumulated depreciation for:				
Buildings	181,295	28,713	-	210,008
Net capital assets	$ 1,068,515	$ 28,713	$ -	$ 1,039,802

(13) Component Unit (continued)

3. Long-term Debt

Long-term debt outstanding at June 30, 2013, and 2012 consists of the following issues:

	FY 2013	FY 2012
$400,000 notes payable to Johnson Bank, due in monthly installments of $4,329 including interest of 5.75%, with a final payment due May 21 ,2013. This note is unsecured.	$ -	$ 259,375
$228,007 notes payable to Johnson Bank, due in monthly installments of $4,205 including interest of 4.00%, with a final payment due May 21, 2018. This note is unsecured.	224,587	-
$387,953 notes payable to Wells Fargo Bank due in monthly installments of $4,535 including interest of 6.25%, with a final payment due September 1, 2013. This note is unsecured.	217,762	257,018
$200,000 notes payable to Wells Fargo Bank due in monthly installments of $2,128 including interest of 5.00%, with a final payment due July 15 , 2014. This note is secured by the real estate purchase.	152,284	169,624
Total	594,633	686,017
Less amount due within one year	100,000	95,000
Total long-term debt	$ 494,633	$ 591,017

Long-term debt of $594,633 is expected to mature as follows:

Year Ending June 30,	Amount
2014	$ 100,000
2015	107,000
2016	113,000
2017	119,000
2018	100,000
Thereafter	55,633
Total	$ 594,633

(13) Component Unit (continued)

4. Operating Leases

The Foundation leases a building to the District under non-cancelable operating leases with automatic renewal terms. The following is a schedule by years of future minimum lease rentals under the lease as of June 30, 2013.

Year Ending June 30,	Amount
2014	31,932
2015	31,932
2016	31,932
2017	31,932
2018	31,932
2019	31,932
2020	31,932
2021	31,932
2022	31,932
2023	31,932
2024	31,932
2025	31,932
2026	31,932
2027	31,932
2028	31,932
2029	31,932
2030	2,661
	$ 513,573

5. Unrestricted, Temporary and Permanently Restricted Net Assets

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

June 30, 2013	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Building	$ 416,456	$ -	$ -	$ 416,456
Operations	494,373	-	-	494,373
Scholarships	-	2,089,938	326,000	2,415,938
	$ 910,829	$ 2,089,938	$ 326,000	$ 3,326,767

June 30, 2012	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Building	$ 353,785	$ -	$ -	$ 353,785
Operations	467,204	-	-	467,204
Scholarships	-	2,890,992	240,000	3,130,992
	$ 820,989	$ 2,890,992	$ 240,000	$ 3,951,981

(14) Subsequent Events

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

Subsequent to June 30, 2013 the District issued $8,250,000 in General Obligation Promissory Notes as follows:

Date	Interest Rate	Amount	Purpose
7/2/2013	2% - 3%	$ 6,750,000	Proceeds to be used for $5,250,00 in equipment and $1,500,000 for the Racine campus boiler replacement.
8/1/2013	2% - 3%	1,500,000	Proceeds to be used for various facility remodeling projects.
		$ 8,250,000	

REQUIRED SUPPLEMENTARY INFORMATION

GATEWAY TECHNICAL COLLEGE DISTRICT

Schedules of Other Post-Employment Benefit Plan Information
June 30, 2013

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/09	$ -	$ 15,547,825	$ 15,547,825	0%	37,949,578	41%
6/30/10	$ -	$ 17,118,156	$ 17,118,156	0%	39,110,194	44%
6/30/11	$ -	$ 17,438,807	$ 17,438,807	0%	41,151,310	42%
6/30/12	$ -	$ 17,861,024	$ 17,861,024	0%	42,051,198	42%
6/30/13	$ -	$ 18,137,351	$ 18,137,351	0%	41,193,580	44%

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution (ARC)	Employer Contribution	Percentage of ARC Contributed	Net OPEB Obligation
6/30/09	$ 1,525,010	$ 978,125	64.1%	$ 546,855
6/30/10	$ 1,670,281	$ 970,503	58.1%	$1,238,128
6/30/11	$ 1,776,169	$ 1,114,687	62.8%	$1,880,288
6/30/12	$ 1,780,369	$ 1,242,619	69.8%	$2,388,695
6/30/13	$ 1,621,629	$ 1,359,629	83.8%	$2,613,418

See Notes to Required Supplementary Information

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Required Supplementary Information
June 30, 2013

Note A - Governmental Accounting Standards Board Statement No. 45

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

Note B - Schedule of Funding Progress

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

SUPPLEMENTARY INFORMATION

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

GENERAL FUND

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

GATEWAY TECHNICAL COLLEGE DISTRICT

General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2013

	Budget Amounts		Actual on a Budgetary	Variance with
	Original	Final	Basis	Final Budget
Revenues				
Local government - tax levy	$ 48,830,000	$ 48,830,000	$ 48,789,806	$ (40,194)
Intergovernmental revenue:				
State aids	5,265,000	5,265,000	5,662,633	397,633
Federal	5,000	5,000	33,411	28,411
Tuition and fees:				
Statutory program fees	18,371,000	18,371,000	16,962,737	(1,408,263)
Material fees	920,000	920,000	793,586	(126,414)
Other student fees	1,845,000	1,845,000	1,763,586	(81,414)
Miscellaneous - institutional revenue	2,530,000	3,230,000	3,329,078	99,078
Total revenues	77,766,000	78,466,000	77,334,837	(1,131,163)
Expenditures				
Instruction	51,953,000	52,653,000	49,108,015	3,544,985
Instructional resources	1,302,000	1,302,000	1,127,512	174,488
Student services	9,008,000	9,008,000	8,254,879	753,121
General institutional	7,840,000	7,840,000	6,917,522	922,478
Physical plant	7,663,000	7,663,000	7,386,929	276,071
Total expenditures	77,766,000	78,466,000	72,794,857	5,671,143
Revenues over expenditures	-	-	4,539,980	4,539,980
Other financing uses				
Transfers out	-	(1,000,000)	(1,000,000)	-
Net change in fund balance	-	(1,000,000)	3,539,980	4,539,980
Fund balance				
Beginning of year	21,190,021	21,190,021	21,190,021	-
End of year	$ 21,190,021	$ 20,190,021	$ 24,730,001	$ 4,539,980

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, 2013

	Budget Amounts		Actual on a Budgetary	Variance with
	Original	Final	Basis	Final Budget
Revenues				
Local government - tax levy	$ 2,286,000	$ 2,286,000	$ 2,286,000	$ -
Intergovernmental revenue:				
State aids	1,179,964	1,179,964	946,622	(233,342)
Federal	4,524,216	4,524,216	3,943,589	(580,627)
Miscellaneous - institutional revenue	44,400	44,400	290,791	246,391
Total revenues	8,034,580	8,034,580	7,467,002	(567,578)
Expenditures				
Instruction	5,854,936	5,854,936	5,081,930	773,006
Student services	1,388,086	1,388,086	1,220,031	168,055
General institutional	456,998	426,998	306,793	120,205
Public services	334,560	364,560	352,776	11,784
Total expenditures	8,034,580	8,034,580	6,961,530	1,073,050
Net change in fund balance	-	-	505,472	505,472
Fund balance				
Beginning of year	2,855,443	2,855,443	2,855,443	-
End of year	$ 2,855,443	$ 2,855,443	$ 3,360,915	$ 505,472

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, 2013

	Budget Amounts		Actual on a Budgetary	Variance with
	Original	Final	Basis	Final Budget
Revenues				
Intergovernmental revenue:				
State aids	$ 2,536,500	$ 2,536,500	$ 2,397,855	$ (138,645)
Federal	41,807,000	41,807,000	39,007,623	(2,799,377)
Tuition and fees - other student fees	930,000	930,000	889,892	(40,108)
Miscellaneous - institutional revenue	5,519,500	5,519,500	4,965,785	(553,715)
Total revenues	50,793,000	50,793,000	47,261,155	(3,531,845)
Expenditures				
Student services	50,114,000	50,114,000	46,494,766	3,619,234
General institutional	679,000	679,000	559,539	119,461
Total expenditures	50,793,000	50,793,000	47,054,305	3,738,695
Net change in fund balance	-	-	206,850	206,850
Fund balance				
Beginning of year	1,609,120	1,609,120	1,609,120	-
End of year	$ 1,609,120	$ 1,609,120	$ 1,815,970	$ 206,850

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, 2013

	Budget Amounts Original	Budget Amounts Final	Actual on a Budgetary Basis	Variance with Final Budget
Revenues				
Intergovernmental revenue:				
State aids	$ 20,000	$ 20,000	$ -	$ (20,000)
Federal	5,000	5,000	199,129	194,129
Miscellaneous - institutional revenue	925,000	925,000	1,468,184	543,184
Total revenues	950,000	950,000	1,667,313	717,313
Expenditures				
Instruction	4,000,000	3,925,000	3,874,432	50,568
Instructional resources	50,000	50,000	9,621	40,379
Student services	750,000	550,000	464,678	85,322
General institutional	2,000,000	1,470,000	1,390,547	79,453
Physical plant	7,500,000	8,315,000	8,301,684	13,316
Public services	25,000	15,000	4,938	10,062
Total expenditures	14,325,000	14,325,000	14,045,900	279,100
Revenues over (under) expenditures	(13,375,000)	(13,375,000)	(12,378,587)	996,413
Other financing sources				
Long-term debt issued	12,000,000	12,000,000	12,000,000	-
Transfers in	-	1,000,000	1,000,000	-
Total other financing sources	12,000,000	13,000,000	13,000,000	-
Net change in fund balance	(1,375,000)	(375,000)	621,413	996,413
Fund balance				
Beginning of year	1,979,075	1,979,075	1,979,075	-
End of year	$ 604,075	$ 1,604,075	$ 2,600,488	$ 996,413

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, 2013

	Budget Amounts		Actual on a Budgetary	Variance with
	Original	Final	Basis	Final Budget
Revenues				
Local government - tax levy	$ 8,275,000	$ 8,275,000	$ 8,275,000	$ -
Miscellaneous - institutional revenue	100,000	200,000	182,733	(17,267)
Total revenues	8,375,000	8,475,000	8,457,733	(17,267)
Expenditures				
Physical plant	8,375,000	8,575,000	8,524,116	50,884
Net change in fund balance	-	(100,000)	(66,383)	33,617
Fund balance				
Beginning of year	1,753,723	1,753,723	1,753,723	-
End of year	$ 1,753,723	$ 1,653,723	$ 1,687,340	$ 33,617

ENTERPRISE FUNDS

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Enterprise Fund Schedule of Revenues, Expenses, and Changes in Net Position
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2013

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Operating Revenues				
Local government - tax levy	$ 45,000	$ 45,000	$ 45,000	$ -
Other student fees	260,000	260,000	204,140	(55,860)
Miscellaneous - institutional revenue	295,000	295,000	332,498	37,498
Total revenues	600,000	600,000	581,638	(18,362)
Operating Expenses				
Auxiliary services	600,000	600,000	507,723	92,277
Change in Net Position	-	-	73,915	73,915
Net Position				
Beginning of year	758,108	758,108	758,108	-
End of year	$ 758,108	$ 758,108	$ 832,023	$ 73,915

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 Statements of Net Position
June 30, 2013

	General	Special Revenue Funds		Capital	Debt	Enterprise		Reconciling	Statements of
ASSETS	Fund	Operating	Non-Aidable	Projects Fund	Service Fund	Fund	Total	Items	Net Position
Assets									
Cash and cash equivalents	$ 14,403,512	$ -	$ -	$ 4,186,333	$ 1,687,340	$ -	$ 20,277,185	$ -	$ 20,277,185
Receivables:									
Property taxes	16,966,705	-	-	-	-	-	16,966,705	-	16,966,705
Accounts, net of reserve of $ 523,750	918,718	4,244	21,770	-	-	-	944,732	-	944,732
Federal and state aid	240,751	1,346,194	2,534,569	-	-	-	4,121,514	-	4,121,514
Due from other funds	-	2,472,275	401,458	-	-	853,368	3,727,101	(3,727,101)	-
Prepaid expenditures	1,429,464	4,850	-	-	-	-	1,434,314	-	1,434,314
Capital assets	-	-	-	-	-	-	-	113,289,907	113,289,907
Less: accumulated depreciation	-	-	-	-	-	-	-	(52,144,042)	(52,144,042)
Total Assets	$ 33,959,150	$ 3,827,563	$ 2,957,797	$ 4,186,333	$ 1,687,340	$ 853,368	$ 47,471,551	$ 57,418,764	$ 104,890,315
LIABILITIES AND FUND EQUITY									
Liabilities									
Accounts payable	$ 2,243,679	$ 30,566	$ -	$ -	$ -	$ 18,456	$ 2,292,701	$ -	$ 2,292,701
Accrued payroll and benefits	822,360	65,859	799	-	-	2,889	891,907	-	891,907
Accrued vacation	522,990	-	-	-	-	-	522,990	-	522,990
Accrued interest payable	-	-	-	-	-	-	-	300,088	300,088
Due to other funds	2,586,073	-	1,141,028	-	-	-	3,727,101	(3,727,101)	-
Due to students groups/organizations	-	-	-	-	-	-	-	423,228	423,228
Deferred revenue	3,006,089	370,223	-	-	-	-	3,376,312	(1,405,135)	1,971,177
Long-term liabilities	-	-	-	-	-	-	-	48,716,098	48,716,098
Total liabilities	9,181,191	466,648	1,141,827	-	-	21,345	10,811,011	44,307,178	55,118,189
Fund balances / net position									
Net investment in capital assets	-	-	-	-	-	-	-	20,982,819	20,982,819
Net assets									
Unreserved/unrestricted	-	-	-	-	-	832,023	832,023	25,939,675	26,771,698
Fund balances:									
Reserved for prepaid expenditures	1,429,464	4,850	-	-	-	-	1,434,314	(1,434,314)	-
Reserved for student organizations	-	-	1,660,069	-	-	-	1,660,069	(423,228)	1,236,841
Reserved for student financial assistance	-	-	155,901	-	-	-	155,901	-	155,901
Reserved for capital projects	-	-	-	2,600,488	-	-	2,600,488	(2,600,488)	-
Reserved for debt service	-	-	-	-	1,687,340	-	1,687,340	(1,062,473)	624,867
Unreserved - Designated for:									
Operations	22,560,537	3,356,065	-	-	-	-	25,916,602	(25,916,602)	-
OPEB - Other post employment benefits	740,000	-	-	-	-	-	740,000	(740,000)	-
Total fund balances / net position	24,730,001	3,360,915	1,815,970	2,600,488	1,687,340	832,023	35,026,737	14,745,389	49,772,126
Reserve for encumbrances	47,958	-	-	1,585,845	-	-	1,633,803	(1,633,803)	-
Total Liabilities and Fund Equity	$ 33,959,150	$ 3,827,563	$ 2,957,797	$ 4,186,333	$ 1,687,340	$ 853,368	$ 47,471,551	$ 57,418,764	$ 104,890,315

GATEWAY TECHNICAL COLLEGE DISTRICT

Schedule to Reconcile the Budgetary (Non-GAAP) Basis Financial Statements
to the Statements of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2013

	General Fund	Special Revenue Funds: Operating	Special Revenue Funds: Non-Aidable	Capital Projects Fund	Debt Service Fund	Enterprise Funds	Total	Reconciling Items	Statements of Revenues, Expenses and Changes in Net Position	
Revenues										
Local government - tax levy	$ 48,789,806	$ 2,286,000	$ -	$ -	$ 8,275,000	$ 45,000	$ 59,395,806	$ -	$ 59,395,806	
Intergovernmental revenue:										
State	5,662,633	946,622	2,397,855	-	-	-	9,007,110	-	9,007,110	(1)
Federal	33,411	3,943,589	39,007,623	199,129	-	-	43,183,752	-	43,183,752	(2)
Tuition and fees:										
Statutory program fees	16,962,737	-	-	-	-	-	16,962,737	(9,250,178)	7,712,559	
Material fees	793,586	-	-	-	-	-	793,586	(438,797)	354,789	
Other student fees	1,763,586	-	889,892	-	-	204,140	2,857,618	(1,563,714)	1,293,904	
Miscellaneous - institutional revenue	3,329,078	290,791	4,965,785	1,468,184	182,733	332,498	10,569,069	(4,972,661)	5,596,408	(3)
Total revenues	77,334,837	7,467,002	47,261,155	1,667,313	8,457,733	581,638	142,769,678	(16,225,350)	126,544,328	
Expenditures										
Instruction	49,108,015	5,081,930	-	3,874,432	-	-	58,064,377	(1,849,945)	56,214,432	
Instructional resources	1,127,512	-	-	9,621	-	-	1,137,133	-	1,137,133	
Student services	8,254,879	1,220,031	46,494,766	464,678	-	-	56,434,354	(45,686,882)	10,747,472	
General institutional	6,917,522	306,793	559,539	1,390,547	-	-	9,174,401	(991,114)	8,183,287	
Physical plant	7,386,929	-	-	8,301,684	-	-	15,688,613	(8,223,202)	7,465,411	
Student aid	-	-	-	-	-	-	-	29,874,262	29,874,262	
Public services	-	352,776	-	4,938	-	-	357,714	-	357,714	
Depreciation	-	-	-	-	-	-	-	4,543,691	4,543,691	
Auxiliary services	-	-	-	-	-	507,723	507,723	-	507,723	
Debt Service:										
Principal	-	-	-	-	7,155,000	-	7,155,000	(7,155,000)	-	
Interest and fiscal charges	-	-	-	-	1,369,116	-	1,369,116	149,712	1,518,828	
Total expenditures	72,794,857	6,961,530	47,054,305	14,045,900	8,524,116	507,723	149,888,431	(29,338,478)	120,549,953	
Revenues over (under) expenditures	4,539,980	505,472	206,850	(12,378,587)	(66,383)	73,915	(7,118,753)	13,113,128	5,994,375	
Other financing sources (uses)										
Long-term debt issued	-	-	-	12,000,000		-	12,000,000	(12,000,000)	-	
Loss on disposal of capital assets	-	-	-	-	-	-	-	(2,245)	(2,245)	
Transfers in	-	-	-	1,000,000	-	-	1,000,000	(1,000,000)	-	
Transfers out	(1,000,000)	-	-	-	-	-	(1,000,000)	1,000,000	-	
Total other financing sources (uses)	(1,000,000)	-	-	13,000,000	-	-	12,000,000	(12,002,245)	(2,245)	
Net Change in Fund Balances	3,539,980	505,472	206,850	621,413	(66,383)	73,915	4,881,247	1,110,883	5,992,130	
Cumulative Effect of Change in Accounting Principle	-	-	-	-	-	-	-	(282,958)	(282,958)	
Fund balances/net position										
Beginning of year	21,190,021	2,855,443	1,609,120	1,979,075	1,753,723	758,108	30,145,490	13,917,464	44,062,954	(4)
End of year	$ 24,730,001	$ 3,360,915	$ 1,815,970	$ 2,600,488	$ 1,687,340	$ 832,023	$ 35,026,737	$ 14,745,389	$ 49,772,126	

GATEWAY TECHNICAL COLLEGE DISTRICT

Schedule to Reconcile the Budgetary (Non-GAAP) Basis Financial Statements
to the Statements of Revenues, Expenses and Changes in Net Position (Continued)
June 30, 2013

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

Operating	$ 3,521,173
Non-operating - State Appropriations	5,485,937
Total	$ 9,007,110

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

Operating	$ 42,989,817
Non-operating - Capital Grants	193,935
	$ 43,183,752

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

Contract revenue	$ 2,177,349
Auxiliary enterprise revenues	288,855
Miscellaneous revenue	1,658,302
Investment income	38,735
Contributions	1,421,800
Donated capital assets	11,367
Total	$ 5,596,408

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

	2013	2012
Budgetary basis fund equity	$ 35,026,737	$ 30,145,490
General fixed assets capitalized - cost	113,289,907	102,766,750
Accumulated depreciation on general fixed assets	(52,144,042)	(47,633,481)
General obligation debt	(44,580,000)	(39,735,000)
Other post employment benefits	(2,613,418)	(2,388,695)
Accrued interest on long-term debt	(300,088)	(303,160)
Summer school tuition and fees	1,476,874	1,332,233
Unamortized debt issuance costs	-	282,958
Unamortized premiums on notes payable	(762,385)	(531,293)
Deferred revenue for govt-wide basis	(832,034)	(903,773)
Encumbrances	1,633,803	1,449,988
Fund balances/net position	(423,228)	(419,063)
Net position per basic financial statements	$ 49,772,126	$ 44,062,954

Statistical Section

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STATISTICAL SECTION

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement 34/35 for the fiscal year ended June 30, 2002; schedules presenting government-wide information include information beginning in that year.

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Net Investment in Capital Assets	$ 20,982,819	$ 18,916,039	$ 19,615,422	$ 17,579,877	$ 16,438,878	$ 16,228,195	$ 14,108,750	$ 13,302,497	$ 12,834,119	$ 13,183,071
Restricted-expendable	2,017,609	2,392,284	2,095,849	1,887,662	1,741,196	1,624,629	1,390,446	1,714,082	1,331,530	1,157,455
Restricted-nonexpendable	-	-	-	-	11,000	11,000	11,000	11,000	11,000	11,000
Unrestricted	26,771,698	22,754,631	22,552,555	21,188,982	18,598,688	17,032,962	17,166,821	16,234,066	15,741,589	16,387,471
Total Net Position	$ 49,772,126	$ 44,062,954	$ 44,263,826	$ 40,656,521	$ 36,789,762	$ 34,896,786	$ 32,677,017	$ 31,261,645	$ 29,918,238	$ 30,738,997

GATEWAY TECHNICAL COLLEGE DISTRICT

Changes in Net Position
Last Ten Fiscal Years

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Operating Revenues										
Student tuition and program fees, net of scholarship allowances[1]	$ 9,361,252	$ 10,409,936	$ 14,010,675	$ 11,602,472	$ 10,761,259	$ 9,209,849	$ 9,204,502	$ 8,540,801	$ 8,835,736	$ 8,655,210
Federal grants	42,989,817	42,666,119	43,428,693	25,323,977	16,575,978	13,092,509	12,791,779	13,584,444	7,955,313	7,907,194
State grants	3,521,173	3,520,742	3,860,476	2,971,504	3,044,816	2,692,464	2,706,640	2,554,174	2,255,096	2,067,520
Contract revenue	2,177,349	2,256,918	2,231,194	1,924,763	2,053,234	2,526,471	2,161,695	2,189,500	2,431,502	2,183,387
Auxiliary enterprise revenues	288,855	256,823	286,282	725,250	823,449	853,017	558,428	462,974	505,014	661,192
Miscellaneous - institutional revenue	1,658,302	1,203,156	1,503,587	1,247,461	925,416	838,262	885,364	800,678	678,927	816,372
Total operating revenues	59,996,748	60,313,694	65,320,907	43,795,427	34,184,152	29,212,572	28,308,408	28,132,571	22,661,588	22,290,875
Operating Expenses										
Instruction	56,214,432	60,869,404	58,458,128	54,075,497	51,672,106	48,269,277	47,587,891	45,931,954	45,544,656	43,543,083
Instructional resources	1,137,133	1,426,902	1,300,576	1,214,433	1,070,094	1,017,882	1,225,491	1,227,300	1,050,064	1,224,316
Student services[1]	10,747,472	10,087,038	9,831,728	9,328,200	8,611,661	8,521,160	8,775,637	7,656,716	7,773,264	7,754,847
General institutional	8,183,287	8,373,179	8,089,118	7,675,036	7,242,051	6,574,419	6,893,336	7,115,812	6,820,544	6,365,357
Physical plant	7,465,411	7,718,475	8,004,016	7,364,494	6,939,730	6,471,693	6,237,124	5,911,484	5,795,086	5,149,322
Student aid[1]	29,874,262	30,725,417	36,245,389	18,489,556	11,842,905	9,151,817	8,919,036	9,784,156	5,146,925	4,782,520
Public service	357,714	344,410	337,025	252,494	384,102	335,213	317,558	300,708	297,502	274,186
Auxiliary enterprise services	507,723	574,483	580,525	1,198,058	1,149,043	1,298,310	993,729	891,585	976,406	818,088
Depreciation	4,543,691	4,307,822	3,950,810	3,543,647	3,186,169	2,897,941	2,583,246	2,501,129	2,281,202	2,012,339
Total operating expenses	119,031,125	124,427,130	126,797,315	103,141,415	92,097,861	84,537,712	83,533,048	81,320,844	75,685,649	71,924,058
Operating loss	(59,034,377)	(64,113,436)	(61,476,408)	(59,345,988)	(57,913,709)	(55,325,140)	(55,224,640)	(53,188,273)	(53,024,061)	(49,633,183)
Non-operating revenues (expenses)										
Property Taxes	59,395,806	59,003,731	58,328,021	56,248,873	53,910,836	51,079,902	49,101,201	47,291,043	45,118,323	43,321,592
State appropriations	5,485,937	6,081,694	7,265,517	7,518,927	6,825,727	6,627,536	7,131,956	7,464,990	7,621,031	8,458,088
Gain (loss) on sale of capital assets	(2,245)	(13,933)	(43,980)	(14,631)	52,927	53,996	535,930	-	53,250	(28,442)
Investment income	38,735	33,320	76,959	69,363	210,390	617,039	911,205	714,778	412,183	201,753
Interest expense	(1,518,828)	(1,263,110)	(1,264,089)	(1,280,020)	(1,269,463)	(1,133,864)	(1,048,180)	(1,085,376)	(1,045,601)	(1,054,660)
Total non-operating revenues(expenses)	63,399,405	63,841,702	64,362,428	62,542,512	59,730,417	57,244,609	56,632,112	54,385,435	52,159,186	50,898,331
Capital Contributions										
State and federal capital appropriations	193,935	35,183	532,561	25,235	4,066	19,247	7,900	3,035	11,429	564,083
Contributions	1,421,800	35,679	41,002	538,267	44,202	15,639	-	143,210	32,687	189,873
Donated capital assets	11,367	-	147,722	106,733	28,000	265,414	-	-	-	550,840
Total capital contributions	1,627,102	70,862	721,285	670,235	76,268	300,300	7,900	146,245	44,116	1,304,796
Cumulative effect of change in accounting priniciple[2]	(282,958)	-	-	-	-	-	-	-	-	-
Increase/(Decrease) in Net Position	$ 5,709,172	$ (200,872)	$ 3,607,305	$ 3,866,759	$ 1,892,976	$ 2,219,769	$ 1,415,372	$ 1,343,407	$ (820,759)	$ 2,569,944

(1) Effective with FY 2005/06 the prior years' numbers were restated to conform to the current presentation.
(2) The college implemented GASB 65 beginning with fiscal year ended June 30, 2013

GATEWAY TECHNICAL COLLEGE

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

Expense Classifications	2013	% of Total	2012	% of Total	2011	% of Total	2010	% of Total	2009	% of Total	2008	% of Total	2007	% of Total	2006	% of Total	2005	% of Total	2004	% of Total
Salaries and wages	$ 48,806,522	38.8%	$ 49,060,461	39.0%	$ 48,410,278	37.8%	$ 46,108,596	44.2%	$43,890,665	47.0%	$41,139,413	48.0%	$40,010,460	47.3%	$39,186,439	47.6%	$38,745,098	50.5%	$37,692,488	51.6%
Fringe benefits	17,409,046	13.8%	23,133,387	18.4%	22,310,925	17.4%	20,677,526	19.8%	19,747,456	21.2%	19,509,572	22.8%	19,975,483	23.6%	18,174,037	22.1%	16,810,431	21.9%	15,114,098	20.7%
Travel, memberships and subscriptions	1,165,200	0.9%	957,520	0.8%	826,946	0.6%	740,879	0.7%	780,231	0.8%	698,040	0.8%	705,682	0.8%	723,762	0.9%	757,681	1.0%	721,010	1.0%
Supplies and minor equipment[1]	8,935,173	7.1%	8,724,938	6.9%	7,664,080	6.0%	6,895,824	6.6%	6,056,363	6.5%	5,349,544	6.2%	5,032,988	6.0%	4,843,828	5.9%	6,049,499	7.9%	5,661,663	7.8%
Contract services	3,669,705	2.9%	3,207,743	2.6%	2,800,111	2.2%	2,405,619	2.3%	2,325,998	2.5%	2,116,237	2.5%	2,502,591	3.0%	2,193,068	2.7%	2,456,209	3.2%	2,556,530	3.5%
Bank/Agency credit/collection fees	89,929	0.1%	87,761	0.1%	118,761	0.1%	202,816	0.2%	196,348	0.2%	131,862	0.2%	132,267	0.2%	93,789	0.1%	72,761	0.1%	63,106	0.1%
Rentals	826,787	0.7%	958,089	0.8%	963,315	0.8%	827,786	0.8%	785,358	0.8%	737,152	0.9%	636,383	0.8%	664,383	0.8%	399,033	0.5%	442,924	0.6%
Repairs and maintenance	829,905	0.7%	709,408	0.6%	809,862	0.6%	664,938	0.6%	742,014	0.8%	521,508	0.6%	635,382	0.8%	641,042	0.8%	548,907	0.7%	692,438	0.9%
Insurance	524,070	0.4%	574,587	0.5%	633,985	0.5%	597,291	0.6%	518,683	0.6%	409,729	0.5%	629,031	0.7%	653,990	0.8%	636,080	0.8%	577,503	0.8%
Utilities	1,621,648	1.3%	1,618,643	1.3%	1,766,539	1.4%	1,631,363	1.6%	1,762,077	1.9%	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%
Depreciation	4,543,691	3.6%	4,307,822	3.4%	3,950,810	3.1%	3,543,647	3.4%	3,186,169	3.4%	2,897,941	3.4%	2,583,246	3.1%	2,501,129	3.0%	2,281,202	3.0%	2,012,339	2.8%
Student aid	29,874,262	23.8%	30,725,417	24.4%	36,245,389	28.3%	18,489,556	17.7%	11,842,905	12.7%	9,151,817	10.7%	8,919,036	10.5%	9,784,156	11.9%	5,146,925	6.7%	4,782,520	6.6%
Student debt writeoff	735,187	0.6%	361,354	0.3%	296,314	0.2%	355,584	0.3%	263,594	0.3%	146,447	0.2%	190,780	0.2%	151,811	0.2%	157,158	0.2%	99,539	0.1%
Total operating expenses	119,031,125	94.7%	124,427,130	99.0%	126,797,315	99.0%	103,141,425	98.8%	92,097,861	98.6%	84,537,712	98.7%	83,533,048	98.8%	81,320,844	98.7%	75,685,649	98.6%	71,924,058	98.5%
Interest expense & debt issuance costs[1]	1,518,828	1.2%	1,263,110	1.0%	1,264,089	1.0%	1,280,050	1.2%	1,269,463	1.4%	1,133,864	1.3%	1,048,180	1.2%	1,085,376	1.3%	1,045,601	1.4%	1,054,660	1.4%
Loss on disposal of assets	2,245	0.0%	13,933	0.0%	76,959	0.1%	14,631	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.1%	28,442	0.0%
Total non-operating expenses	1,521,073	1.2%	1,277,043	1.0%	1,341,048	1.0%	1,294,681	1.2%	1,269,463	1.4%	1,133,864	1.3%	1,048,180	1.2%	1,085,376	1.3%	1,045,601	1.5%	1,083,102	1.5%
Total Expenses	$120,552,198	95.9%	$125,704,173	100.0%	$128,138,363	100.0%	$ 104,436,106	100.0%	$93,367,324	100.0%	$85,671,576	100.0%	$84,581,228	100.0%	$82,406,220	100.0%	$76,731,250	100.0%	$73,007,160	100.0%

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Equalized Value and Tax Levy Distribution by Municipality
Fiscal Year 2013

County	Municipality	Taxable equalized valuation	Percent of total	Total tax levy
Kenosha	Town of:			
	Brighton	$ 186,215,800	0.487728 %	$ 289,886
	Paris	216,263,700	0.566429	336,662
	Randall	471,751,800	1.235592	734,386
	Salem	986,360,400	2.583433	1,535,489
	Somers	808,180,900	2.116753	1,258,113
	Wheatland	308,570,600	0.808195	480,359
	Village of:			
	Bristol	488,584,300	1.279679	760,590
	Genoa City	407,000	0.001066	634
	Paddock Lake	229,568,300	0.601275	357,374
	Pleasant Prairie	2,123,779,200	5.562511	3,306,134
	Silver Lake	181,759,300	0.476056	282,949
	Twin Lakes	678,422,900	1.776896	1,056,116
	City of Kenosha	5,168,206,700	13.536344	8,045,462
Racine	Town of:			
	Burlington	625,828,200	1.639142	974,241
	Dover	323,096,400	0.846240	502,971
	Norway	308,713,614	0.808569	480,581
	Raymond	436,745,400	1.143905	679,891
	Waterford	738,543,000	1.934360	1,149,706
	Yorkville	498,882,900	1.306653	776,622
	Village of:			
	Caledonia	1,996,039,300	5.227940	3,107,279
	Elmwood Park	37,230,400	0.097512	57,957
	Mount Pleasant	2,349,445,700	6.153567	3,657,434
	North Bay	35,443,400	0.092832	55,176
	Rochester	332,202,000	0.870089	517,146
	Sturtevant	331,336,000	0.867821	515,798
	Union Grove	287,076,900	0.751899	446,899
	Waterford	390,730,300	1.023384	608,259
	Wind Point	236,205,000	0.618658	367,706
	City of:			
	Burlington	659,965,000	1.728552	1,027,382
	Racine	3,407,156,050	8.923876	5,303,995

GATEWAY TECHNICAL COLLEGE DISTRICT

Equalized Value and Tax Levy Distribution by Municipality (continued)
Fiscal Year 2013

County	Municipality	Taxable equalized valuation	Percent of total	Total tax levy
Walworth	Town of:			
	Bloomfield	$ 100,814,800	0.264050 %	$ 156,941
	Darien	192,888,400	0.505205	300,274
	Delavan	966,258,600	2.530783	1,504,196
	East Troy	728,937,500	1.909202	1,134,753
	Geneva	825,649,600	2.162506	1,285,307
	Lafayette	246,194,500	0.644822	383,256
	LaGrange	736,090,300	1.927936	1,145,888
	Linn	1,699,277,500	4.450674	2,645,303
	Lyons	440,008,200	1.152451	684,971
	Richmond	238,918,500	0.625765	371,930
	Sharon	78,534,200	0.205693	122,256
	Spring Prairie	226,955,000	0.594431	353,306
	Sugar Creek	367,426,300	0.962347	571,981
	Troy	248,608,500	0.651145	387,014
	Walworth	222,800,700	0.583550	346,839
	Whitewater	306,400,300	0.802510	476,980
	Village of:			
	Bloomfield	332,260,500	0.870242	517,237
	Darien	84,242,200	0.220644	131,142
	East Troy	302,077,100	0.791187	470,250
	Fontana	1,117,850,800	2.927827	1,740,183
	Genoa City	89,955,900	0.235609	140,036
	Mukwonago	11,200,600	0.029336	17,436
	Sharon	73,178,000	0.191665	113,918
	Walworth	194,124,200	0.508442	302,197
	Williams Bay	716,615,400	1.876928	1,115,571
	City of:			
	Burlington	539,400	0.001413	840
	Delavan	567,790,400	1.487132	883,892
	Elkhorn	592,405,200	1.551602	922,210
	Lake Geneva	1,136,849,600	2.977588	1,769,759
	Whitewater	492,661,800	1.290359	766,938
	Totals	$ 38,180,224,464	100 %	$ 59,436,000

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Year	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	43,338,000	31,921,546	73.66	11,416,454	43,338,000	100.00
2005	45,043,000	33,447,366	74.26	11,595,634	45,043,000	100.00
2006	47,295,000	35,128,253	74.27	12,166,747	47,295,000	100.00
2007	49,093,282	35,811,604	72.95	13,281,678	49,093,282	100.00
2008	51,075,834	36,774,363	72.00	14,301,471	51,075,834	100.00
2009	53,914,744	37,983,753	70.45	15,930,992	53,914,745	100.00
2010	56,201,000	39,426,916	70.15	16,774,084	56,201,000	100.00
2011	58,338,000	41,513,682	71.16	17,024,318	58,338,000	100.00
2012	58,895,000	41,764,575	70.91	17,130,425	58,895,000	100.00
2013	59,436,000	42,469,295	71.45	-	42,469,295	71.45

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
2012 Equalized Valuation and Tax Levy

Municipality	County	Equalized value	Tax levy	Percentage of total tax levy
City of Kenosha	Kenosha	$ 5,168,206,700	$ 8,045,462	13.54 %
City of Racine	Racine	3,407,156,050	5,303,995	8.92
Village of Mount Pleasant	Racine	2,349,445,700	3,657,434	6.15
Village of Pleasant Prairie	Kenosha	2,123,779,200	3,306,134	5.56
Village of Caledonia	Racine	1,996,039,300	3,107,279	5.23
Town of Linn	Walworth	1,699,277,500	2,645,303	4.45
City of Lake Geneva	Walworth	1,136,849,600	1,769,759	2.98
Village of Fontana	Walworth	1,117,850,800	1,740,183	2.93
Town of Salem	Kenosha	986,360,400	1,535,489	2.58
Town of Delavan	Walworth	966,258,600	1,504,196	2.53
Total principal taxing districts		$ 20,951,223,850	$ 32,615,234	54.87 %
				-
County:				
Racine		$ 12,994,639,564	$ 20,229,043	34.04 %
Kenosha		11,848,070,900	18,444,154	31.03
Walworth		13,337,514,000	20,762,803	34.93
		$ 38,180,224,464	$ 59,436,000	100.00 %

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Principal PropertyTaxpayers by County
Current Year and Nine Years Ago

			Year Ended June 30, 2013			Year Ended June 30, 2004		
County	Name of Business	Type of Business	2012 Equalized Valuation	Rank	Percent of District equalized valuation	2003 Equalized Valuation	Rank	Percent of District equalized valuation
Racine	S. C. Johnson & Son, Inc.	Manfacturing	$ 125,901,360	1	0.33 %	$ 101,651,900	1	0.44 %
	Racine Joint Venture (Regency Mall)	Shopping center	114,023,261	2	0.30	63,880,000	2	0.27
	Centerpoint Properties Trust(2)	Insurance	84,910,813	3	0.22	-		-
	Continental 81 Fund LLC	Retail-Wal-Mart Stores	52,631,901	4	0.14	15,908,700	7	0.07
	All Saints Health Care	Health care services	41,608,577	5	0.11	23,522,900	5	0.10
	Aurora Medical Group	Health care provider	33,937,615	6	0.09	24,708,300	4	0.11
	CNH Global(1)	Manufacturing	32,212,347	7	0.08	35,884,300	3	0.15
	Inland Southeast Mount Pleasant	Village Center strip mall	26,754,139	8	0.07	-		-
	Bombardier Motor Corp	Manufacturing	20,111,255	9	0.05	20,833,000	6	0.09
	High Ridge Improvements	DLC Management Corp	16,331,408	10	0.04	16,285,000	8	0.07
	American National Insurance	Insurance	-		-	16,248,100	9	0.07
	Rudd Lighting Inc.	Manufacturing	-		-	15,461,400	10	0.07
Racine county total			$ 548,422,676		1.44 %	$ 334,383,600		1.43 %
(1) Formerly known as J.I. Case Corporation (2)Formerly American National Insurance								
Kenosha	Route 165 LLC	Commerical	$ 94,944,100	1	0.25 %	$ -		- %
	Prime Outlets at Pleasant Prairie	Retail Mall	74,588,100	2	0.20	-		-
	Centerpoint Properties Trust	Commerical	69,816,800	3	0.18	-		-
	Affliated Foods Midwest Coop.	Manufacturing	51,863,900	4	0.14	-		-
	CV II Lakeview LLC	Commercial	47,460,900	5	0.12	-		-
	Chicagoland DC 2008 LLC	Commercial	44,950,900	6	0.12	-		-
	Southport Plaza Ltd. Partners	Commercial Real Estate	35,702,900	7	0.09	36,399,900	3	0.16
	Inland Diversified Pleasant Prairie	Commercial	33,380,700	8	0.09	-		-
	Meijer Distribution (Ohiocubco)	Real Estate	32,157,900	9	0.08	26,998,800	4	0.12
	Edward Rose Assoc. Apartments	Property management	27,923,700	10	0.07	22,963,400	5	0.10
	Wispark Corporation	Industrial park	-		-	56,349,500	1	0.24
	First Horizon Group Ltd.	Property management	-		-	36,500,000	2	0.16
	Dairyland Greyhound Park	Recreation/dog track	-		-	21,436,500	6	0.09
	Petretti Realty et Al.	Developer/Builder	-		-	20,840,400	7	0.09
	Bit Holdings Forty-Nine, Inc.	Commerical	-		-	20,680,000	8	0.09
	Town Realty, Inc.	Real Estate	-		-	20,235,400	9	0.09
	Waste Management	Land fill	-		-	19,307,500	10	0.08
Kenosha county total			$ 512,789,900		1.34 %	$ 281,711,400		1.21 %
Walworth	Art Mortgage Borrower	Mortgage	$ 33,292,987	1	0.09 %	$ -		0.00 %
	Grand Geneva Resort	Resort	28,690,189	2	0.08	30,829,400	2	0.13
	DLK Enterprises, Inc.	Farm/Real Estate	28,489,635	3	0.07	35,175,100	1	0.15
	Kikkoman Foods Inc.	Manufacturing	22,429,751	4	0.06	13,262,300	5	0.06
	Lake Geneva Investors LLC	Investor	16,049,175	5	0.04	-		-
	Paloma Geneva National, LLC	Private golf course	13,937,344	6	0.04	12,193,100	6	0.05
	Lake Geneva Shopping Center	Retail	13,888,212	7	0.04	-		-
	Wal-Mart Associates	Retail	13,098,704	8	0.03	18,320,000	3	0.08
	Honey Creek of East Troy, LLP	Real Estate	11,067,856	9	0.03	-		-
	Delavan Resort (Lake Lawn Lodge)	Resort	9,848,520	10	0.03	14,493,200	4	0.06
	Geneva Lakes Cold Storage	Private business	-		-	11,706,800	7	0.05
	ABKA (The Abbey)	Resort	-		-	10,877,925	8	0.05
	Home Depot	Retail store	-		-	10,731,100	9	0.05
	Edwin Kowalski	Developer	-		-	10,568,200	10	0.05
Walworth county total			$ 190,792,373		0.50 %	$ 168,157,125		0.72 %
Grand total			$ 1,252,004,949		3.28 %	$ 784,252,125		3.36 %
Total District Equalized Valuation			$ 38,180,224,464			$ 23,361,009,349		

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Property Tax Rates[1] - All Overlapping Governments
(Per $1,000 of General Property Full Values of Taxable Property)
Calendar Year Taxes are Payable 2004-2013

		Gateway District Direct Rates			School districts				Total		
County	Year	Operational[2]	Debt Service	Direct Rate	elementary/ secondary	Local tax[3]	County tax	Other taxes[4]	property tax	State tax relief	Net total
Racine	2004	1.30	0.18	1.48	8.12	7.04	4.59	1.11	22.34	(1.25)	21.09
	2005	1.24	0.17	1.41	8.03	6.71	4.33	1.11	21.59	(1.11)	20.48
	2006	1.17	0.16	1.33	7.17	6.36	4.07	1.06	19.99	(1.00)	18.99
	2007	1.09	0.15	1.24	7.86	5.99	3.35	0.96	19.40	(1.14)	18.26
	2008	1.05	0.15	1.20	7.84	5.90	3.30	1.05	19.29	(1.27)	18.02
	2009	1.08	0.15	1.23	8.25	6.02	3.31	1.11	19.92	(1.41)	18.51
	2010	1.12	0.16	1.28	8.84	6.24	3.35	1.19	20.90	(1.45)	19.45
	2011	1.22	0.17	1.39	9.45	6.58	3.48	1.19	22.09	(1.51)	20.58
	2012	1.24	0.19	1.43	9.80	6.85	3.53	1.23	22.84	(1.54)	21.30
	2013	1.34	0.22	1.56	10.70	7.65	3.78	1.45	25.14	(1.66)	23.48
Kenosha	2004	1.30	0.18	1.48	9.31	6.22	4.80	0.80	22.61	(1.24)	21.37
	2005	1.24	0.17	1.41	9.35	5.81	4.51	0.86	21.94	(1.14)	20.80
	2006	1.17	0.16	1.33	8.47	5.45	4.18	0.83	20.26	(1.05)	19.21
	2007	1.09	0.15	1.24	8.46	5.14	3.91	0.86	19.61	(1.24)	18.37
	2008	1.05	0.15	1.20	8.55	5.05	3.80	0.92	19.52	(1.35)	18.17
	2009	1.08	0.15	1.23	8.92	5.27	3.84	1.09	20.35	(1.51)	18.84
	2010	1.12	0.16	1.28	9.53	5.49	4.01	1.35	21.66	(1.56)	20.10
	2011	1.22	0.17	1.39	10.75	6.03	4.36	1.69	24.22	(1.65)	22.57
	2012	1.24	0.19	1.43	11.02	6.27	4.60	1.74	25.06	(1.73)	23.33
	2013	1.34	0.22	1.56	11.95	7.06	5.01	2.03	27.61	(1.90)	25.71
Walworth	2004	1.30	0.18	1.48	9.03	3.48	4.94	1.25	20.18	(1.33)	18.85
	2005	1.24	0.17	1.41	8.98	3.41	4.75	1.22	19.77	(1.22)	18.55
	2006	1.17	0.16	1.33	8.01	3.16	4.40	1.03	17.93	(1.09)	16.84
	2007	1.09	0.15	1.24	7.43	2.88	4.11	1.03	16.69	(1.22)	15.47
	2008	1.05	0.15	1.20	7.62	2.72	3.91	1.10	16.55	(1.27)	15.28
	2009	1.08	0.15	1.23	7.75	2.67	3.88	1.17	16.70	(1.38)	15.32
	2010	1.12	0.16	1.28	8.13	2.74	3.94	1.15	17.24	(1.40)	15.84
	2011	1.22	0.17	1.39	8.77	2.89	4.21	1.16	18.42	(1.48)	16.94
	2012	1.24	0.19	1.43	8.81	3.01	4.27	0.88	18.40	(1.51)	16.89
	2013	1.34	0.22	1.56	9.59	3.26	4.56	1.00	19.97	(1.61)	18.36

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

(2) The operational property tax includes tax levies for all District funds except the Debt Service Fund and this rate may not exceed $1.50.

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

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Distribution of Real Property of Merged Equalized Values
Racine, Kenosha, and Walworth Counties[1]
Calendar Years 2003-2012
(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
2003	23,455,469	4,700,585	1,038,551	87,813	119,114	503,104	646,437	30,551,073	29,223,904	1.48297
% of Total	76.8%	15.4%	3.4%	0.3%	0.4%	1.6%	2.1%			
2004	26,018,470	5,046,556	1,068,047	82,788	107,327	513,950	635,552	33,472,690	32,011,437	1.40709
% of Total	77.7%	15.1%	3.2%	0.2%	0.3%	1.5%	1.9%			
2005	29,295,258	5,508,464	1,042,155	83,169	113,746	544,035	649,894	37,236,721	35,561,554	1.32995
% of Total	78.7%	14.8%	2.8%	0.2%	0.3%	1.5%	1.7%			
2006	32,963,886	6,119,859	1,055,082	87,329	158,764	613,183	697,942	41,696,045	39,735,348	1.23551
% of Total	79.1%	14.7%	2.5%	0.2%	0.4%	1.5%	1.7%			
2007	35,800,611	6,463,027	1,111,595	93,500	137,506	627,055	666,620	44,899,914	42,651,718	1.19751
% of Total	85.9%	15.5%	2.7%	0.2%	0.3%	1.5%	1.6%			
2008	36,882,473	6,838,821	1,120,526	97,228	132,254	652,973	733,951	46,458,226	43,959,586	1.22646
% of Total	88.5%	16.4%	2.7%	0.2%	0.3%	1.6%	1.8%			
2009	36,352,336	7,290,549	1,110,045	98,212	158,399	666,742	761,899	46,438,182	43,837,849	1.28202
% of Total	87.2%	17.5%	2.7%	0.2%	0.4%	1.6%	1.8%			
2010	34,525,308	7,203,211	1,063,863	97,068	149,929	648,459	778,346	44,466,184	41,935,823	1.39112
% of Total	82.8%	17.3%	2.6%	0.2%	0.4%	1.6%	1.9%			
2011	33,676,562	7,065,832	1,026,690	93,688	153,901	644,843	759,781	43,421,297	41,111,929	1.43255
% of Total	80.8%	16.9%	2.5%	0.2%	0.4%	1.5%	1.8%			
2012	30,890,678	6,943,049	1,027,116	91,285	161,365	622,065	758,543	40,494,101	38,180,224	1.55672
% of Total	74.1%	16.7%	2.5%	0.2%	0.4%	1.5%	1.8%			

Source: Wisconsin Department of Revenue

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

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Ratio of Net Debt to Equalized Value
and Net Debt Per Capita
Fiscal Years 2004-2013

						Net debt[5]			
	Population[1]	Personal Income[2]	Equalized Value-TID in[3]	Gross Debt [4]	Debt Service Net Assets Available	Amount	Ratio to equalized valuation	Ratio to Personal Income	Per Capita
	(Dollars in thousands, except per capita)								
2004	444,957	14,107,953	30,180,566	23,740	725	23,015	0.08	0.16	52
2005	449,954	14,940,945	33,048,145	25,810	848	24,962	0.08	0.17	55
2006	453,979	15,730,631	36,761,650	26,715	1,035	25,680	0.07	0.16	57
2007	457,155	14,153,727	41,173,445	27,000	672	26,328	0.06	0.19	58
2008	459,730	16,484,553	44,361,307	28,460	840	27,620	0.06	0.17	60
2009	460,431	16,159,069	45,908,303	29,650	892	28,758	0.06	0.18	62
2010	461,172	16,707,802	45,905,855	33,145	1,101	32,044	0.07	0.19	69
2011	464,342	17,076,214	43,959,559	36,135	1,062	35,073	0.08	0.21	76
2012	464,739	(6)	42,914,419	39,735	1,202	38,533	0.09	(6)	83
2013	464,688	(6)	40,025,114	44,580	625	43,955	0.11	(6)	95

(1) Wisconsin Department of Administration, Demographic Services Center. (2013 is an estimate.)

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

(3) The equalized value includes the TID in.

(4) Includes general obligation promissory notes and bonds.

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

(6) Information not yet available.

GATEWAY TECHNICAL COLLEGE DISTRICT

Legal Debt Margin Information[1]
Last Ten Fiscal Years

Calculation of Legal Debt Margin for Fiscal Year 2013

2012 Equalized Valuation - TID In		$ 40,025,114,214
		x 5%
Total debt limit - 5% of total equalized valuation		2,001,255,711
Debt applicable to limit:		
Total gross indebtedness (includes general obligation notes and bonds)	$ 44,580,000	
Less Net Position Restricted for Debt Service (GAAP basis)	(624,867)	
Total amount of debt applicable to debt limit		43,955,133
Legal debt margin		$ 1,957,300,578

Legal Debt Margin, Last Ten Fiscal Years

			Debt Applicable to Limit (Dollars in thousands)					
Fiscal Year	Equalized Valuation TID In	Legal Debt Limit 5%	General Obligation Bonds	General Obligation Notes	Less Net Position Available	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Debt Limit
2004	30,180,566	1,509,028	4,925	18,815	725	23,015	1,486,013	1.53
2005	33,048,145	1,652,407	4,825	20,985	848	24,962	1,627,445	1.51
2006	36,761,650	1,838,083	4,725	21,990	1,035	25,680	1,812,403	1.40
2007	41,173,445	2,058,672	4,625	22,375	672	26,328	2,032,344	1.28
2008	44,361,307	2,218,065	4,525	23,935	839	27,621	2,190,444	1.25
2009	45,908,303	2,295,415	4,425	25,225	892	28,758	2,266,657	1.25
2010	45,905,855	2,295,293	1,035	32,110	1,101	32,044	2,263,249	1.40
2011	43,959,559	2,197,978	530	35,605	1,062	35,073	2,162,905	1.60
2012	42,914,419	2,145,721	-	39,735	1,202	38,533	2,107,188	1.80
2013	40,025,114	2,001,256	-	44,580	625	43,955	1,957,301	2.20

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Computation of Direct and Overlapping Debt
Year ended June 30, 2013

Jurisdiction[1]	Net Debt Outstanding	Applicable to Gateway Technical College District Percentage [2]	Applicable to Gateway Technical College District Amount
District:			
Gateway Technical College District	$ 44,580,000	100%	$ 44,580,000
Towns:			
Racine County[3]	2,702,421	varies	2,573,579
Kenosha County	49,394,336	100%	49,394,336
Walworth County	6,608,611	100%	6,608,611
Town Total	58,705,368		58,576,526
Villages:			
Racine County	63,994,206	100%	63,994,206
Kenosha County	104,931,103	100%	104,931,103
Walworth County	75,021,027	100%	75,021,027
Village Total	243,946,336		243,946,336
Cities:			
Racine County	129,510,000	100%	129,510,000
Kenosha County	174,530,159	100%	174,530,159
Walworth County	65,913,196	100%	65,913,196
City Total	369,953,355		369,953,355
Counties:			
Racine County	59,720,000	96.68%	57,737,296
Kenosha County	96,805,000	100%	96,805,000
Walworth County	25,415,000	100%	25,415,000
County Total	181,940,000		179,957,296
School Districts:			
Racine County	96,580,735	96.68%	93,374,255
Kenosha County	179,637,640	100%	179,637,640
Walworth County	89,948,129	100%	89,948,129
School District Total	366,166,504		362,960,024
Sanitary Districts Total	52,005,253	varies	43,572,061
Total Direct and Overlapping debt	$ 1,317,296,816		$ 1,303,545,598

Source: Survey of each governmental unit-June 2013. (Sanitary district number from R.W. Baird & Co. report.)

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

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

(3) All towns are 100%, except the Town of Norway, which is 39.20% in the Gateway District

GATEWAY TECHNICAL COLLEGE DISTRICT

Demographic Statistics for Kenosha, Racine, and Walworth Counties
Historical Comparisons
2004-2013

Year	District Population (1)	Number of Housing Units (1)	Total Personal Income (2)	Per Capita Income (3)	Unemployment Rate (4)	Public and private school enrollment (5)
2004	444,987	189,824	14,107,953	31,119	5.6%	86,145
2005	449,954	193,235	14,940,945	30,760	5.5%	85,875
2006	453,979	196,208	15,730,631	32,182	5.2%	84,526
2007	457,155	198,488	14,153,727	33,676	5.1%	87,500
2008	459,730	199,841	16,484,553	35,145	5.3%	87,861
2009	460,431	200,559	16,159,069	34,290	10.3%	87,714
2010	461,172	202,983	16,707,802	35,609	9.5%	87,266
2011	464,342	203,365	17,076,214	36,340	8.8%	86,767
2012	464,739	203,752	(6)	(6)	8.7%	86,827
2013	464,688	204,062	(6)	(6)	7.2%	85,490

(1) Wisconsin Department of Administration, Demographic Services Center. (2013 is a preliminary estimate)
(2) U.S. Department of Commerce Bureau of Economic Anyalysis.
(3) U.S. Department of Commerce Bureau of Economic Anyalysis. (Amounts in thousands.)
(4) Wisconsin Department of Workforce Development, Office of Economic Advisors.
(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, 2013 Number of Employees	Rank	Percent of District Population	Year Ended June 30, 2004 Number of Employees	Rank	Percent of District Population
Racine	All Saints Health Care	Health care services	2,701	1	0.58 %	3,700	1	0.83 %
	Racine School District	Education	2,625	2	0.56	2,659	3	0.60
	CNH Global[1]	Manufacturing, agricultural & construction equipment	2,208	3	0.48	2,367	5	0.53
	S. C. Johnson & Son, Inc.	Manufacturing, commerical & institutional cleaning products	2,000	4	0.43	2,593	4	0.58
	City of Racine[2]	Government	1,110	5	0.24	1,337	6	0.00
	Wheaton Franciscan Healthcare	Hospital	1,079	6	0.23	-		-
	Gateway Technical College[2]	Education	1,042	7	0.22	1,164	8	0.26
	In-Sink-Erator Division	Manufacturer of disposer systems, hot water dispensers	1,000	8	0.22	2,800	2	0.63
	Rudd Lighting	Manufacturing, lighting fixtures	1,000	9	0.22	1,000	9	0.22
	Racine County	Government	800	10	0.17	1,207	7	0.27
	Modine Manufacturing	Heat exchanger manufacturing	-		-	900	10	0.20
(1)Formerly known as J.I. Case Corporation		Racine county sub-total	15,565		3.35 %	19,727		4.43 %
(2)Includes full-time and part-time employees.								
Kenosha	Kenosha Unified School District No. 1[1]	Education	2,128	1	0.46 %	2,496	1	0.56 %
	Kenosha Memorial Hospital	Health care services	2,000	2	0.43	1,650	2	0.37
	Kenosha County	Government	1,212	3	0.26	998	4	0.22
	Snap-On Tools Corporation	Manufacturer, hand tools & electronics	1,150	4	0.25	527	7	0.12
	City of Kenosha[2]	Government	733	5	0.16	773	5	0.17
	University of Wisconsin-Parkside	Education	506	6	0.11	685	6	0.15
	Kenosha Beef	Beef & ground beef processing	500	7	0.11	510	8	0.11
	Aurora Medical Center	Health care services	500-999	8	na	-		-
	Jockey International	Manufacturer, clothing	370	9	0.08	-		-
	Ocean Spray Cranberries	Manufacturers cranberry & other fruit products	275	10	0.06	-		-
	Daimler-Chrysler Corp.	Manufacturer, jeep engines	-			1,460	3	0.33
	Dairyland Greyhound Park	Greyhound racing	-		-	350	9	0.08
	Carthage College	Education	-		-	200	10	0.04
(1)Regular full-time only.		Kenosha county sub-total	9,518		2.05 %	9,649		2.17 %
(2)Full-time only.								
Walworth*	University of Wisconsin-Whitewater[1]	College	1,018	1	0.22 %	2,500	1	0.56 %
	Grand Geneva, Timber Ridge Lodge	Resort	1,100	2	0.24	1,010	3	0.23
	Pentair, Inc.	Water & fluid power pumps	900	3	0.19	-		-
	Walworth County	Government agency	824	4	0.18	1,150	2	0.26
	Miniature Precision Components	Automotive industry parts supplier	650	5	0.14	450	9	0.10
	Aurora Health Care	Medical Facilities	500	6	0.11	583	7	0.13
	Wal-Mart	Retail	500	7	0.11	-		-
	Birds Eye Foods LLC	Manufacturer, fruits & vegetables	350	8	0.08	-		-
	Elkhorn Area School District	Elementary/Secondary school	350	9	0.08	-		-
	SPX Flow Technology	Engineers	340	10	0.07	-		-
	Sta-Rite Industries	Manufacturer, pumps & plastic products	-		-	1,000	4	0.22
	Marcus Hotels & Resorts	Resort	-			780	5	0.18
	Lakeland Medical Center	Nursing home	-		-	764	6	0.17
	Lake Lawn Resort	Resort	-		-	550	8	0.12
	Trostel Ltd.	Packaging seals & assemblies	-		-	367	10	0.08
*Estimates, not FTE figures		Walworth county sub-total[3]	6,250		1.34 %	9,104		2.05 %
(1)Based on median of ranges, student employment is included in total.								
(2)Includes part-time.								
Source: Robert W. Baird reports		Total	31,333		6.74 %	38,480		8.65 %

GATEWAY TECHNICAL COLLEGE DISTRICT

Employment Trends by Equal Employment Opportunity Categories
Historical Comparisons
2003-2012

Category	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Administrative/Managerial:	56	56	55	54	53	54	52	55	60	71
Female percent	54	54	58	59	62	59	62	62	65	68
Minority percent	13	12	9	9	8	7	10	7	8	11
Faculty:	255	264	266	266	263	265	265	266	268	265
Female percent	57	56	57	57	57	58	58	59	58	59
Minority percent	8	8	8	9	9	10	11	10	11	12
Professional/Noninstructional:	38	39	35	34	34	33	32	33	32	35
Female percent	68	67	83	71	71	73	75	76	78	80
Minority percent	11	18	20	21	24	24	25	24	22	31
Secretarial/Clerical:	114	113	110	106	106	104	96	108	98	91
Female percent	97	96	97	88	99	99	99	99	97	93
Minority percent	18	19	18	22	21	23	23	23	22	20
Technical/Paraprofessional:	100	109	108	104	104	101	97	105	103	120
Female percent	64	62	62	62	62	61	61	59	55	57
Minority percent	22	26	25	26	37	24	23	25	22	22
Service/Maintenance:	33	35	35	36	35	38	37	39	38	40
Female percent	18	17	14	11	11	8	8	10	11	18
Minority percent	42	37	34	36	34	34	35	33	32	35
Total:	596	616	609	600	595	595	579	606	599	622
Female percent	64	63	64	62	64	64	64	64	63	63
Minority percent	15	16	15	16	16	17	17	17	17	17

Information provided by the Human Resources Department.

GATEWAY TECHNICAL COLLEGE DISTRICT

Enrollment Statistics
Historical Comparisons
Last Ten Fiscal Years

Student Enrollment (1)

	Aidable				Non-Aidable	
Fiscal year ended June 30	Associate degree	Technical Diploma	Vocational Adult	Non-post-secondary (ABE)	Community service program	Unduplicated Total
2004	8,910	3,480	11,714	7,813	0	27,511
2005	8,747	3,001	12,049	7,181	0	26,955
2006	9,008	2,746	10,874	6,918	0	25,540
2007	9,046	2,803	9,425	6,595	0	23,999
2008	8,564	2,989	8,599	6,456	0	22,789
2009	9,197	3,478	8,203	6,721	0	23,085
2010	10,003	4,281	8,057	7,347	0	24,322
2011	11,256	4,559	7,050	6,481	0	23,756
2012	12,823	4,787	7,069	5,976	0	23,703
2013	11,320	2,357	5,952	5,284	0	21,130

Full-Time Equivalents (2)

	Aidable				Non-Aidable	
Fiscal year ended June 30	Associate degree	Technical Diploma	Vocational Adult	Non-post-secondary (ABE)	Community service program	Total
2004	3,330	576	197	912	0	5,015
2005	3,296	534	200	821	0	4,851
2006	3,580	426	183	853	0	5,042
2007	3,600	414	158	831	0	5,003
2008	3,477	401	148	807	0	4,833
2009	3,910	394	140	744	0	5,188
2010	4,634	430	152	769	0	5,985
2011	5,157	437	128	660	0	6,382
2012	5,075	455	139	548	0	6,217
2013	4,751	467	124	471	0	5,813

Source: Wisconsin Technical College System Board

(1) Student enrollment represents the unduplicated count of students enrolled in District courses. A student may be enrolled in more than one program, but is counted only once in the Unduplicated Total. Therefore, the Unduplicated Total column does not equal the sum of the individual programs.
WTCS Portal System Data (VE215512, VE215350A)

(2) A full-time equivalent (FTE) is equal to 30 annual student credits based on a mathematical calculation which varies somewhat by program and which is subject to state approval and audit of student and course data. (VE215570A)

GATEWAY TECHNICAL COLLEGE DISTRICT

Per Credit Course Fee History
Last Ten Fiscal Years

	Post Secondary/ Vocational Adult[1]				Non-Aidable[2]	
Year	Resident Program Fees	Percent change	Out of State Program Fees[3]	Percent change	Avocational programs	Percent change
2004	70.00	4.5	489.75	(4.7)	105.00	5.0
2005	76.00	8.6	488.10	(0.3)	108.00	2.9
2006	80.50	5.9	510.30	4.5	115.00	6.5
2007	87.00	8.1	536.30	5.1	120.00	4.3
2008	92.05	5.8	570.55	6.4	127.00	5.8
2009	97.05	5.4	594.25	4.2	130.00	2.4
2010	101.40	4.5	152.10	(74.4)	137.00	5.4
2011	106.00	4.5	53.00	(65.2)	143.00	4.4
2012	111.85	5.5	55.95	5.6	150.15	5.0
2013	116.90	4.5	58.45	4.5	150.15	0.0

Additional Per Credit Fees

Material Fees

Fees for instructional materials consumed by students and instructors are required by s.38.24(1)(c), Wisconsin Statutes. These material fees are to be charged to all students on a uniform basis unless exempted by state statute, administrative code, or State Board action. There are 21 material fee categories ranging from $4.00 per credit to $300 per credit. Courses are assigned to one of the material fee categories based on the amount of instructional materials required for the course. The minimum fee that is to be charges for any non-exempt enrollment is $4.00, regardless of the credit value.

Student Activity Fee

A supplemental fee is charged to all students enrolling in post-high school courses. This fee supports co-curricular activities including Student Government, student newspaper, multicultural and entertainment activities, and student organizations and clubs. The fee was set at 5% of program fees.

Notes:
(1) Postsecondary/Vocational Adult program fees are established by the Wisconsin Technical College System Board.
(2) Avocational fees are established by the Gateway District Board.
(3) The total per credit cost requires adding the resident fee to out-of-state tuition. Out-of-state tuition excludes those students covered by reciprocal agreements. In FY 2010, the state budget bill reduced the out-of-state tuition rate to 150% of the program fee rate, effective with the Fall 2009 semester.

GATEWAY TECHNICAL COLLEGE DISTRICT

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

Year	Number of graduates	Number of respondents	Total number in labor force	Percent employed	Percent employed in related occupation	Percent employed in District	Average Hourly Salary[2]	Percent Satisfied with Training
2003	1,799	1,473	1,316	87	63	71	13.70	97
2004	2,029	1,600	1,404	89	61	68	14.10	97
2005	1,782	1,439	1,254	88	66	65	15.12	98
2006	1,745	1,403	1,213	91	66	57	15.51	96
2007	1,795	1,379	1,157	92	67	60	16.04	95
2008	1,845	1,383	1,156	90	68	63	16.36	96
2009	1,659	1,288	1,056	86	59	73	16.44	98
2010	1,986	1,518	1,199	87	58	76	16.43	97
2011	2,308	1,808	1,449	85	55	74	16.84	96
2012	2,271	1,887	1,475	86	58	75	16.69	97

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

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

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Square Footage of District Facilities
Last Ten Fiscal Years

County	Location	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Racine	Racine Campus										
	Lincoln Building[1]	10,880	10,880	10,880	10,880	16,115	16,115	16,115	16,115	16,115	16,115
	Lake Building	81,127	79,172	79,172	79,172	76,362	76,362	76,362	76,362	76,362	76,362
	Tech Building	87,605	87,605	85,589	85,589	109,336	109,336	109,336	109,336	109,336	109,336
	Racine Building	68,786	68,786	68,786	68,786	69,490	69,490	69,490	69,490	69,490	69,490
	Connecting Passages	3,270	3,270	3,270	3,270	3,270	3,270	3,270	3,270	3,270	3,270
	Racine Campus Sub-Total	251,668	249,713	247,697	247,697	274,573	274,573	274,573	274,573	274,573	274,573
	iMET (formerly CATI)	53,370	37,370	37,370	37,370	42,186	42,186	42,186	42,186	42,186	42,186
	Burn Building-Town of Dover (Land lease)	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440
	Racine County Job Center (Leased)	-	-	-	-	-	-	-	-	1,440	1,440
	Racine County Sub-Total	306,478	288,523	286,507	286,507	318,199	318,199	318,199	318,199	319,639	319,639
Kenosha	Kenosha Campus										
	Administration Building	17,772	17,772	17,772	17,772	17,353	17,353	17,353	17,353	17,353	17,353
	Conference Building	29,954	29,954	29,954	29,954	29,365	29,365	29,365	29,365	29,365	29,365
	Bioscience Building	28,352	28,352	28,352	28,352	30,405	30,405	30,405	30,405	30,405	30,405
	Child Care (ECP)	18,085	18,085	18,085	18,085	18,085	18,085	18,085	18,085	18,085	18,085
	Academic Building	88,000	88,000	88,000	88,000	113,965	113,965	113,965	113,965	113,965	96,835
	Horticultural Buildings[2]	14,233	14,233	6,502	6,502	5,873	5,873	5,873	5,873	5,873	5,873
	Science Building	41,302	41,302	41,302	41,302	55,992	55,992	55,992	55,992	55,992	55,992
	Student Commons	17,130	17,130	17,130	17,130	13,456	13,456	13,456	13,456	13,456	13,456
	Storage Buildings	4,550	4,550	4,550	4,550	2,350	2,350	2,350	2,350	2,350	2,350
	Technical Building	49,480	49,480	49,480	49,480	63,634	63,634	63,634	63,634	63,634	63,634
	Kenosha Campus Sub-Total	308,858	308,858	301,127	301,127	350,478	350,478	350,478	350,478	350,478	333,348
	Leased Facilities:										
	Center for Sustainable Living	1,844	1,844	-	-	-	-	-	-	-	-
	Horizon Center (Aviation - land lease)	38,755	38,755	38,755	38,755	24,277	24,277	24,277	23,477	23,477	23,477
	Horizon Center Storage Bldg	1,800	1,800	1,800	1,800	-	-	-	-	-	-
	Lakeview Technology Center	14,000	14,000	14,000	14,000	23,200	23,200	23,200	23,200	23,200	23,200
	Kenosha County Job Center	1,162	1,162	1,162	1,162	1,026	1,026	1,026	1,026	1,026	1,026
	Kenosha County Sub-Total	366,419	366,419	356,844	356,844	398,981	398,981	398,981	398,181	398,181	381,051
Walworth	Elkhorn Campus										
	Alternative High School	7,600	7,600	7,600	7,600	7,474	7,474	7,474	7,474	7,474	7,474
	South Building	39,072	39,072	39,072	39,072	38,596	38,596	38,596	38,596	38,596	38,596
	North Building	49,341	49,341	42,241	42,241	42,230	42,230	42,230	42,230	42,230	42,230
	Job Center Building	6,468	6,468	6,468	6,468	6,500	6,500	6,500	6,500	6,500	6,500
	Garage Building	1,673	1,673	1,673	1,673	1,673	1,673	1,673	1,673	1,673	1,673
	Elkhorn Campus Sub-Total	104,154	104,154	97,054	97,054	96,473	96,473	96,473	96,473	96,473	96,473
	Burlington Campus (Leased)										
	380 Building	19,694	19,694	19,694	9,439	9,439	9,439	9,439	12,000	12,000	12,000
	496 Building	33,512	33,512	33,512	33,512	33,000	33,000	33,000	33,000	33,000	33,000
	Walworth County Sub-Total	157,360	157,360	150,260	140,005	138,912	138,912	138,912	141,473	141,473	141,473
	Total District Square Footage	830,257	812,302	793,611	783,356	856,092	856,092	856,092	857,853	859,293	842,163

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

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

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

GATEWAY TECHNICAL COLLEGE DISTRICT

CAFR - FY13 - INSURANCE SUMMARY

Type of Coverage	Insurance Company	Policy Period	Details of Coverage	Limits of Coverage	Annual Premium
Property Coverage	**DMI**	**7/1/12 - 6/30/13**	Covers all real and personal property, all risk; $25,000 Deductible		**$ 79,214**
			Blanket Property Limit (Per Occurrence)	$ 350,000,000	
			Certified Terrorism	350,000,000	
			Non-Certified Terrorism	350,000,000	
			Accounts Receivable	15,000,000	
			Fine Arts	15,000,000	
			Valuable Papers and Records	15,000,000	
			Extra Expense	20,000,000	
			Electronic Data Processing Equipment	20,000,000	
			Miscellaneous Unnamed Locations	15,000,000	
			Newly Acquired Property (180 days reporting)	15,000,000	
			Building Ordinance including Demolition & ICC & Increased Time to Rebuild	25,000,000	
			Debris Removal - the greater of 25% of the loss or	15,000,000	
			Earth Movement and Volcanic Action (Annual Aggregate)	25,000,000	
			Flood and Water Damage (Annual Aggregate)	25,000,000	
			Flood in FEMA Zones designated using letters A or V (Annual Aggregate)	10,000,000	
			Property in the Course of Construction	20,000,000	
			Transit	2,500,000	
			Ingress/Egress (1 mile limitation, 30 days limitation)	5,000,000	
			Interruption by Civil Authority (1 mile radius limitation, 30 day limitation)	5,000,000	
			Leasehold Interest	1,000,000	
			Service Interruption - Property Damage & Time Element Combined (Water, Communication including overhead transmission lines, Power including overhead transmission lines)	10,000,000	
			Mobile Equipment	1,000,000	
			Expediting Expenses	5,000,000	
			Pollutant Clean-Up and Removal (Annual Aggregate)	475,000	
			Claims Preparation Expenses (Subject to max. 5% of combined PD & TE Loss)	250,000	
			Defense Costs	250,000	
			Exhibition, Exposition, Fair or Trade Show	325,000	
			Fire Department Service Charges	325,000	
			Protection of Property	325,000	
			Radioactive Contamination	250,000	
			Royalties	250,000	
Equipment Breakdown	**DMI**	**7/1/12 - 6/30/13**	Comprehensive coverage; $25,000 deductible	$ 100,000,000	**$ 4,404**
			Combined property/time element	1,000,000	
			Property Damage	Included	
			Off-Premises Property Damage	25,000	
			Business Income	Included	
			Extra Expense	Included	
			Service Interruption	1,000,000	
			Contingent Business Income	25,000	
			Perishable Goods (Spoilage/Ammonia Contamination)	250,000	
			Data Restoration	250,000	
			Demolition	1,000,000	
			Ordinance or Law	1,000,000	
			Expediting Expenses	250,000	
			Hazardous Substances	250,000	
			Newly Acquired Locations (365 days)	15,000,000	
			Broad Comprehensive Coverage (Including Production Machines, Computer Equipment)	Included	
			Repair or Replacement	Yes	

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

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

Type of Coverage	Insurance Company	Policy Period	Details of Coverage	Limits of Coverage	Annual Premium
Workers' Compensation	**DMI**	**7/1/12 - 6/30/13**	**Workers' Compensation - Wisconsin Benefits**	**Statutory**	**$ 284,931**
			- Bodily injury by accident, each accident	100,000	
		Employer's Liability	- Bodily injury by disease, policy limit	500,000	
			- Bodily injury by disease, each employee	100,000	
General Liability	**DMI**	**7/1/12 - 6/30/13**	Each occurrence limit	5,000,000	**$ 85,720**
(Includes Professional, Automobile and Educators Legal Liability)			Fire Damage limit (any one fire)	500,000	
			Limited Above Ground Pollution Liability - Each Claim and Policy Aggregate	1,000,000	
			Under/Uninsured motorists	100,000	
			Garagekeepers Coverage (ACV up to...)	350,000	
			- Comprehensive deductible (each customer auto/each event)	500/2,500	
			- Collision deductible (each customer auto)	500	
			Policy Deductible	5,000	
			Automobile Physical Damage Deductible	2,500	
			Employment Practices, and Employee Benefits Liability)		
Educators Legal Liability (includes, Directors & Officers,			- Per Wrongful Act and Aggregate Limit	5,000,000	
			- Per Wrongful Act and Aggregate Deductible	100,000	

GATEWAY TECHNICAL COLLEGE DISTRICT

CAFR - FY13 - INSURANCE SUMMARY

Type of Coverage	Insurance Company	Policy Period	Details of Coverage	Limits of Coverage	Annual Premium
Campus Violent Acts*	**DMI**	**7/1/12 - 6/30/13**	Policy Aggregate Limit	250,000	**$ 1,595**
			Policy Deductible	25,000	
			Equipment or Property Improvements	25,000	

TOTAL ANNUAL INSURANCE PREMIUMS PAID TO DISTRICT MUTUAL INSURANCE: $ 455,864

Insurance Coverages Purchased through Wisconsin Technical College Insurance Trust

Crime	**Travelers Casualty and Surety Company**	**7/1/12 - 6/30/13**	Employee Theft	750,000	**$ 4,300**
			Forgery or Alteration	750,000	
			ERISA Fidelity	750,000	
			On-Premises / In-Transit	500,000	
			Computer Fraud	750,000	
			Computer Program and Electronic Data Restoration	100,000	
			Funds Transfer Fraud	750,000	
			Personal Accounts Forgery or Alteration	750,000	
			Identity Fraud Expense Reimbursement	25,000	
			Claim Expense	25,000	
			Single Loss Retention	15,000	

Foreign Travel Liability*	**ACE American Insurance Company**	**7/1/12 - 6/30/13**	Foreign general liability - Each occurrence	1,000,000	**$ 2,323**
			Products - Completed Operations - Aggregate	2,000,000	
			Personal and Advertising Injury - Aggregate	1,000,000	
			Premises Damage Limit - Each Occurrence	1,000,000	
			Medical Expense Limit - Any one person	10,000	
			Contingent Auto Liability - Combined Single Limit		
			- Each Accident	1,000,000	
			Foreign Hired Auto Physical Damage		
			- Any One Accident	25,000	
			- Any one policy period	25,000	
			Foreign Employee Benefits Liability ($1,000 Deductible)		
			- Each Claim	1,000,000	
			- Aggregate	1,000,000	
			Foreign Voluntary Workers' Compensation		
			- State of Hire Benefits	Statutory	
			- North American	State of Hire Benefits	
			- Third Country Nationals	Country of Origin	
			- Local Nationals	Country of Origin	
			Foreign Employers Liability		
			- Bodily injury by accident, each accident	1,000,000	
			- Bodily injury by disease, each employee	1,000,000	
			- Bodily injury by disease, policy limit	1,000,000	
			Executive Assistance (per covered person)	50,000	
			Kidnap and Extortion (per cause of loss)	50,000	

Business Travel Accident (for Local Boards of Director Members)	**CIGNA**	**7/1/12 - 6/30/13**	Principal Sum	100,000	**$ 281**
			- Loss of Life		
			- Other Covered Losses as Scheduled		

*This coverage is provided on a request basis

TOTAL ANNUAL INSURANCE PREMIUMS PAID TO WTCS INSURANCE TRUST: $ 6,904

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

Multimedia Liability WGTD 91.1 FM	**Arthur J. Gallagher** Executive Risk Indemnity Policy No. 8177-2134	**7/1/12 - 6/30/13**	Errors and Omissions		**$ 4,525**
			Maximum Limit of liability for each claim	5,000,000	
			Retentions each and every claim	10,000	

International SOS Coverage		**7/1/12 - 6/30/13**	Global Traveler features:		**$ 5,981**
			Evacuation and Repatriation Coverage	1,000,000	
			Global Alarm Centers located throughout the world		
			Assistance with medical issues/emergencies		
			International SOS Online for over 200 locations		
			E-mail health and safety alerts		

TOTAL ANNUAL PREMIUMS PAID TO ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES, INC.: $ 10,506

Aviation Insurance Coverages Purchased through Wenk Insurance Agency

Aviation Insurance	**Wenk Aviation Insurance Agencies**	**7/1/12 - 6/30/13**	Liability Coverage		**$ 24,478**
			Single Limit Including Passengers and Property Damage	3,000,000	
			Expenses for Medical Services Each Occurrence	6,000	
Coverages & Premiums renewed with Old Republic Insurance through Phoenix Aviation Managers Policy AVC 1037 08			Aircraft Physical Damage Coverages as indicated in policy	1,000,000	
			Hangarkeepers (per occurrence)	250,000	
			Deductible	5,000	
			Products	1,000,000	

TOTAL ANNUAL INSURANCE PREMIUMS PAID TO WENK INSURANCE AGENCY: $ 24,478

TOTAL ANNUAL PREMIUMS: $ 497,753

2013-2014 Gateway Technical College
Associate Degree Programs

(current as of date printed)
Most programs may be started on any campus.

ASSOCIATE DEGREES

CAMPUS/CENTER LOCATIONS

Elkhorn Campus	Burlington Center	HERO Center	Kenosha Campus	Horizon Center	Lakeview Center	Racine Campus	iMET Center	Online		Program	Length of Program (full time)
■			■			■		■		Accounting (10-101-1)	2 Years
■			■			■		■		Administrative Professional (10-106-6)	2 Years
				■						Aeronautics – Pilot Training (10-402-1)	2 Years
			■							Air Conditioning, Heating, and Refrigeration Technology (10-601-1A)	2 Years
										Geothermal Technician (Concentration Area 10-601-1B)	
							■			Architectural – Structural Engineering Technician (10-614-6)	2 Years
■					■					Automated Manufacturing Systems Technology (10-628-3)	2 Years
				■						Automotive Technology (10-602-3)	2 Years
■			■			■		■		Business Management (10-102-3)	2 Years
							■			Civil Engineering Technology – Highway Technology (10-607-4)	2 Years
							■			Civil Engineering Technology – Fresh Water Resources (10-607-9)	2 Years
■			■			■				Criminal Justice - Law Enforcement (10-504-1)	2 Years
						■				Culinary Arts (10-316-1)	2 Years
				■						Diesel Equipment Technology (10-412-1)	2 Years
						■				Early Childhood Education (10-307-1)	2 Years
							■			Electrical Engineering Technology (10-662-1A)	2 Years
										Biomedical Engineering Technology (Concentration Area 10-662-1B)	
										Sustainable Energy Systems (Concentration Area 10-662-1C)	
■					■					Electro - Mechanical Technology (10-620-1)	2 Years
							■			Electronics (10-605-1)	2 Years
		■				■				Fire Protection Technician (10-503-2)	2 Years
■						■		■		Graphic Communications (10-204-3)	2 Years
						■			+	Health Information Technology (10-530-1)	2 Years
			■							Horticulture (10-001-1)	2 Years
										Greenhouse and Floral (Concentration Area 10-001-1A)	
										Nursery and Landscaping (Concentration Area 10-001-1B)	
■										Hotel/Hospitality Management (10-109-1)	2 Years
			■			■				Human Service Associate (10-520-3)	2 Years
									+	Individualized Technical Studies (10-825-1)	2 Years
										Technical Studies – Journeyworker (10-499-5)	
						■				Industrial Mechanical Technician (10-462-1)	2 Years
■			■							Information Technology – Computer Support Specialist (10-154-3)	2 Years
■						■				Information Technology – Network Specialist (10-150-2A)	2 Years
										Security Analyst (Concentration Area 10-150-2B)	
			■							Information Technology – Programmer/Analyst (10-152-1)	2 Years
								■		Information Technology – Web Developer/Administrator (10-152-3)	2 Years
								■		Instructional Assistant – Associate Degree (10-522-2)	2 Years
			■							Interior Design (10-304-1)	2 Years
							■			Land Survey Technician (10-607-7)	2 Years
■			■			■		■		Marketing (10-104-3)	2 Years
										General Marketing (Concentration Area 10-104-3A)	
										Business to Business (Concentration Area 10-104-3B)	
										Marketing Communications (Concentration Area 10-104-3D)	
■							■			Mechanical Design Technology (10-606-1)	2 Years
										Mechanical Engineering Tech (Concentration Area 10-606-1A)	
										Mechatronics (Concentration Area 10-606-1B)	
	■		■						+	Nursing – Associate Degree (ADN/RN) (10-543-1)	2 Years
		■								Paramedic Technician (10-531-1)	2 Years
			■							Physical Therapist Assistant (10-524-1)	2 Years
						■		■		Professional Communications (10-699-1)	2 Years
■						■		■		Supervisory Management (10-196-1)	2 Years
			■						+	Surgical Technology (10-512-1)	2 Years

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

2013-2014 Gateway Technical College
Technical Diploma Programs

(current as of date printed)
Most programs may be started on any campus.

CAMPUS/CENTER LOCATIONS

TECHNICAL DIPLOMAS

Elkhorn Campus	Burlington Center	HERO Center	Kenosha Campus	Horizon Center	Lakeview Center	Racine Campus	iMET Center	Online		Program	Length of Program (full time)
		■								Advanced EMT (30-531-6)	20 Weeks
				■						Automotive Maintenance Technician (31-404-3)	1 Year
						■				CNC Production Technician (31-444-2)	1 Year
■						■				Community Pharmacy Technician (30-536-1)	18 Weeks
						■				Cosmetology (31-502-1)	1 Year
			■							Criminal Justice – Law Enforcement Academy (30-504-1)	13 Weeks
			■						+	Dental Assistant (31-508-1)	1 Year
				■						Diesel Equipment Mechanic (31-412-1)	1 Year
		■							+	Emergency Medical Technician (30-531-3)	20 Weeks
		■								EMT-Paramedic (31-531-1)	1 Year
			■							Facilities Maintenance (31-443-2)	1 Year
						■			+	Health Unit Coordinator (30-510-2)	1 Year
■						■				Medical Assistant (31-509-1)	1 Year
■	■		■			■				Nursing Assistant (30-543-1)	6 Weeks
■			■			■		■		Office Assistant (31-106-1)	1 Year
■			■						+	Practical Nursing (31-543-1) (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 (Concentration Area 31-442-1A)	
										Advanced Welding (Concentration Area 31-442-1B)	
										Pipe Welding (Concentration Area 31-442-1C)	
■						■			+	Welding/Maintenance and Fabrication (30-442-2)	18 Weeks

2013-2014 Gateway Technical College
Advanced Technical Certificates

(current as of date printed)
Contact Student Services for enrollment information.

CAMPUS/CENTER LOCATIONS

ATCs

Elkhorn Campus	Burlington Center	HERO Center	Kenosha Campus	Horizon Center	Lakeview Center	Racine Campus	iMET Center	Online	Program
■						■			Computer Animation (10-810-18)
■						■			Digital Photography (10-810-17)
			■						Game Programming (10-810-16)
			■						Geothermal Specialist (10-810-19)
	■		■						Gerontological and Rehabilitative Nursing Care (10-810-21)
			■						IBM Enterprise Programming and Administration (10-810-11)
			■						Mobile Applications Development (10-810-22)
■						■			Multimedia (10-810-2)
						■			Oracle (10-810-4)
			■						Urban Farming (10-810-20)

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

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

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

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

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

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

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

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

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

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

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

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