GATEWAY TECHNICAL COLLEGE

2015 Comprehensive Annual Financial Report

(With Independent Auditors' Report)

For the Fiscal Years Ended June 30, 2015 and 2014

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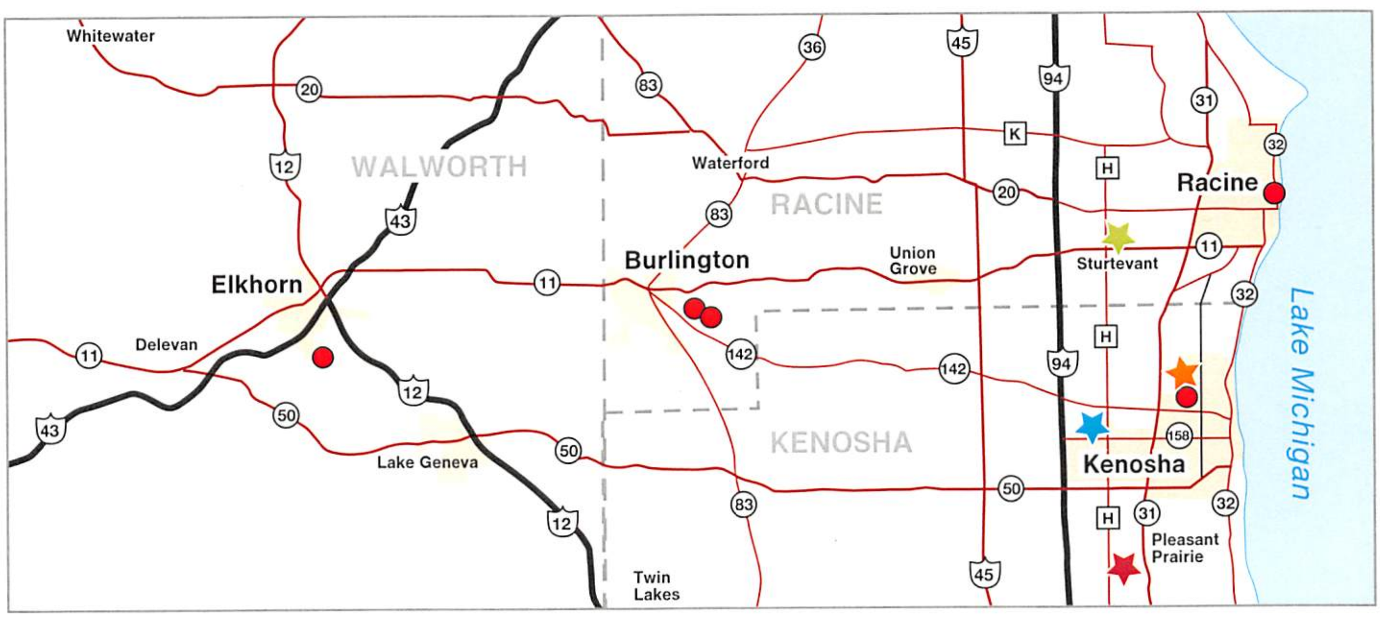
Gateway Technical College



GATEWAY TECHNICAL COLLEGE DISTRICT

Racine/Kenosha/Elkhorn, Wisconsin

Comprehensive Annual Financial Report
For the Fiscal Years Ended June 30, 2015 and 2014
(With Independent Auditors' Report)

Official Issuing Report:

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

Report Prepared By:

Sharon Johnson, CPA, Controller

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

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

GATEWAY TECHNICAL COLLEGE DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Years Ended June 30, 2015 and 2014

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Introductory Section

Bryan D. Albrecht, Ed.D.
President

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Burlington, WI 53105-3622
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CENTER FOR BIOSCIENCE & INFORMATION TECHNOLOGY
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Kenosha, WI 53144-1690
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ELKHORN CAMPUS
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HERO (HEALTH AND EMERGENCY RESPONSE OCCUPATIONS) CENTER
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November 6, 2015

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

The Comprehensive Annual Financial Report (CAFR) of Gateway Technical College District (the District or Gateway) for the fiscal years ended June 30, 2015 and June 30, 2014 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

Gateway – Environment

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

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

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

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

Gateway serves more than 23,000 students, mainly from the counties of Kenosha, Racine and Walworth and remains an educational leader that aggressively ensures it delivers graduates who have learned real-world technical skills that get them hired.

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

In fiscal year 2014-15 Gateway continued to receive recognition on a national level with the awarding of the national Green Genome Award from the Sustainability Education and Economic Development Center to honor exemplary community colleges that have taken a strategic leadership role in sustainability and green economic and workforce development.

Gateway received the Manufacturing Skills Standards Company's (MSSC) 2015 Authorized Center national award for certifications issued as well as the Military Friendly School award given by Victory Media to the top 15 percent of colleges doing the most to embrace America's military service members, veterans, and their spouses to ensure their success as students.

Gateway co-hosted an event focused on entrepreneurship, geared to inspire attendees and provide them with the methods needed to succeed in starting their own successful business, in November 2014 at the college's Racine Campus. The event, Unconference, brought in experts on business planning, financing and real estate, as well as successful entrepreneurs, educators, and lenders. Howard Tullman, the CEO and founder of the Chicago startup working space called 1871, was the event keynote.

In addition, Gateway was once again named one of the top places to work among large employers in Southeastern Wisconsin, placing in the top 20 in the Milwaukee Journal-Sentinel's Top 100 Workplaces 2015 list!

Gateway also received the Distinguished Service Award from the Boy Scouts of Southeastern Wisconsin in fiscal year 2014-15.

Gateway Technical College Governance

Gateway Technical College is governed by a nine-member Board of Trustees, which is appointed by a committee comprised of the chairpersons of each of the three county boards—Kenosha, Racine, and Walworth. 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 Goals – One Vision
In order to provide more focus to the overall strategic direction of the college, Vision 3.2.1 was updated. The three communities and one vision remain the same. What's new are two overarching goals intended to bring a tighter focus to the plan. Goal 1 is focused on increasing enrollment and Goal 2 is focused on creating a culture of excellence and continual improvement. The objectives of the original plan are unchanged but have been realigned to fit under these two goals.

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.

<u>Economic Condition & Development</u>
Wisconsin's economy is on the rebound. U.S. Bureau of Labor Statistics' unemployment and employment estimates showed Wisconsin's seasonally adjusted June 2015 unemployment rate at 4.6 percent, lower than the national rate of 5.3 percent. The unemployment rate in Kenosha County was 5.4 percent, Racine County 6.1 percent and Walworth County 5.0 percent in June 2015. Those rates compare to June 2014 numbers of 6.6 percent in Kenosha County, 7.6 percent in Racine County, and 5.9 percent in Walworth County.

As illustrated by the recent unemployment rates, the economy is gradually improving in the Gateway District, especially in Kenosha County, as new business development moves into the area. Our area workforce, location, educational opportunities and infrastructure combined with our region's strong manufacturing base attract companies. Through its ability to provide flexible and solid training, Gateway continues to be recognized as one of the reasons in which companies are drawn to the community.

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

Gateway Technical College and its students added $933.2 million in income to the Gateway Technical College District economy, or about equal to 5.6 percent of the region's gross regional product, an economic survey conducted by economic modeling specialists INT and released in September 2014 indicated. In addition, for every $1 of public money invested in Gateway, taxpayers receive a cumulative return of $4.20 in the form of higher tax receipts and public sector savings, the report also indicated.

The improving economy does, however, present challenges to enrollment at Gateway. Enrollment growth is typically in the opposite of the direction of the economy. As the economy improves, enrollments tend to decline as potential students are choosing to enter the workforce.

Additional challenges that Gateway faced in the current fiscal year, and will continue to face in coming fiscal years, are the increase in performance funding to 20 percent in 2016 and 30 percent in 2017 and the rising cost of operational expenses, employee benefits and facility maintenance.

In addressing these challenges, Gateway leaders have:

- Identified efficiency strategies that will allow for expansion in several areas including new programs, support services and updated facilities.
- Established and funded a task force that is dedicated to working on our enrollment challenge.
- Identified partnerships to assist in creating energy savings over the next three years.
- Identified opportunities to grow our college including increased business training, international student recruitment, high school articulation, dual enrollment programming and customized delivery.

With the impact of the Affordable Healthcare Act, Gateway restructured the health and dental care benefits and has created a team of experts to explore new options for employee benefits.

Gateway is committed to our students, community and staff and will rise to the challenges while continuing to contribute to our community's development.

Major Initiatives and Accomplishments

The commitment to excellence and innovation is guided by Vision 3.2.1, established under the leadership of Gateway President and CEO Dr. Bryan D. Albrecht. Vision 3.2.1 is the 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 2014-15 year.

Leadership of a Model College

In fiscal year 2014-15, through the efforts of its visionary leaders, faculty, staff and students, Gateway continued to distinguish itself as a leader in the nation, gaining recognition on a national level in a variety of different ways to include the following:

- Lean for Education Center of Excellence – Gateway's leadership in their Lean Six Sigma journey led to a partnership with The Quality Group (TQG) to offer a national virtual central training hub for educational partners that are seeking to use the Lean for Education training platform to help build a culture of excellence and continuous improvement.
- The United States Fab Lab Network (USFLN) selected Gateway to host its national symposium. Fab Lab managers, technicians and administrators from around the United

States attended the event to learn about the newest innovations in Fab Labs and gain knowledge to help facilitate programs at their own colleges and communities.

- Instructor Mike Hashek received an award for being a Top 10 Certification Administrator from ETA (Electronic Technicians Association-International). This award certifies that the Supervisory Management Program at Gateway is one of the Top 10 Certification Exam Proctors in the world. ETA is an international organization and Gateway is leading the way in customer service, illustrated through the two certifications we offer within our program.

A seminar hosted at Gateway in August 2014 gave several area high school instructors the skills and equipment to provide cutting-edge training to their students to successfully enter their career or a college program. Called a "train-the-trainer" event because college instructors train high school instructors to better train their students, the session provided nationally certified instruction on Snap-on automotive diagnostic equipment used in the industry today.

- Gateway hosted a national leadership summit for the National Coalition of Certification Center (NC3), featuring workshops, tours of college facilities and presentations from leaders including Wisconsin Secretary of Workforce Development Reggie Newson; the American Association of Community Colleges "21st Century Report" author and researcher Walter Bumphus as well as John Colborn, CEO Skills for America's Future. More than 125 education and business leaders from across the United States attended the summit to learn about a national priority calling for industry-driven credentials and the best practices of colleges which have integrated these certifications into their curriculum.
- To celebrate Women's History Month, Gateway and the Wisconsin Women's Business Initiative Corporation partnered to host a competition for female entrepreneurs who create innovative products or services that impact the lives of women and families. The Innovateher Business Challenge hosted at Gateway was the Wisconsin version of the national competition sponsored by the US Small Business Administration.
- Gateway was a host college for the international ITEEA conference held in Milwaukee, focused on providing workshops and speakers providing innovation in the area of science, technology engineering and math (STEM) education.

Service Learning – Serving the Community

Gateway faculty, staff and students take pride in serving its communities and took advantage of many opportunities to provide quality services through service learning in the 2014-15 fiscal year. To reiterate the theme of service, Gateway hosted the 21st annual Dr. Martin Luther King, Jr. celebration in January 2015 where the theme was "Care. Serve. Act." This event encouraged Gateway and the entire community to get involved and make a difference by becoming a servant leader. The keynote speaker was Tom Thibodeau, the chairman of the master's degree Servant Leadership program at Viterbo University in La Crosse, Wis.

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

- Students and staff in the Barbering program participated in giving free haircuts to Veterans for Stand Down and also worked with HALO in Racine, to offer free haircuts to the homeless.
- The cosmetology program provided free services for the Kismet Club; which is a non-profit mental health recovery service.
- Gateway student chapter of the Association of Information Technology Professionals (AITP) held several computer clinics in the 2014-15 academic year at each campus,

providing services to the community for free while honing their computer troubleshooting and customer service skills. The clinics were well-attended and popular with the public.

- Accounting students volunteered in the VITA (Volunteer Income Tax Assistance) program and received a letter from the IRS commending Gateway's program.
- Gateway held its popular summer camps again in summer 2015, with hands-on, fun learning, featuring such activities as building a rocket, designing T-shirts and jewelry, cooking meals and using a 3-D printer to design and build virtually any item. Camps were open to students who had completed grades 6 through 8.

Community Partnerships

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

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

- In April 2015 Gateway partnered with UW-Parkside in a Forward Together articulation agreement. This agreement establishes advanced curriculum and training pathways that include:
    - Course articulation leading to a 2+2 transfer agreement in Criminal Justice
    - A shared training revenue model for customized safety in-service training
    - A regional career pathway recruitment strategy to strengthen opportunities for all first responder professions throughout Southeastern Wisconsin.
- In the 2014-15 fiscal year, Gateway began collaborating with local government IT departments on potential mutually beneficial disaster recovery options. Mutually-beneficial disaster recovery options between Gateway and Kenosha County were identified which would leverage the existing collaboration/partnership for the fiber network in an innovative way that would give both entities better disaster recovery/survivability options.
- Gateway partnered with Kenosha County, KABA, Carthage College, Kenosha News and the City of Kenosha form a wireless consortium to provide free wireless Internet access in the downtown area.

Green Initiatives

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

- Gateway was one of five exemplary community colleges to be presented with an American Association of Community College (AACC) Green Genome Award in July 2014. The five awards were issued as part of AACC's expanding national effort to support environmentally sustainable practices, programs, and job training at the nation's almost 1,200 community colleges. Gateway was recognized for the Strategic Partnerships category.
- On April 22nd, Gateway hosted the 3rd annual sustainability high school summit. More than 50 high school students from the tri-county area attended the event. During the

event, there were speakers from the Water Council, the Racine Urban Garden Network, Great Lakes Farmer's Market, Burlington Farmer's Market, and Kenosha's Harbor Market.

- Gateway hosted a successful ribbon-cutting ceremony for its new Nature Discovery Trail at the Center for Sustainable Living on its Kenosha Campus. This trail was designed to give students a unique opportunity to experience nature up close that they otherwise might not get.
- On behalf of the college, Gateway's president, Dr. Bryan D. Albrecht received a memorial tree from the 911 Survivor Tree in New York. A Callery pear tree survived the World Trade Center bombing and became a symbol of survival. The tree was pulled from the rubble and revived by the New York Parks Department. Cuttings of the tree were taken and memorial trees grown to size. Gateway received one of these memorial trees which was planted in the arboretum during the college's annual Celebrate Earth Day event.

Facilities

Quality facilities and equipment help to provide the Gateway Experience that students and the community engage in. Fiscal year 2014-15 projects added resources and training opportunities to help students in their academic and career endeavors.

- The construction of the Kenosha Learning Success Center was completed, which provides a more professional and inspirational environment for learning.
- The newly remodeled Elkhorn South Building opened with innovative conference facilities, offices for WECEDA, the Job Center, and faculty. The building, which formerly housed the old Job Center, began renovations to become the home of the new Veterinary Science program.
- The renovation of the Student Services Center in Kenosha was completed and opened for students on March 30, 2015. Students gave very positive feedback on the look and feel of the new center.
- Gateway signed a partnership agreement to explore a new energy management feasibility study that will freeze utility costs over 3 years, create new curriculum and certifications on energy management, and train internal employees on best practices.

Student Success

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

- In fiscal year 2014-15 Gateway joined other leading colleges across the nation to hold a CTE Letter of Intent Signing Day to honor high school students making a commitment to a career plan that includes a technical education career path.
- The Gateway Foundation continues to provide crucial support that enables students to reach their educational goals and ultimately impact their lives, the lives of their families as well as the community. This fiscal year the Gateway Foundation granted more than 190 scholarships totaling more than $145,800.
- Gateway began offering a new resource to students this fiscal year called "SALT". This is a program designed to help students become financially literate during college and beyond. SALT is a dynamic, multichannel financial education and debt management program that educates, empowers, and engages our students to truly own their finances. SALT makes it immediately rewarding, easy, and fun for students to make smart decisions about their money and student loan borrowing.

- Gateway student Beth Tyykila's entrepreneurial concept for a "sensory palace" business focused on providing a fun atmosphere tailored to the needs of autistic children won first place in the college's second annual "Shark Tank"-like competition held in November 2015 during the celebration of Global Entrepreneurship Week.
- Horticulture student Rachel Sullins took third place an American Institute of Floral Designers' 2014 Student Floral Design competition as part of the institute's national symposium July 2, 2015 in Chicago. Sullins took third in the Sympathy category, which called for students to create an arrangement in an urn or a vase.
- Eight Gateway students took home first-place honors at the Business Professionals of America-Wisconsin Association's state spring leadership conference Feb. 19-Feb. 21 2015 at Lakeshore Technical College.
- Gateway Technical College Interior Design student Lisa Damm (Racine) took first place in the Residential Design category at the Wisconsin Technical College System Interior Design Competition held March 6, 2015 in Madison.
- Several members of Gateway Technical College's Collegiate DECA team took home honors at the International Career Development Conference held April 17-April 22, 2015 in Orlando, Fla.

<u>Technology Initiatives</u>
As a technical college, Gateway realizes the importance of offering skills training through the most up-to-date technology, as well as providing technology to its staff to better meet the needs of students, the community, and business partners. Some of the advancements in technology initiatives in fiscal year 2014-15 are as follows:

- The VANguard distance learning initiative saw increased numbers of high school students and new Gateway offerings in General Studies, Chinese, and Programming. More schools in the network are using this technology to take classes from Gateway and from each other. A total of 491 students were served.
- The Learning Innovation Division (LID) successfully implemented ReadSpeaker, a screen reading application for websites that provides expanded access for visually impaired users of Gateway's website and Blackboard resources.
- The Server and Virtualization Technology department is working to create the infrastructure necessary to be able to provide a VDI (virtual desktop infrastructure) desktop for every Gateway staff and faculty.

<u>Special Funding/Grants</u>
Several grants and special funding received by Gateway this year include:

- Business & Workforce Solutions provided training for nine Workforce Advancement Training (WAT) grants for a total of $146,783 in grant funds.
- AT&T awarded Gateway Foundation $10,000 in support of the Pathways to Success program at the college. The additional funds will allow the program to serve five additional students.
- Snap-on provided $200,000 the Foundation to help fund additional STEM initiatives at the college.
- On September 4th, the U.S. Small Business Administration (SBA) announced that Gateway was one of 50 winners out of 800 applicants for the first Growth Accelerator Fund Competition, with $50,000 granted to our new Launch Box Accelerator program in Racine. Marianne Markowitz, Regional Administrator for SBA Great Lakes, honored and officially recognized the accelerator in a visit to Gateway.
- SC Johnson renewed its support of the college's Boot Camp training program with a gift to the Gateway Technical College Foundation Inc. of $245,000.

- Gateway in July 2015 received $1.89 million to reduce student waiting lists and expand capacity in high-demand career program areas to provide even more opportunities for new and existing students to receive the training they need to enter the workforce.
  A total of 14 Gateway projects were funded through Governor Scott Walker's Blueprint for Prosperity program to serve more than 750 students over two years, ending in 2016. Students will enter programs in six different industrial sectors.
- District Mutual Insurance in August 2015 awarded Gateway $27,000 as part of a risk management project award to expand the college's current notification system within its facilities throughout the district.
- Several veterans will benefit from an $859,948 Trade Adjustment Assistance/Community College & Career Training grant awarded to Gateway to assist them in gaining a degree and entering a health-related career. The grant targets veterans pursuing health care careers in all three counties Gateway serves.

New Programs/Academic Initiatives
Gateway strives to be flexible in its course and service delivery to help students achieve their goals. The 2014-15 year certainly exemplified flexibility with the addition of new offerings as well as the continued positive impact of established programs.

- The new Veterinary Sciences program was approved in this fiscal year. Gateway is only the second college in the Wisconsin Technical College System to offer this program which will include a Veterinary Assistant technical diploma and a Veterinary Technician associate degree program. The program is set to begin in the 2015-16 fiscal year.
- The culinary team hosted Gateway's first Demonstration Cooking Series this fiscal year which featured Chef Robert of Butter Buds.
- Gateway's Fast-Pitch program, which began three years ago, makes a significant impact on the community by helping many to fine-tune their business plans and successfully get started in business. This program allows participants to deliver their business ideas in a three-minute pitch before a panel of judges. The winners receive cash prizes to help launch their business ideas.

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

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

Single Audit
As a recipient of federal, state, and county financial assistance, Gateway also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management 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 May board meeting. Revenue and expenditure forecasts, as well as actual results versus budget, are presented to the District Board monthly and on a quarterly basis. If modifications or changes of the approved budget are required, then approval by a two-thirds vote of the District Board is needed.

Other Information

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

Certificates
Gateway has been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association (GFOA) for Gateway's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014.

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

The Certificate is valid for a period of one year only. We believe our current report continues to conform to the program's requirements and we will be submitting this report to GFOA for their review.

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

Respectfully submitted,

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

Bane Thomey
CFO / Vice President of Finance & Administration

GATEWAY TECHNICAL COLLEGE

DISTRICT BOARD AND PRINCIPAL OFFICIALS
As of June 30, 2015

District Board

Chairperson	Gary Olsen	Employer Member
Vice Chairperson	William Duncan	Additional Member
Secretary	Susan Greenfield	Employee Member
Treasurer	Ronald J. Frederick	Additional Member
Member	Ram Bhatia	Additional Member
Member	Bethany Ormseth	Employer Member
Member	R. Scott Pierce	School District Administrator
Member	Roger Zacharias	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 Business & Workforce Solutions	Deborah J. Davidson

Gateway Technical College District Board of Trustees

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

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

Ram Bhatia
Racine County

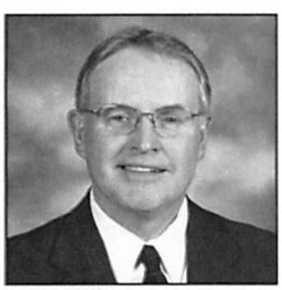
William Duncan
Walworth County

Ronald J. Frederick
Kenosha County

Susan Greenfield
Racine County

Gary Olsen
Walworth County

Bethany Ormseth
Kenosha County

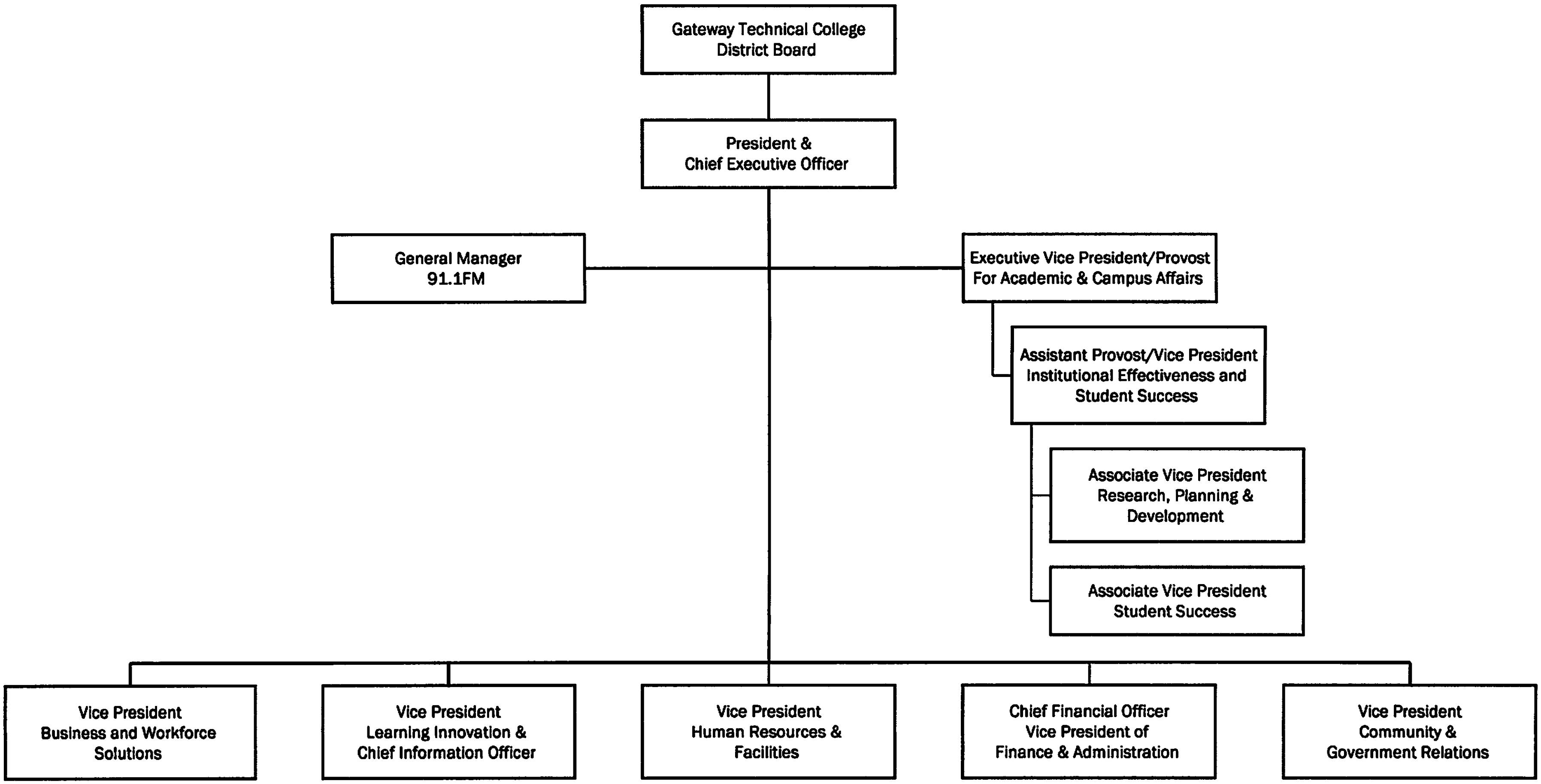


R. Scott Pierce
Kenosha County

Roger Zacharias
Kenosha County

Pamela Zenner-Richards
Racine County

Gateway Technical College
Organizational Chart
As of June 30, 2015



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Gateway Technical College

Wisconsin

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Jeffrey R. Emer

Executive Director/CEO

Financial Section

Schenck SC
CPAs AND SO MUCH MORE.

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 Gateway Technical College District (the District) as of and for the years ended June 30, 2015 and 2014, 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 auditors consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Gateway Technical College District as of June 30, 2015 and 2014, 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 discussed in Note 15, the District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68.* 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 and the schedules relating to pensions and other post-employment benefits on pages 18 through 31 and 77 through 78 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Schenck SC

Certified Public Accountants
Sheboygan, Wisconsin
November 6, 2015

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, 2015.

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

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

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

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

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

Stated in Thousands ($000)

	2015	2014	Incr (Decr) 2015-2014	2013	Incr (Decr) 2014-2013
Assets					
Cash and other current assets	$ 45,020	$ 46,548	$ (1,528)	$ 43,744	$ 2,804
Capital assets, net of accumulated depreciation	83,122	66,044	17,078	61,146	4,898
Total Assets	128,142	112,592	15,550	104,890	7,702
Deferred Outflows					
Deferred outflows related to pension	6,669	-	6,669	-	-
Liabilities					
Current	16,086	14,710	1,376	13,702	1,008
Non-Current	49,568	44,866	4,702	41,416	3,450
Total Liabilities	65,654	59,576	6,078	55,118	4,458
Deferred Inflows					
Deferred inflows related to pension	49	-	49	-	-
Net Position					
Net investment in capital assets	28,972	23,474	5,498	20,983	2,491
Restricted	16,848	2,345	14,503	2,017	328
Unrestricted	23,288	27,197	(3,909)	26,772	425
Total Net Position	$ 69,108	$ 53,016	$ 16,092	$ 49,772	$ 3,244

Total assets increased $15.5 million or 13.8% in FY 2015 and increased $7.7 million or 7.3% in FY 2014. Total liabilities increased by $6.1 million or 10.2% in FY 2015 as compared to an increase of $4.5 million or 8.1% in FY 2014. Overall, the total net position increased by $16.1 million or 30.4% in FY 2015 while FY 2014 experienced a $3.2 million or 6.5% increase for the fiscal year.

Fiscal Year 2015 Compared to Fiscal Year 2014

- Again in FY 14/15 cash and cash equivalents experienced a large increase of $8.2 million or 33.5% as compared to a $4.3 million or a 21.4% increase in FY13/14. Cash received from tuition and fees decreased by 9.6% or ($.9 million) and federal and state receipts decreased by ($3.0 million) or 7.6%.

- Other current assets decreased by ($9.8 million) or 44.6% mainly due to a decrease in property tax receivables resulting from the change in the Property Tax Relief Act.

- Capital assets, net of accumulated depreciation, increased by $17.1 million or 25.9%. Besides net capital equipment and net intangible asset additions of approximately $.7 million, there were various remodeling/constructions projects at all campuses. Major projects in Elkhorn include: South Building expansion, Conference Center and Office renovation, and HVAC updates. On the Kenosha campus, major projects include remodeling the Student Support expansion, Student Services, Learning Success Center and a new roof on the Academic building. Projects in Racine include roof replacements on the Lake and Racine buildings.

- Overall current liabilities increased 9.4% in FY 2015 compared to an increase of 7.4% in FY 2014. General accounts payable was up by 30.2% or ($.8 million), while unearned revenue decreased 9.0% or ($.2 million). The current portion of general obligation debt increased by $.6 million or 8.1%. Deferred outflows relate to the Wisconsin Retirement System and increased $6.7 million. The FY 2014 balance was $0 as the District implemented GASB Statement Nos. 68 and 71 during FY 2015.

- Long-term liabilities increased 10.5% or $4.7 million as compared to FY 2014 increase of 8.3% or $3.4 million. General obligation debt increased by approximately $4.6 million in FY 2015, while the long-term liability for other post-employment benefits (OPEB) increased by $168,216 or 6.0%. Additional information can be found in footnote #7 in the notes to the financial statements.

- Total net position increased in FY 2015 by $16.1 million, as compared to an increase of $3.2 million in FY 2014. For FY 2015 there is an increase of $5.5 million net investment in capital assets, a $14.5 million increase in restricted assets, and a $3.9 million decrease in unrestricted assets. The increase in FY 2015 reflects the addition of the District's pension asset as required by GASB 68.

Fiscal Year 2014 Compared to Fiscal Year 2013

- Again in FY 13/14 cash and cash equivalents experienced a large increase of $4.3 million or 21.4% as compared to a $6.0 million or a 41.9% increase in FY12/13. While cash received from tuition and fees decreased by 8.5% or ($.8 million) and federal and state receipts decreased by ($7.4 million) or 15.11%, the cash payments for materials and services decreased by almost ($8.0 million) or 16.11%.

- Other current assets decreased by ($1.5 million) or 6.5% mainly due to federal and state aid receivables decreasing by ($1.7 million) or 43.0%.

- Capital assets, net of accumulated depreciation, increased by $4.9 million or 8.0%. Besides net capital equipment and net intangible asset additions of approximately $1.8 million, there were various remodeling/constructions projects at all campuses. Major Racine projects included a remodel of the Learning Success Center on the Racine Campus in the Lake Building, as well as a boiler replacement and an air handler. Additionally, the SC Johnson iMET parking lot was expanded.

- Overall current liabilities increased 7.4% in FY 2014 compared to a decrease of 7.1% in FY 2013. General accounts payable was up by 21.2% or ($.5 million), while the accrued payroll and benefits liability increased by 19.7% or ($.2 million). The current portion of general obligation debt increased by $.5 million or 7.0%.

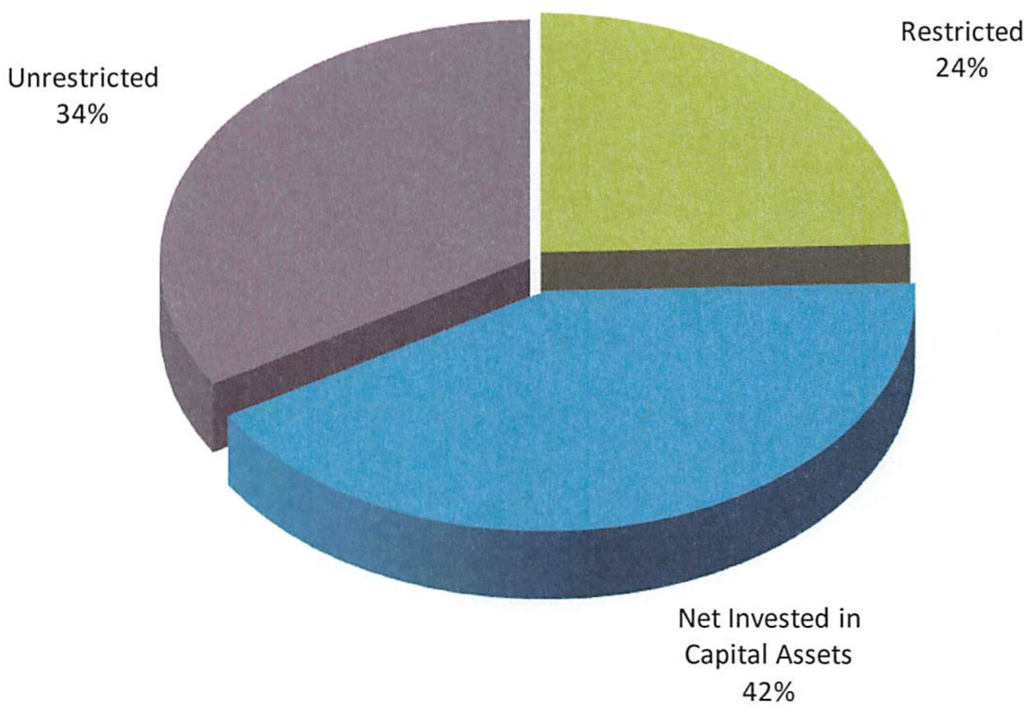
- Long-term liabilities increased 8.3% or $3.4 million as compared to FY 2013 increase of 13.1% or $4.8 million. General obligation debt increased by approximately $3.6 million in FY 2014, while the long-term liability for other post-employment benefits (OPEB) increased by $209,000 or 8.0%. Additional information can be found in footnote #7 in the notes to the financial statements.

- Total net position increased in FY 2014 by $3.2 million, as compared to an increase of $5.7 million in FY 2013. The increase in FY 2014 reflects an increase of $2.5

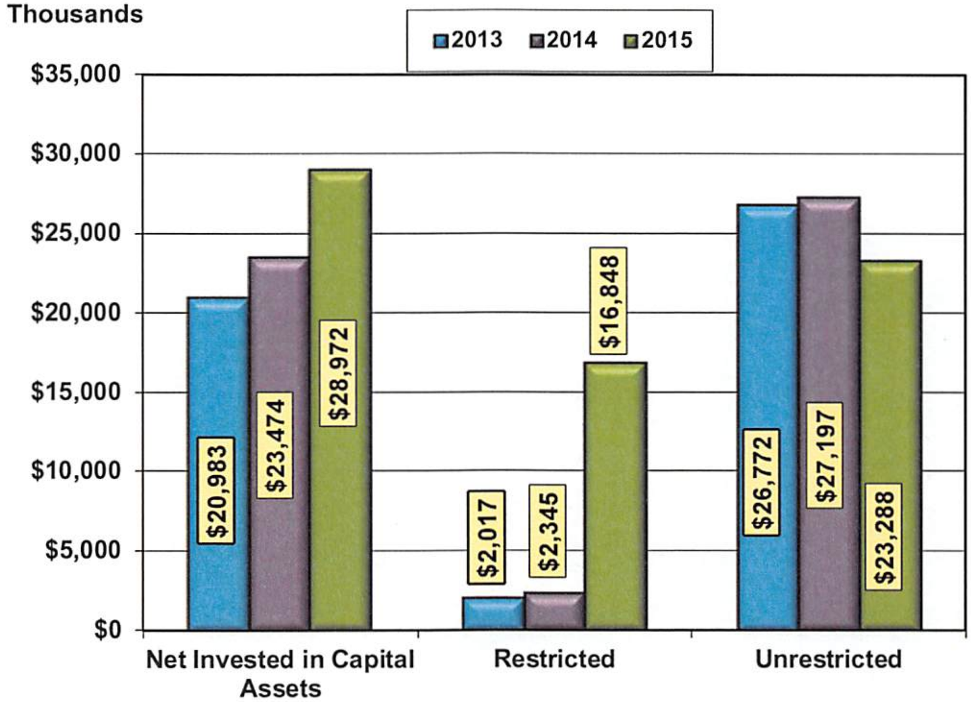
million net investment in capital assets, a $.3 million increase in restricted assets, and a $.4 million increase in unrestricted assets.

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, 2015



Comparative Net Position
Fiscal Years 2013, 2014 and 2015



Statements of Revenues, Expenses and Changes in Net Position

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

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

Stated in Thousands ($000)

	2015	2014	Incr (Decr) 2015-2014	2013	Incr (Decr) 2014-2013
Operating Revenues					
Student fees	$ 8,359	$ 9,242	$ (883)	$ 9,361	$ (119)
Federal & state grants	36,936	39,928	(2,992)	46,511	(6,583)
Local Grants	102	-	-		
Contract revenues	2,648	2,149	499	2,178	(29)
Auxiliary & miscellaneous revenues	1,692	1,701	(9)	1,947	(246)
Total Operating Revenues	$ 49,737	$ 53,020	$ (3,385)	$ 59,997	$ (6,977)
Operating Expenses					
Instruction	$ 55,475	$ 55,803	$ (328)	$ 56,214	$ (411)
Instructional resources	1,254	1,181	73	1,137	44
Student services	13,333	11,529	1,804	10,748	781
General institutional	8,767	8,385	382	8,183	202
Physical plant	7,887	7,510	377	7,465	45
Student aid	20,998	24,334	(3,336)	29,874	(5,540)
Public services	374	358	16	358	-
Auxiliary services	509	440	69	508	(68)
Depreciation	5,976	4,997	979	4,544	453
Total Operating Expenses	$ 114,573	$ 114,537	$ 36	$ 119,031	$ (4,494)
Non-operating Revenues (Expenses)					
Property taxes	$ 28,771	$ 60,150	$ (31,379)	$ 59,396	$ 754
State appropriations	38,467	5,500	32,967	5,486	14
Loss on disposal of capital assets	(61)	35	(96)	(2)	37
Investment income	47	41	6	39	2
Interest expense & debt issuance costs	(1,557)	(1,449)	(108)	(1,519)	70
Total Non-operating Revenues (Expenses)	$ 65,667	$ 64,277	$ 1,390	$ 63,400	$ 877
Capital Contributions					
Federal & state capital grants	184	298	(114)	193	105
Other capital grants/donations	516	186	330	1,433	(1,247)
Total Capital Contributions	700	484	216	1,626	(1,142)
Net increase (decrease) in net position	1,531	3,244	(1,815)	5,992	(2,748)
Net Position - beginning of year	53,016	49,772		44,063	
Cumulative Effect of Change in Accounting Principle	14,561	-		(283)	
Net Position - end of year	$ 69,108	$ 53,016		$ 49,772	

OPERATING REVENUES include the charges for services offered by the District and other federal and state operating grants. During FY 2015 the District generated $49.7 million of operating revenue which is a 6.2% decrease or ($3.3 million) over FY 2014. Significant changes for the fiscal years are as follows:

Fiscal Year 2015 Compared to Fiscal Year 2014

- Student tuition and fees dropped by approximately ($883,115) or 9.6%. FTE's were 4,919 in FY 2015 as compared to 5,419 in FY 2014. This is the fourth consecutive year the college has experienced a decrease in FTE after the significant increases seen in fiscal years 2009 through 2011.

- Federal grants decreased by 10.8% or ($3.9 million) in FY 2015 compared to a decrease of 14.7% or ($6.3 million) in FY 2014. The decrease is due to the reduction of federal loans and Pell grants received in FY 2015 versus FY 2014.

- State grants increased by $956,909 or 29.2% due to an increase of funds received for special revenue project grants.

- Contract revenue increased $499,062 or 23.2% for FY 2015.

Fiscal Year 2014 Compared to Fiscal Year 2013

- Student tuition and fees dropped by approximately ($119,000) or 1.3%. FTE's were 5,419 in FY 2014 as compared to 5,813 in FY 2013. This is the third consecutive year the college has experienced a decrease in FTE after the significant increases seen in fiscal years 2009 through 2011.

- Federal grants decreased by 14.7% or ($6.3 million) in FY 2014 compared to a decrease of .8% or ($0.3 million) in FY 2013. ($5.9 million) of the decrease is due to the reduction of federal loans and Pell grants received in FY 2014 versus FY 2013. The remaining ($.4 million) decrease is a reduction of funds received for federal project grants.

- State grants decreased by ($250,000) or 7.1% due to a reduction of funds received for special revenue project grants.

- Auxiliary and miscellaneous revenues decreased by ($246,000) or 12.6% in FY 2014 compared to a $487,000 increase or 33.3% in FY 2013. This is mainly due to fewer funds received for; operational donations ($37,000), bookstore commissions ($66,000), incubator rentals ($32,000), auto lab/toolkit sales ($48,000) and other miscellaneous revenues.

OPERATING EXPENSES are costs incurred for providing education, training and related services. Overall operating expenses remained flat in FY 2015 as compared to a 3.8% or ($4.5 million) decrease in FY 2014. Changes within operating expenses for the fiscal years are as follows:

Fiscal Year 2015 Compared to Fiscal Year 2014

- Student aid expenditures dropped ($3.3 million) or 13.7%. The significant reduction is due to a combination of factors; student FTE dropped by 9.2% and as a result less students' applied for loans and Pell grants.

- Student Services expenses increased 15.7% or $1.8 million due to restructuring of additional support for student services.

- Instructional expenses decreased by ($328,705) due to savings in instructors salaries and related benefits. As enrollment declines the use of adjunct instruction in place of full-time instructors allows for cost savings in benefits, while still meeting the needs of our students.

- General institutional increased by approximately $382,000 mainly due to an increase in administrative and technical employee salary expenses. Vacant positions were filled and an Office of Quality Systems was fully staffed in FY 2014.

- Physical Plant expenses increased by $377,000 due mainly to increased repairs expenses.

- Depreciation expense increased $979,000 or 20.0% as compared to a FY 2014 increase of $453,000 or 10.0%.

Fiscal Year 2014 Compared to Fiscal Year 2013

- The main factor in the ($4.5 million) reduction in operating expenses relates to the ($5.5 million) reduction in student aid expenditures. The significant reduction is due to a combination of factors; student FTE dropped by 6.8% and as a result less students' applied for loans and Pell grants.

- An offset to the overall ($4.5 million) expense reduction is an increase to Student Services expenses of 7.3% or $.8 million. Due to the third year of implementation of additional support for student services, the corresponding expenses increased.

- Instructional expenses decreased by ($411,000) due to savings in instructors salaries and related benefits. As enrollment declines the use of adjunct instruction in place of full-time instructors allows for cost savings in benefits, while still meeting the needs of our students. In FY 2014 instructor extended pay (over-time) was discontinued as compared to an $808,000 FY 2013 expense.

- General institutional increased by approximately $202,000 mainly due to an increase in administrative and technical employee salary expenses. Vacant positions were filled and an Office of Quality Systems was implemented in FY 2014.

- Depreciation expense increased $453,000 or 10% as compared to a FY 2013 increase of $236,000 or 5.5%.

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, increased by $1.4 million or 2.2% in FY 2015 compared to a ($.9 million) increase or 1.4% in FY 2014. The significant components of the fiscal years are as follows:

- Property taxes are a primary source of revenue for the District comprising 25.0% of our revenue source in FY 2015. Overall property taxes revenues for the year were $28.8 million, a decrease of ($31.4) million or (52.2)% less than recognized in FY 2014. This is primarily due to ACT 145 which shifts a portion of funding from property taxes levied to a state aid payment.

- The 2013 Wisconsin Act 20, among other things, eliminated the mill rate limitation that had been in place for technical districts in previous fiscal years and in its place introduced a tax levy limitation (the "Tax Levy Limit"). 2013 Wisconsin Act 145 signed into law March 24, 2014 replaces the tax levy limit with a revenue limit beginning in fiscal 2015. Act 145 also shifts a portion of funding for technical college districts in the state from property taxes levied to a state aid payment. As a result, the District's FY2015 tax levy dropped from $60.2 million in FY2014 to $28.8 million in FY2015. State appropriations increased $33 million or 600% compared to a $14 thousand or 25% increase in FY2014. 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.

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 2014 reflected a decrease of approximately $70,000 or 4.6% for the expense, while FY 2015 reflects an increase of approximately $108,000. As deferred bond premium is recognized, it is used to reduce debt issuance expenses.

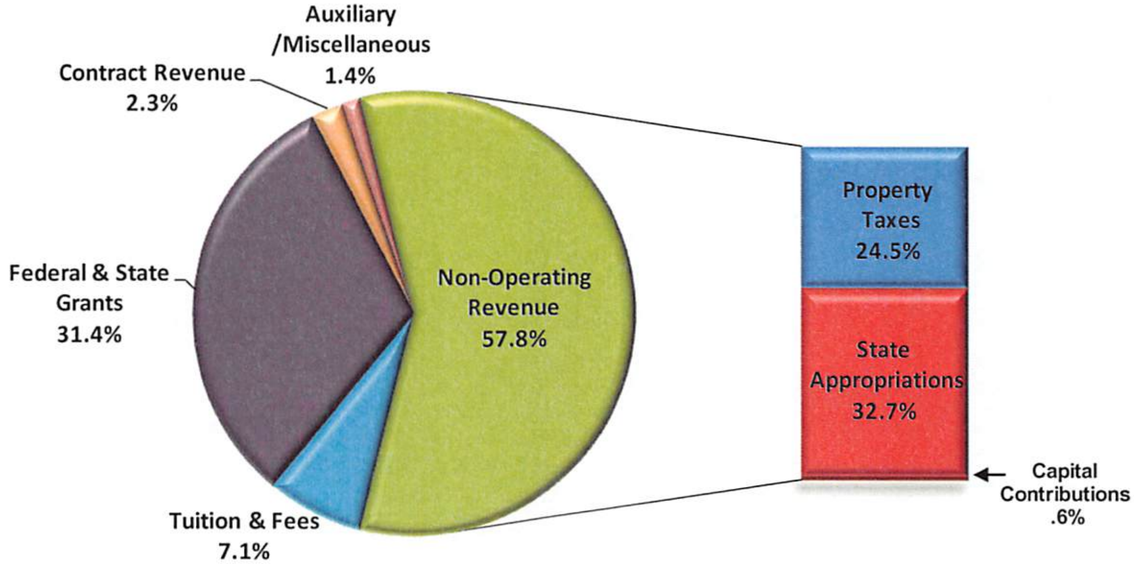
CAPITAL CONTRIBUTION REVENUE is revenue due to donations of cash or capital equipment and grant funds to be used exclusively for the purchase of capital assets. Overall contribution revenues increased ($.2 million) in FY 2015 as compared to a $1.1 million decrease in FY 2014. The significant components of this change are as follows:

- Donated funds increased by $.3 million in FY 2015.

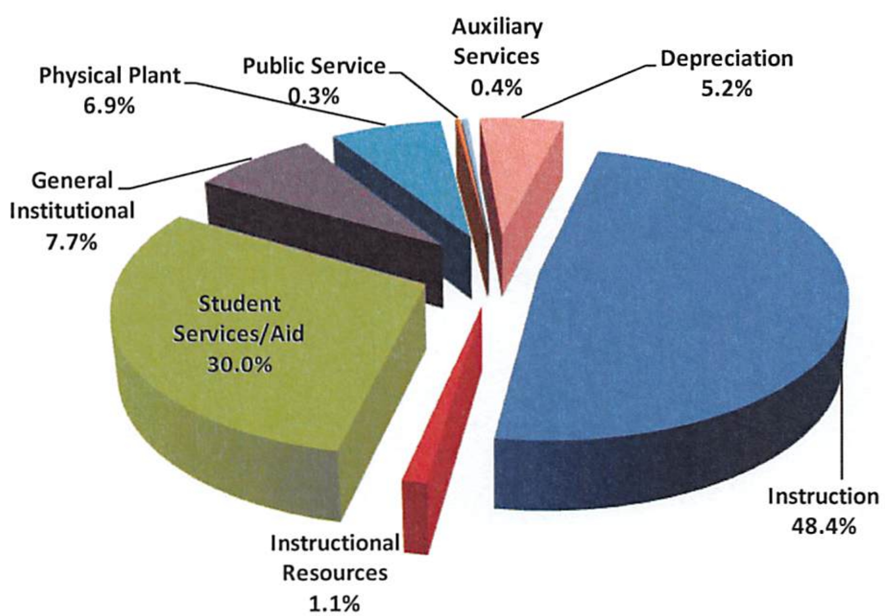
- Approximately $184,000 was received in Federal and state grants towards the purchase of capital equipment in FY 2015 while $298,000 was received in FY 2014 for capital.

The following graphs represent the distribution of revenues and operating expenses for the fiscal year ended June 30, 2015.

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)

	2015	2014	Incr (Decr) 2015-2014	2013	Incr (Decr) 2014-2013
Cash Used By Operating Activities	$ (57,605)	$ (55,315)	$ (2,290)	$ (53,959)	$ (1,356)
Cash Provided By Non-Capital Financing Activities	76,165	65,744	10,421	65,049	695
Cash Used By Capital and Related Financing Activities	(10,361)	(6,137)	(4,224)	(5,137)	(1,000)
Cash Provided By Investing Activities	47	40	7	39	1
Net Increase in Cash and Cash Equivalents	$ 8,246	$ 4,332	$ 3,914	$ 5,992	$ (1,660)

Fiscal Year 2015 Compared to Fiscal Year 2014

The cash and cash equivalents balance increased from $24.6 million in FY 2014 to $32.8 million in FY 2015. Overall, in FY 2015, cash and cash equivalents increased by $8.2 million or 33.5% as compared to the FY 2014 increase of $4.3 million or 21.4%.

The District used $2.3 million or 4.1% additional cash for operating activities in FY 2015 compared to $1.4 million or 2.5% less in FY 2014. A few of the significant factors were: Cash received from tuition and fees was down 9.6% or ($.9 million) and cash received from federal and state funds was down by 7.5% or ($3.0 million). Due to the decrease in enrollment, receipts were down and correspondingly the amount of financial aid funds coming into the college decreased.

The main offset to overall operating receipt reductions of ($4.9 million) was the reduction in operating funds spent for the disbursals for materials and services. Disbursements were down ($4.2 million) or 10.0% in FY 2015. Corresponding to fewer funds received for student financial aid the cash disbursals to students was down by over ($3.0) million.

Overall cash provided by non-capital financing activities increased by $10.4 million or 15.9%. Local government property taxes received decreased by $22.6 million or 34.4% while state appropriations received increased by $33.0 million or 600% due to the shift from property tax levy to state aid.

Overall net cash used for capital and related financing activities increased by 68.8% or $4.2 million in FY 2015 as compared to an increase of 19.5% or $1.0 million in FY 2014. Purchases of capital assets and funds spent on construction/remodeling increased by $5.3 million or 57.3% compared to ($1.1 million) or 10.6% decrease in FY 2014.

Additionally, the District issued $2.0 million or 18.2% more debt for capital projects compared to a $1.0 million decrease or 8.3% from FY 2014. The District also refunded 1.3 million of debt in FY15. 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 2014 Compared to Fiscal Year 2013

The cash and cash equivalents balance increased from $20.3 million in FY 2013 to $24.6 million in FY 2014. Overall, in FY 2014, cash and cash equivalents increased by $4.3 million or 21.4% as compared to the FY 2013 increase of $6.0 million or 41.9%.

The District used $1.4 million or 2.5% additional cash for operating activities in FY 2014 compared to $3.7 million or 6.5% less in FY 2013. A few of the significant factors were: Cash received from tuition and fees was down 8.5% or ($.8 million) and cash received from federal and state funds was down by 15.1% or ($7.4 million). Due to the decrease in enrollment, receipts were down and correspondingly the amount of financial aid funds coming into the college decreased. Business and industry contract receipts were down by 20.5% or ($.5 million) mainly due to a shift in outstanding receivables between FY 2014 versus FY 2013.

The main offset to overall operating receipt reductions of ($8.9 million) was the reduction in operating funds spent for the disbursals for materials and services. Disbursements were down ($8.0 million) or 16.1% in FY 2014. Corresponding to fewer funds received for student financial aid the cash disbursals to students was down by over ($5.1 million). In addition funds spent on supplies, minor equipment and repairs were down by ($1.4 million).

Overall cash provided by non-capital financing activities increased slightly by $0.7 million or 1.1%. Local government property taxes received increased by $0.7 million or 1.15% while state appropriations received increased by $10,000 or 0.19%.

Overall net cash used for capital and related financing activities increased by 19.5% or $1.0 million in FY 2014 as compared to a decrease of 16.8% or ($1.0 million) in FY 2013. Contributions for capital assets decreased by $1.3 million due to one-time funding received for the addition to the SC Johnson iMET Center in FY 2013. Purchases of capital assets and funds spent on construction/remodeling actually decreased by ($1.1 million) or 10.6% compared to $1.7 million or 19.3% increase in FY 2013. The District had a few major renovation and expansion projects that were still construction-in-progress in FY 2014 as compared to FY 2013. Additionally, the District issued $1.0 million or 8.3% less debt for capital projects compared to a $2.0 million increase or 20% from FY 2013. 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)

	2015	2014	Incr (Decr) 2013-2014	2013	Incr (Decr) 2014-2013
Land and Land Improvements	$ 8,609	$ 8,058	$ 551	$ 7,203	$ 855
Less Accumulated Depreciation	(2,203)	(1,860)	(343)	(1,563)	(297)
Buildings, Improvements and Leasehold Interest/Improvement	90,046	78,140	11,906	73,906	4,234
Less Accumulated Depreciation	(38,301)	(35,251)	(3,050)	(32,729)	(2,522)
Intangible Assets	1,934	1,459	475	462	997
Less Accumulated Depreciation	(924)	(573)	(351)	(409)	(164)
Equipment	33,330	31,887	1,443	29,070	2,817
Less Accumulated Depreciation	(20,142)	(19,265)	(877)	(17,443)	(1,822)
Construction in Progress	2,665	3,449	(784)	2,649	800
Cost of Capital Assets Net of Accumulated Depreciation	$ 75,014	$ 66,044	$ 8,970	$ 61,146	$ 4,898
Capital related debt outstanding at Year End	$ 46,382	$ 43,784	$ 2,598	$ 41,784	$ 2,000

Fiscal Year 2015 Compared to Fiscal Year 2014

Capital assets, net of accumulated depreciation, increased by $9.0 million from FY 2014 to FY 2015. The largest increase was in building improvements net of accumulated depreciation of $8.9 million. Remodeling improvements were completed at each campus; however the major additions in 2015 were at the Kenosha Campus. Such improvements included a $1.6 million remodel of student support expansion, $1.5 million remodel of Student Services, $1.5 million Learning Success Center remodel and $.5 million Academic building roof.

Intangible assets, net of accumulated depreciation increased slightly by $.1 million due to several initiatives in acquiring and implementing software packages to enhance the services and operations of the college.

The District had general obligation debt, relating to capital assets, outstanding of $46.4 million at June 30, 2015, an increase of $2.6 million, as compared to $43.8 million at June 30, 2014. 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 2014 Compared to Fiscal Year 2013

Capital assets, net of accumulated depreciation, increased by $4.9 million from FY 2013 to FY 2014. The largest increase was in building improvements net of accumulated depreciation of $1.7 million. Remodeling improvements were completed at each campus; however the major additions in 2014 were at the Racine Campus. Such improvements included a $1.1 million Learning Success Center remodel, a $.9 million boiler replacement, $.4 million for an air handler, and $.5 million for the Breakwater Dining Room and Demo Cook room.

Intangible assets, net of accumulated depreciation increased by almost $1.0 million due to several initiatives in acquiring and implementing software packages to enhance the services and operations of the college. A FY 2013 equipment balance of $462,000 with $409,000 of related accumulated depreciation was reclassified as Intangibles to be consistent in presentation to FY 2014.

The District had general obligation debt, relating to capital assets, outstanding of $43.8 million at June 30, 2014, an increase of $2.0 million, as compared to $41.8 million at June 30, 2013. The District maintained the highest rating of Aaa from Moody's Investors Services for the debt issues. Gateway meets all of its debt service requirements, including timely repayment of all debt payments. Current debt issued for buildings and improvements is repaid in 10 years or less, debt issued for equipment will be repaid in 7 years or less to correspond to the useful lives of the capital investment. Additional information about Gateway's long-term debt may be found in footnote #5 in the financial statements.

Overall Financial Position

Gateway's financial position remains strong for fiscal year 2015 as evidenced by the following indicators:

- The District's financial position is evaluated periodically by Moody's Investors Services. Moody's revised it rating methodology in January 2014 which resulted in a downgraded rating for various school districts and municipalities, but Gateway Technical College District maintained its high Aaa rating. The most recent credit report cites the following: *"Assignment of the Aaa rating reflects the district's sizeable tax base strategically located between the cities of Milwaukee (Aa2 Stable) and Chicago (Baa1 Negative); sound financial operations supported by healthy reserves; and an average debt burden with rapid principal amortization; and affordable pension liabilities."*

- Gateway's FY 2014-15 total mill rate was the fifth lowest of the sixteen WI Technical College districts and its debt service mill rate was the fourth lowest. Our 2014 debt service as a percentage of operating expenses was the lowest of all the colleges.

- Cash and cash equivalents increased by $8.2 million or 33.5%.

- The current ratio, current assets compared to current liabilities, was at 2.8 times as of June 30, 2015.

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

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

- Changing funding levels and unfunded initiatives of the state and federal government continue to place ever-increasing demands on the college. This may result in decreases in service levels for some of these activities and/or a reallocation of local funds to cover the activity in other areas if the service is deemed critical enough. In addition, due to budget constraints at both the state and federal levels, there remains uncertainty that some funding sources may not be available or may be reduced in future years. The District continues to closely monitor these funding sources.

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

The above mentioned challenges can only be met through strong planning processes, fiscal policies, and practices. Gateway continues to be successful in collaborating with local K-12 education districts, local businesses and community partners for supporting our training and technology needs. Gateway is well known and highly respected for its quality instruction and services. Gateway's commitment to meet these needs is reflected in our Vision 3.2.1 strategic plan, our strong efforts on continuous quality improvement and our focus on our students. Even with the challenges that face Gateway, the college is confident that its long-term financial planning will allow it to effectively meet the financial needs of its future operations. Our current financial position is positive and we are positioned to maintain this positive status into the future.

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

BASIC FINANCIAL STATEMENTS

GATEWAY TECHNICAL COLLEGE DISTRICT
Statements of Net Position
June 30, 2015 and 2014

	2015		2014	
ASSETS	District	Foundation	District	Foundation
Current Assets				
Cash and cash equivalents	$ 27,408,145	$ 4,079,664	$ 16,014,021	$ 3,629,207
Restricted assets - cash and cash equivalents	5,446,698	-	8,595,222	-
Receivables:				
Property taxes	8,027,502	-	16,873,600	-
Accounts, net of reserve of $145,000 and $443,000 for 2015 and 2014, respectively	1,534,375	-	1,090,820	-
Federal and state aid	2,128,591	-	2,350,000	-
Prepaid expenses	474,393	1,564	1,624,547	2,000
Total Current Assets	45,019,704	4,081,228	46,548,210	3,631,207
Non-Current Assets				
Capital assets	136,584,199	1,369,364	122,993,510	1,249,810
Less: accumulated depreciation	(61,570,022)	(298,006)	(56,949,857)	(267,434)
Net pension asset	8,108,266	-	-	-
Total Non-Current Assets	83,122,443	1,071,358	66,043,653	982,376
Total Assets	128,142,147	5,152,586	112,591,863	4,613,583
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension	6,669,316	-	-	-
LIABILITIES				
Current Liabilities				
Accounts payable	3,616,691	311,776	2,778,419	318,106
Accrued payroll and benefits	1,062,508	-	1,067,684	-
Accrued vacation	598,490	-	588,750	-
Accrued interest payable	372,205	1,116	324,785	-
Due to student groups/organizations	396,591	-	388,751	-
Unearned revenue	1,599,554	-	1,756,545	-
General obligation debt - current portion	8,440,000	-	7,805,000	-
Notes payable	-	113,960	-	106,482
Total Current Liabilities	16,086,039	426,852	14,709,934	424,588
Non-Current Liabilities				
General obligation debt	45,959,874	-	41,354,388	-
Notes payable	-	275,925	-	388,505
Other postemployment benefits	2,991,045	-	2,822,829	-
Unearned revenue	616,816	-	688,554	-
Total Non-Current Liabilities, less current portion	49,567,735	275,925	44,865,771	388,505
Total Liabilities	65,653,774	702,777	59,575,705	813,093
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	49,433	-	-	-
NET POSITION				
Net investment in capital assets	28,972,318	-	23,473,718	-
Restricted for:				
Debt service	700,822	-	637,626	-
Pension benefits	14,728,129	-	-	-
Student financial assistance - expendable	126,378	-	395,554	-
Student organizations	1,293,125	-	1,312,364	-
Scholarships and other activities	-	3,108,920	-	2,514,328
Unrestricted	23,287,464	1,340,889	27,196,896	1,286,162
Total Net Position	$ 69,108,236	$ 4,449,809	$ 53,016,158	$ 3,800,490

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, 2015 and 2014

	2015		2014	
	District	Foundation	District	Foundation
Operating Revenues				
Student tuition and program fees, net of scholarship allowances of $ 10,236,306 and $ 10,829,332 for 2015 and 2014, respectively	$ 8,358,987	$ -	$ 9,242,102	$ -
Federal grants	32,707,370	-	36,656,284	-
State grants	4,228,572	-	3,271,663	-
Local grants	102,347	-	-	-
Contract revenue	2,648,419	-	2,149,357	-
Auxiliary enterprise revenues	267,355	-	257,997	-
Miscellaneous - institutional revenue	1,424,325	2,069,367	1,442,389	975,007
Total Operating Revenues	49,737,375	2,069,367	53,019,792	975,007
Operating Expenses				
Instruction	55,474,684	-	55,803,389	-
Instructional resources	1,254,306	-	1,181,202	-
Student services	13,332,974	-	11,529,142	-
General institutional	8,767,271	1,408,739	8,384,731	720,639
Physical plant	7,887,141	-	7,509,972	-
Student aid	20,997,405	-	24,333,329	-
Public services	374,190	-	357,437	-
Auxiliary services	509,387	-	440,292	-
Depreciation	5,976,124	30,572	4,997,183	28,713
Total Operating Expenses	114,573,481	1,439,311	114,536,677	749,352
Net Operating Income (Loss)	(64,836,106)	630,056	(61,516,885)	225,655
Nonoperating Revenues (Expenses)				
Property taxes	28,771,203	-	60,150,673	-
State appropriations	38,467,085	-	5,499,903	-
Gain (loss) on disposal of capital assets	(61,308)	-	35,400	-
Investment income (net of fees)	46,692	36,938	40,747	272,899
Interest expense & debt issuance costs	(1,556,932)	(17,675)	(1,449,331)	(24,831)
Total Nonoperating Revenues (Expenses)	65,666,740	19,263	64,277,392	248,068
Capital Contributions				
State capital grants	69,232	-	53,508	-
Federal capital grants	115,152	-	244,190	-
Contributions	208,750	-	164,827	-
Donated capital assets	306,990	-	21,000	-
Total Capital Contributions	700,124	-	483,525	-
Change in Net Position	1,530,758	649,319	3,244,032	473,723
Net Position - Beginning of Year	53,016,158	3,800,490	49,772,126	3,326,767
Cumulative Effect of Change in Accounting Principle	14,561,340	-	-	-
Net Position - End of Year	$ 69,108,256	$ 4,449,809	$ 53,016,158	$ 3,800,490

The accompanying notes are an integral part of these statements.

GATEWAY TECHNICAL COLLEGE DISTRICT
Statements of Cash Flows
For the years ended June 30, 2015 and 2014

	2015		2014	
	District	Foundation	District	Foundation
Cash flows from operating activities				
Tuition and fees received	$ 8,326,163	$ -	$ 9,059,227	$ -
Federal and state grants received	37,248,481	-	41,558,068	-
Contract revenues received	2,370,697	-	2,051,512	-
Payments to employees, including related benefits	(69,622,357)	-	(68,046,252)	-
Payments for materials and services	(37,388,733)	(1,414,633)	(41,567,245)	(447,975)
Auxiliary enterprise revenues received	267,355	-	257,997	-
Other receipts	1,193,777	2,069,367	1,371,399	985,817
Net cash provided (used) for operating activities	(57,604,617)	654,734	(55,315,294)	537,842
Cash flows from non-capital financing activities				
Local government property taxes received	37,617,301	-	60,243,778	-
State appropriations received	38,547,500	-	5,500,112	-
Net cash provided by noncapital financing activities	76,164,801	-	65,743,890	-
Cash flows from capital and related financing activities				
State and federal grants received for capital assets	115,187	-	438,882	-
Contributions received for capital assets	208,750	-	164,827	-
Proceeds from sale of capital assets	11,236	-	37,692	-
Purchases of capital assets	(14,427,422)	(119,555)	(9,171,053)	-
Proceeds from issuance of capital debt	14,315,000	-	11,000,000	-
Premium received on debt issuance	406,291	-	381,404	-
Debt issuance costs paid	(226,460)	-	(184,085)	-
Principal paid on capital debt	(9,300,000)	(105,102)	(7,425,000)	(99,646)
Interest paid on capital debt	(1,463,858)	(16,558)	(1,379,952)	(24,831)
Net cash used for capital and related financing activities	(10,361,276)	(241,215)	(6,137,285)	(124,477)
Cash flows from investing activities				
Investment income received	46,692	36,938	40,747	272,899
Net increase in cash and cash equivalents	8,245,600	450,457	4,332,058	686,264
Cash and cash equivalents				
Beginning of year	24,609,243	3,629,207	20,277,185	2,942,943
End of year	$ 32,854,843	$ 4,079,664	$ 24,609,243	$ 3,629,207
Reconciliation of cash and cash equivalents to the Statement of Net Position				
Cash and cash equivalents	$ 27,408,145	$ 4,079,664	$ 16,014,021	$ 3,629,207
Restricted assets - cash and cash equivalents	5,446,698	-	8,595,222	-
	$ 32,854,843	$ 4,079,664	$ 24,609,243	$ 3,629,207

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, 2015 and 2014

	2015		2014	
	District	Foundation	District	Foundation
Reconciliation of operating income (loss) to net cash provided (used) for operating activities:				
Operating income (loss)	$ (64,836,106)	$ 630,056	$ (61,516,885)	$ 225,655
Adjustment to reconcile operating income (loss) to net cash provided (used) for operating activities:				
Depreciation	5,976,124	30,572	4,997,183	28,713
Changes in assets and liabilities:				
(Increase) decrease				
Receivables	(233,364)	-	1,484,033	10,810
Prepaid expenses	1,150,154	436	(190,233)	1,000
Increase (decrease)				
Accounts payable	553,494	(6,330)	(219,491)	271,664
Accrued payroll and benefits and vacation	(5,176)	-	175,777	-
Accrued vacation	9,740	-	65,760	-
Other post employment benefits	1,407	-	209,411	-
Due to student groups/organizations	7,840	-	(34,477)	-
Unearned revenue	(228,730)	-	(286,372)	-
Net cash provided (used) for operating activities	$ (57,604,617)	$ 654,734	$ (55,315,294)	$ 537,842
Non Cash Capital and Related Financing Activities:				
Donated capital assets	$ 306,990	$ -	$ 21,000	$ -
Notes payable refinanced	-	-	-	345,026

The accompanying notes are an integral part of these statements.

(1) Summary of Significant Accounting Policies

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

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

Authority to borrow money and levy taxes;

Budgetary authority; and

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

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

(1) Summary of Significant Accounting Policies (continued)

(a) Reporting Entity

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

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

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, intangible assets, equipment, leasehold improvements and leasehold interest. Equipment assets having a cost of $5,000 or more per unit and building or remodeling projects of $15,000 or more are capitalized. Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated 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)

(h) Capital Assets (continued)

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

(i) Compensated Absences

Employees are granted vacation and sick leave benefits in varying amounts in accordance with the provisions of union contracts and District policy. Liabilities for vacation and salary related payments, including social security taxes, are recorded when incurred. Employees can carryover 80 vacation hours subsequent to the year in which they are earned. Any vacation benefits in excess of 80 hours lapse if not utilized in the year subsequent to that in which they are earned. In the event of retirement or death, the District is obligated to pay all unused vacation benefits. The amount of vacation benefits outstanding at June 30, 2015 and 2014 was $598,490 and $588,750 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

In addition to assets, the statement of net position will sometimes report a section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of

(1) Summary of Significant Accounting Policies (continued)

(l) Deferred Outflow/Inflows of Resources (continued)

resources (expense) until then. The District has one item that qualifies for reporting in this category. The item is related to the District's proportionate share of the Wisconsin Retirement System pension plan and is deferred and amortized over the expected remaining service lives of the pension plan participants.

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

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

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

- 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.

(1) Summary of Significant Accounting Policies (continued)

(p) Pensions

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

(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	2015	2014
Cash on hand	$ 39,419	$ 31,181
Demand deposits	28,664,670	19,136,402
Wisconsin Local Government Investment Pool	4,150,754	5,441,660
Total Cash and Cash Equivalents	$ 32,854,843	$ 24,609,243

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

Restricted for		
Capital Projects	$ 3,143,797	$ 6,628,423
Debt Service	2,302,901	1,966,799
	5,446,698	8,595,222
Unrestricted	27,408,145	16,014,021
Total Cash and Cash Equivalents	$ 32,854,843	$ 24,609,243

(2) Cash and Cash Equivalents (continued)

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, 2015 and 2014 was $31,486,322 and $22,569,492 respectively.

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

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

(2) Cash and Cash Equivalents (continued)

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

June 30, 2015 Investment Type	Fair Value	Investment Maturities (in Years) Less than 1	 1-2
Wisconsin Local Government Investment Pool	$ 4,150,754	$ 4,150,754	$ -

June 30, 2014 Investment Type	Fair Value	Investment Maturities (in Years) Less than 1	 1-2
Wisconsin Local Government Investment Pool	$ 5,441,660	$ 5,441,660	$ -

As of June 30, 2015 and 2014, the fair value of the District's share of investments was equal to the carrying value.

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

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

Concentration of Credit Risk- Concentration of credit risk is the risk of loss attributed to the magnitude of an organization's investment in a single issuer. Any investment that represents 5 percent or more of total investments is required to be disclosed. Exempt from this disclosure are investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds, external investments pools, and other pooled investments. The District places no limit on the amount the District may invest in any one issuer. As of June 30, 2015 and June 30, 2014, 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.

(2) Cash and Cash Equivalents (continued)

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, 2015 and 2014 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, 2015, and 2014, were as follows:

	2015		2014	
	Mill Rate	Amount Levied	Mill Rate	Amount Levied
Operating levy	0.51335	$ 19,178,925	1.39289	$ 51,161,000
Debt service levy	0.25696	9,600,000	0.24182	8,882,000
Total Property Tax Levy		$ 28,778,925		$ 60,043,000

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 $80,932 and $161,347 in state aid revenue in lieu of property tax for the year ended June 30, 2015, and 2014, respectively. Beginning FY 2013-14 the operational limit of $1.50 per $1,000 of equalized valuation previously instituted by state law no longer exists. The debt service property tax mill rate per $1,000 of equalized valuation is not limited by state law.

Property tax revenue recognized in the financial statements total $28,771,203 and $60,150,673 for the years ended June 30, 2015, and 2014, respectively, which includes the District's property tax levy and miscellaneous other tax collection related adjustments.

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2015 and 2014

(4) Capital Assets

Following are the changes in the District's capital assets for the years ended June 30, 2015 and 2014:

	2015			
	Balance July 1, 2014	Additions	Disposals	Balance June 30, 2015
Capital assets, not being depreciated:				
Land	$ 2,379,913	$ -	$ -	$ 2,379,913
Construction in progress	3,449,139	10,259,219	11,043,119	2,665,239
Total capital assets not depreciated	5,829,052	10,259,219	11,043,119	5,045,152
Capital assets, being depreciated:				
Land improvements	5,677,579	551,327	-	6,228,906
Buildings and improvements	74,507,825	11,905,628	-	86,413,453
Intangible assets	1,459,147	475,061	-	1,934,208
Equipment	31,887,344	2,871,075	1,428,502	33,329,917
Leasehold interest	958,193	-	-	958,193
Leasehold improvement	2,674,370	-	-	2,674,370
Total capital assets being depreciated	117,164,458	15,803,091	1,428,502	131,539,047
Total capital assets	122,993,510	26,062,310	12,471,621	136,584,199
Less accumulated depreciation for:				
Land improvements	1,860,259	342,842	-	2,203,101
Buildings and improvements	33,803,952	2,817,797	-	36,621,749
Intangible assets	573,228	350,285	-	923,513
Equipment	19,264,991	2,232,915	1,355,959	20,141,947
Leasehold interest	518,888	48,811	-	567,699
Leasehold improvement	928,539	183,474	-	1,112,013
Total accumulated depreciation	56,949,857	5,976,124	1,355,959	61,570,022
Net capital assets	66,043,653	$ 20,086,186	$ 11,115,662	75,014,177
Less capital asset related debt	(42,569,935)			(46,041,859)
Net investment in capital assets	$ 23,473,718			$ 28,972,318

(4) Capital Assets (continued)

	2014			
	Balance July 1, 2013	Additions	Disposals	Balance June 30, 2014
Capital assets, not being depreciated:				
Land	$ 2,379,913	$ -	$ -	$ 2,379,913
Construction in progress	2,648,921	4,014,219	3,214,001	3,449,139
Total capital assets not depreciated	5,028,834	4,014,219	3,214,001	5,829,052
Capital assets, being depreciated:				
Land improvements	4,823,080	854,499	-	5,677,579
Buildings and improvements	70,398,771	4,109,054	-	74,507,825
Intangible assets	462,154	996,993	-	1,459,147
Equipment	29,069,598	3,031,378	213,632	31,887,344
Leasehold interest	958,193	-	-	958,193
Leasehold improvement	2,549,277	125,093	-	2,674,370
Total capital assets being depreciated	108,261,073	9,117,017	213,632	117,164,458
Total capital assets	113,289,907	13,131,236	3,427,633	122,993,510
Less accumulated depreciation for:				
Land improvements	1,563,059	297,200	-	1,860,259
Buildings and improvements	31,500,470	2,303,482	-	33,803,952
Intangible assets	408,401	164,827	-	573,228
Equipment	17,443,238	2,013,121	191,368	19,264,991
Leasehold interest	470,076	48,812	-	518,888
Leasehold improvement	758,798	169,741	-	928,539
Total accumulated depreciation	52,144,042	4,997,183	191,368	56,949,857
Net capital assets	61,145,865	$ 8,134,053	$ 3,236,265	66,043,653
Less capital asset related debt	(40,163,046)			(42,569,935)
Net investment in capital assets	$ 20,982,819			$ 23,473,718

(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, 2015, approximately $245,519 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, 2015 approximately $227,827 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, 2015 and 2014:

	July 1, 2014	Additions	Reductions	June 30, 2015	Due Within One Year
General Obligation Debt	$48,155,000	$14,315,000	$ 9,300,000	$ 53,170,000	$ 8,440,000
Debt premium	1,004,388	406,291	180,805	1,229,874	-
Accrued OPEB obligation	2,822,829	1,708,372	1,540,156	2,991,045	-
Total long-term obligations	$51,982,217	$16,429,663	$11,020,961	$ 57,390,919	$ 8,440,000

	July 1, 2013	Additions	Reductions	June 30, 2014	Due Within One Year
General Obligation Debt	$44,580,000	$11,000,000	$ 7,425,000	$ 48,155,000	$ 7,805,000
Debt premium	762,385	381,404	139,401	1,004,388	-
Accrued OPEB obligation	2,613,418	1,712,010	1,502,599	2,822,829	-
Total long-term obligations	$47,955,803	$13,093,414	$ 9,067,000	$ 51,982,217	$ 7,805,000

(5) Long-Term Obligations (continued)

General obligation debt outstanding at June 30, 2015, and 2014, consists of the following notes:

	2015	2014
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).	$ -0-	$ 120,000
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).	-0-	250,000
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).	185,000	360,000
General obligation promissory notes, 4.00% to 4.375%, payable in annual installments of $80,000 to $170,000, plus interest, to April 1, 2016 (issued for $1,000,000 on March 15, 2007 through R.W. Baird & Co., to finance various facility remodeling projects).	170,000	335,000
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).	-0-	1,905,000
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).	315,000	465,000

(5) Long-Term Obligations (continued)

	2015	2014
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).	$ 315,000	$ 465,000
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).	625,000	815,000
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).	435,000	570,000
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).	490,000	600,000
General obligation promissory notes, 2.50% to 3.50%, payable in annual installments of $95,000 to $125,000, plus interest, to April 1, 2019 (issued for $1,000,000 on July 09, 2009 through R.W. Baird & Co., to finance various facility remodeling projects).	485,000	595,000
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).	1,225,000	1,500,000

(5) Long-Term Obligations (continued)

	2015	2014
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).	$ 590,000	$ 730,000
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).	2,270,000	3,055,000
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).	1,500,000	2,035,000
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).	1,105,000	1,305,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $170,000 to $210,000, plus interest, to April 1, 2021 (issued for $1,500,000 on April 4, 2011 through UBS Financial Services, to finance various facility remodeling projects).	1,155,000	1,330,000
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).	1,155,000	1,330,000
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).	2,100,000	3,155,000

(5) Long-Term Obligations (continued)

	2015	2014
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).	$ 1,835,000	$ 2,110,000
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.)	1,560,000	1,785,000
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).	890,000	1,000,000
General obligation promissory notes, 2.00% to 4.00%, payable in annual installments of $730,000 to $900,000, plus interest, to April 1, 2022 (issued for $6,500,000 on July 12, 2012 through Hutchinson, Shockey, Erley & Co., to finance the acquisition of equipment, construction on the SC Johnson iMET Center, and various facility remodeling projects.)	5,770,000	6,500,000
General obligation promissory notes, 1.50% to 3.00%, payable in annual installments of $165,000 to $210,000, plus interest, to April 1, 2022 (issued for $1,500,000 on November 8, 2012 through Hutchinson, Shockey, Erley & Co., to finance various facility remodeling projects and acquisition of equipment.)	1,335,000	1,500,000
General obligation promissory notes, 2.00% to 2.40%, payable in annual installments of $130,000 to $160,000, plus interest, to April 1, 2022 (issued for $1,500,000 on December 27, 2012 through Bernardi Securities, Inc., to finance the Racine Campus Learning Success Center relocation and various remodeling projects.)	1,020,000	1,150,000

(5) Long-Term Obligations (continued)

	2015	2014
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.)	$ 1,225,000	$ 1,365,000
General obligation promissory notes, 2.00% to 2.25%, payable in annual installments of $50,000 to $115,000, plus interest, to April 1, 2023 (issued for $1,000,000 on May 9, 2013 through R.W. Baird & Co., to finance various facility remodeling projects.)	850,000	950,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $775,000 to 930,000, plus interest, to April 1, 2023 (issued for $6,750,000 on July 2, 2013 through R.W. Baird & Co., to finance the Racine boiler and the acquisition of equipment.)	6,750,000	6,750,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $150,000 to 190,000, plus interest, to April 1, 2023 (issued for $1,500,000 on August 1, 2013 through R.W. Baird & Co., to finance various facility remodeling projects and signage.)	1,350,000	1,500,000
General obligation promissory notes, 2.00% to 4.00%, payable in annual installments of $125,000, plus interest, to April 1, 2023 (issued for $1,125,000 on January 8, 2014 through R.W. Baird & Co., to finance various facility remodeling projects.)	1,000,000	1,125,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $150,000 to 185,000, plus interest, to April 1, 2023 (issued for $1,500,000 on February 6, 2014 through R.W. Baird & Co., to finance the Kenosha Student Success and Student Life Center expansion.)	1,350,000	1,500,000
General obligation promissory notes, 1.50% to 3.00%, payable in annual installments of $770,000 to 985,000, plus interest, to April 1, 2024 (issued for $7,000,000 on July 8, 2014 through Hutchinson, Shockey, Erley & Co., to finance various facility remodeling projects and acquisition of equipment.)	7,000,000	-0-

(5) Long-Term Obligations (continued)

	2015	2014
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $165,000 to 210,000, plus interest, to April 1, 2024 (issued for $1,500,000 on August 4, 2014 through R.W. Baird & Co., to finance the Elkhorn South building remodel.)	$ 1,500,000	$ -0-
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $165,000 to 210,000, plus interest, to April 1, 2024 (issued for $1,500,000 on September 8, 2014 through R.W. Baird & Co., to finance the Kenosha Student Services remodel.)	1,500,000	-0-
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $150,000 to 805,000, plus interest, to April 1, 2024 (issued for $2,815,000 on October 8, 2014 through R.W. Baird & Co., to finance various facility remodeling projects.)	2,715,000	-0-
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $135,000 to 180,000, plus interest, to April 1, 2024 (issued for $1,500,000 on February 18, 2015 through R.W. Baird & Co., to finance the Elkhorn Veterinary Sciences and Racine Chiller projects.	1,400,000	-0-
Total General Long-Term Obligation Debt	$ 53,170,000	$ 48,155,000

Advance Refunding

During October of 2014, the District advance refunded a general obligation promissory note issue from 2008. The District issued general obligation promissory notes in the amount of $2,815,000 on October 8, 2014. A portion of the debt proceeds were used to provide resources to purchase U.S. Government and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the financial statements. This advance refunding was undertaken to reduce total debt service payments over the next three years by $35,130 and to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of $34,195.

At June 30, 2015, $1,295,000 of outstanding general promissory notes are considered defeased.

(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
2016	$ 8,440,000	$ 1,370,810	$ 9,810,810
2017	8,520,000	1,159,823	9,679,823
2018	7,095,000	949,920	8,044,920
2019	6,960,000	787,080	7,747,080
2020	6,420,000	604,185	7,024,185
2021-2024	15,735,000	930,109	16,665,109
	$ 53,170,000	$ 5,801,927	$ 58,971,927

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, 2015, the 5% limitation was $1,950,576,837 and the District's outstanding general obligation debt (net of resources available to pay principal and interest) was $52,469,178. The 5% limit, as of June 30, 2014, was $1,919,905,063; the District's outstanding general obligation debt (net of resources available to pay principal and interest) was $47,517,374.

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, 2015, the 2% limitation was $780,230,735 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, 2014, was $767,962,025 and the District's outstanding bonded indebtedness (net of resources available to pay principal and interest) was $0.

(6) Retirement System

General Information about the Pension Plan

(a) Plan description

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

(6) Retirement System (continued)

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

(c) Benefits provided
Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

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

(6) Retirement System (continued)

(d) Post-Retirement Adjustments (continued)

Year	Core Fund Adjustment	Variable Fund Adjustment
2005	2.6%	7%
2006	0.8	3
2007	3.0	10
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. 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.

During the reporting period, the WRS recognized $3,208,278 in contributions from the employer.

Contribution rates as of June 30, 2015 are:

Employee Category	Employee	Employer
General (including teachers)	6.80%	6.80%
Executives & Elected Officials	7.70%	7.70%
Protective with Social Security	6.80%	9.50%
Protective without Social Security	6.80%	13.10%

(6) Retirement System (continued)

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

At June 30, 2015, the District reported an asset of $8,108,266 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension asset was based on its share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the District's proportion was .3%, which was an increase of .001% from its proportion measured as of December 31, 2013.

For the year ended June 30, 2015, the District recognized pension expense of $3,170,579.

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$1,175,446	-0-
Net differences between projected and actual earnings on pension plan investments	3,926,414	-0-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-0-	49,433
Employer contributions subsequent to the measurement date	1,567,456	-0-
Total	$6,669,316	$49,433

$1,567,456 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

(6) Retirement System (continued)

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

Year ended December 31:	Deferred Outflows of Resources	Deferred Inflows of Resources
2015	$1,164,277	$11,281
2016	1,164,277	11,281
2017	1,164,277	11,281
2018	1,164,277	11,281
2019	444,752	4,309

(f) Actuarial assumptions

The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2013
Measurement Date of Net Pension Liability (Asset)	December 31, 2014
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases: Inflation Seniority/Merit	 3.2% 0.2% - 5.8%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

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

(6) Retirement System (continued)

(e) Actuarial assumptions (continued)

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 – 2011. The total pension liability for December 31, 2014 is based upon a roll-forward of the liability calculated from the December 31, 2013 actuarial valuation.

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

Asset Class	Long-Term Real Rate of Return	Target Allocation
US Equities	5.3%	21%
International Equities	5.7	23%
Fixed Income	1.7	36%
Inflation Sensitive Assets	2.3	20%
Real Estate	4.2	7%
Private Equity/Debt	6.9	7%
Multi-Asset	3.9	6%
Cash	0.9%	-20%

Single Discount rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.56%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(6) Retirement System (continued)

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

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
Proportionate share of the net pension liability (asset)	$22,874,816	($8,108,266)	($32,577,452)

At June 30, 2015 the district reported a payable of $494,140 for the outstanding amount of contributions to the pension plan for the year ended June 30, 2015.

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at http://legis.wisconsin.gov/lab/ and reference report number 15-11.

(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	2015	2014
Active	591	600
Retirees	92	89
Covered spouses of retirees	68	63
Life only Retirees	261	252
Beneficiaries	1	-
Total participants	1,013	1,004

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

(a) Plan Description (continued)

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

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

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

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

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

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

(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

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

(b) Funding Policy (continued)

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 2015, the District contributed $1,540,156 of which $710,737 paid the current year normal cost and an additional $829,419 to partially fund the transition obligation.

(c) Annual OPEB Cost and Net OPEB Obligation

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

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

Component	2015	2014
Annual required contribution	$ 1,758,703	$ 1,752,794
Interest on net OPEB	112,913	104,537
Adjustment to annual required contribution	(163,244)	(145,321)
Annual OPEB cost (expense)	1,708,372	1,712,010
Contributions made	(1,540,156)	(1,502,599)
Change in net OPEB obligation	168,216	209,411
OPEB obligation - beginning of year	2,822,829	2,613,418
OPEB obligation - end of year	$ 2,991,045	$ 2,822,829

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

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

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
6/30/13	$ 1,584,352	85.8%	$ 2,613,418
6/30/14	$ 1,712,010	87.8%	$ 2,822,829
6/30/15	$ 1,708,372	90.2%	$ 2,991,045

(d) Funded Status and Funding Progress

The funded status as of June 30, 2015, the most recent actuarial valuation date was as follows:

Actuarial accrued liability (AAL)	$ 19,165,961
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	$ 19,165,961
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	$ 41,473,060
Ratio of UAAL to covered payroll	46%

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

The accompanying schedule of employer contributions presents information about the amounts contributed to the plan by the District in comparison with the ARC, an amount that is actuarially determined in accordance with the parameters of GASB statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

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

(e) Actuarial Methods and Assumptions

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

Valuation date	June 30, 2015
Actuarial cost method	Projected Unit Credit
Amortization method	Level ; 30-year open amortization period
Remaining amortization period	30 years
Actuarial assumptions:	
Discount rate	4.00%
Inflation rate	3.00%
Healthcare cost trend rate	10% initial
reduced by decrements to:	6% ultimate rate of return after 9+ years
Dental cost trend rate	5% annually next 9+ years
Projected salary increases	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 $400,225,000 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.

(8) Risk Management (continued)

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 2015 and 2014, the District paid a premium of $498,870 and $493,673 respectively. Future premiums will be based on relevant rating exposure bases as well as the historical loss experience by members. DMI's ongoing operational expenses, other than loss adjustment expenses, are apportioned pro rata to each participant based on equity interest in the company.

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

Supplemental Insurance

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

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

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

- Crime: $750,000 coverage for employee dishonesty, forgery, computer fraud and funds transfer fraud; $750,000 coverage for theft, robbery, burglary, disappearance and destruction of money and securities; $25,000 coverage for investigation expenses, $25,000 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 property damage and medical services expense coverage of $3,000 per person / $18,000 each occurrence; Aircraft physical damage as indicated in the policy of $130,000 and $385,000; hangar keeper's liability; $250,000 per aircraft / $250,000 per occurrence; $5,000 deductible.

(8) Risk Management (continued)

Supplemental Insurance (continued)

Arthur J. Gallagher

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

(9) Operating Leases

The District leases vehicles, equipment, classroom, office, and aviation facilities under 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 averaging under $150,000 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.

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

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

Year Ending June 30	Amount
2016	$ 709,825
2017	585,707
2018	491,353
2019	452,999
2020	452,390
2021 - 2025	1,551,210
2026 - 2030	317,650
Total required minimum lease payments	$ 4,561,134

(9) Operating Leases (continued)

Rental expenses for all operating leases aggregated $732,774 and $734,061 for the years ended June 30, 2015 and 2014, 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, 2015 and June 30, 2014, the cost of the lease assets is $1,089,035 for both years and the depreciation is $464,883 and $424,766 respectively.

Effective with fiscal year 2008-09, the District is leasing facilities furniture (15 year lease) to Racine County Economic Development Corporation at our SC Johnson iMET Center.

Effective with the 2014-15 fiscal year, the District is leasing antenna space to Business Only Broadband for an initial lease term of five years.

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

Year Ending June 30	Amount
2016	$ 80,336
2017	11,193
2018	11,479
2019	11,773
2020	2,512
2021-2024	5,004
Total future minimum lease revenue	$ 122,297

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, 2015 and 2014 was $175,295 and $159,955 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:

(10) Expenses Classification (continued)

	2015	2014
Salaries and wages	$ 50,731,715	$ 49,927,226
Fringe benefits	18,895,006	18,360,563
Travel, memberships, professional dev.	1,464,452	1,290,745
Supplies and minor equipment	7,983,678	7,550,554
Contract services	4,236,256	4,043,245
Bank/Agency credit/collection fees	100,306	110,854
Rentals	732,774	734,061
Repairs and maintenance	818,435	565,631
Insurance	540,802	581,160
Utilities	1,669,042	1,859,746
Depreciation	5,976,124	4,997,183
Student aid	20,997,578	24,333,329
Student debt write-off	427,313	182,380
Total Operating Expenses	$ 114,573,481	$ 114,536,677

(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, 2015 there are eleven full members (CVTC, FVTC, GTC, LTC, MPTC, MSTC, NTC, NWTC, WCTC, WTC and WITC), and one service level agreement (Agnesian Healthcare). WISPALS is governed by the eleven full member colleges' presidents and librarians, with each college having an equal vote. Through the joint venture each full member college owns one-eleventh of the computer hardware and WCTC's Pewaukee campus. Operating costs of WISPALS are also shared equally by the eleven full member colleges.

Gateway Technical College's share of the operating costs, for the years ended June 30, 2015 and 2014 was $74,033 and $66,305 respectively. The net assets for the joint venture increased, by $748 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, 2015 the District has commitments outstanding for construction projects of approximately $576,464. As of June 30, 2014 the commitments for construction projects were $3,300,692.

(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, 2015 and 2014 are as follows:

June 30, 2015	Cost	Fair Value	Unrealized Gains
Equity	$ 1,615,478	$ 1,828,772	$ 213,294
Fixed Income	1,811,892	1,809,110	(2,782)
Total Investments	$ 3,427,370	3,637,882	$ 210,512
Cash & Cash Equivalents		441,782	
Total Cash and Investments		$ 4,079,664	

June 30, 2014	Cost	Fair Value	Unrealized Gains
Equity	$ 1,234,792	$ 1,522,311	$ 287,519
Fixed Income	1,400,510	1,446,578	46,068
Total Investments	$ 2,635,302	2,968,889	$ 333,587
Cash & Cash Equivalents		660,318	
Total Cash and Investments		$ 3,629,207	

Investment income reported in the statement of revenues, expenses and changes in net position totaled $36,938 and $272,899 respectively for the years ended June 30, 2015 and 2014 and consisted of the following:

	FY 2015	FY 2014
Market appreciation	$ 62,685	$ 291,903
Interest and dividend income	329	2,471
Investment fees	(26,076)	(21,475)
Investment return	$ 36,938	$ 272,899

(13) Component Unit (continued)

2. Capital Assets

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
Capital assets, not being depreciated:				
Land	$ 130,000	$ 33,291	$ -	$ 163,291
Capital assets, being depreciated:				
Buildings	1,119,810	86,263	-	1,206,073
	1,249,810	119,554	-	1,369,364
Less accumulated depreciation for:				
Buildings	267,434	30,572	-	298,006
Net capital assets	$ 982,376	$ 150,126	$ -	$ 1,071,358

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
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	238,721	28,713	-	267,434
Net capital assets	$ 1,011,089	$ 28,713	$ -	$ 982,376

(13) Component Unit (continued)

3. Long-term Debt

Long-term debt outstanding at June 30, 2015, and 2014 consists of the following issues:

	FY 2015	FY 2014
$210,981 notes payable to Wells Fargo Bank with monthly installments of $4,252 in principal and interest at 3.75%, with final payment due on March 1, 2018. Secured with real estate.	$ 133,479	$ 178,487
$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.	138,581	182,455
$134,045 notes payable to Wells Fargo Bank with monthly installments of $2,101 in principal and interest at 4.00%, with final payment due on August 15, 2020. Secured with real estate.	117,825	134,045
Total	389,885	494,987
Less amount due within one year	113,960	106,482
Total long-term debt	$ 275,925	$ 388,505

Long-term debt of $389,885 is expected to mature as follows:

Year Ending June 30,	Amount
2016	$ 113,960
2017	117,801
2018	105,736
2019	23,542
2020	24,501
Thereafter	4,345
Total	$ 389,885

(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, 2015.

Year Ending June 30,	Amount
2016	$ 159,482
2017	159,482
2018	159,482
2019	159,482
2020	159,482
Thereafter	713,202
	$ 1,510,612

5. Unrestricted, Temporary and Permanently Restricted Net Assets

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

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
June 30, 2015	$ 1,340,889	$ 2,447,985	$ 660,935	$ 4,449,809
June 30, 2014	$ 1,286,162	$ 1,951,993	$ 562,335	$ 3,800,490

(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, 2015 the District issued $10,000,000 in General Obligation Promissory Notes as follows:

(14) Subsequent Events (continued)

Date	Interest Rate	Amount	Purpose
7/9/2015	2% - 4%	$ 8,000,000	Proceeds to be used for $6,500,000 in equipment and $1,500,000 for various facility remodeling projects.
9/15/2015	2% - 3%	1,500,000	Proceeds to be used for various facility remodeling projects.
10/8/2015	2% - 4%	500,000	Proceeds to be used for various facility remodeling projects.
		$10,000,000	

(15) Cumulative Effect of Change in Accounting Principle

The District has adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions–an amendment of GASB Statement No. 27 and Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68,* which revised and established new financial reporting requirements for governments that provide their employees with pension benefits. The new standards recognize pension costs as employment services are provided, rather than when the pensions are funded. Financial statements for the year ended June 30, 2014, have not been restated. The cumulative effect of this change was to increase the June 30, 2015 net position by $14,561,340.

REQUIRED SUPPLEMENTARY INFORMATION

GATEWAY TECHNICAL COLLEGE DISTRICT

Schedules of Other Post-Employment Benefit Plan Information
June 30, 2015

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)
6/30/10	$ -	$ 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%
6/30/14	$ -	$ 18,846,313	$ 18,846,313	0%	$ 41,010,008	46%
6/30/15	$ -	$ 19,165,961	$ 19,165,961	0%	$ 41,473,060	46%

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution (ARC)	Employer Contribution	Percentage of ARC Contributed	Net OPEB Obligation
6/30/10	$ 1,670,281	$ 970,503	58.1%	$ 1,238,128
6/30/11	$ 1,776,169	$ 1,114,687	62.8%	$ 1,880,288
6/30/12	$ 1,780,369	$ 1,242,619	69.8%	$ 2,388,695
6/30/13	$ 1,621,629	$ 1,359,629	83.8%	$ 2,613,418
6/30/14	$ 1,752,794	$ 1,502,599	85.7%	$ 2,822,829
6/30/15	$ 1,758,703	$ 1,540,156	87.6%	$ 2,991,045

See Notes to Required Supplementary Information

GATEWAY TECHNICAL COLLEGE DISTRICT
Schedule of Proportionate Share of the Net Pension Liability (Asset)
Wisconsin Retirement System
Last 10 Fiscal Years*

	2015
Proportion of the net pension liability (asset)	0.3301437%
Proportionate share of the net pension liability (asset)	(8,108,266)
Covered employee payroll	45,832,538
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%

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

GATEWAY TECHNICAL COLLEGE DISTRICT
Schedule of Contributions
Wisconsin Retirement System
Last 10 Fiscal Years*

	2015
Contractually required contributions	$3,208,278
Contributions in relation to the contractually required contributions	3,208,278
Contribution deficiency (excess)	- 0 -
Covered employee payroll	45,832,538
Contributions as a percentage of covered -employee payroll	7.00%

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

See Notes to Required Supplementary Information

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Required Supplementary Information
June 30, 2015

Note A - 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.

Note B - Governmental Accounting Standards Board Statement Nos. 68 and 71

The District implemented GASB Statement No. 68, Accounting and Fianacial Reporting for Pensions - an *amendment of GASB Statement No. 27 and Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68,* for the fiscal year ended June 30, 2015. Information for prior years is not available.

Note C - Wisconsin Retirement System

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

SUPPLEMENTARY INFORMATION

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

GENERAL FUND

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

GATEWAY TECHNICAL COLLEGE DISTRICT

General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2015

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget-Over (Under)
	Original	Final		
Revenues				
Local government - tax levy	$ 17,250,083	$ 17,047,925	$ 17,040,203	$ (7,722)
Intergovernmental revenue:				
State	37,989,039	38,191,197	38,679,055	487,858
Federal	30,000	30,000	24,950	(5,050)
Tuition and fees:				
Statutory program fees	17,034,937	17,034,937	15,397,383	(1,637,554)
Material fees	797,467	797,467	746,748	(50,719)
Other student fees	2,052,974	2,052,974	1,781,542	(271,432)
Miscellaneous - institutional revenue	3,820,000	3,820,000	3,601,426	(218,574)
Total revenues	78,974,500	78,974,500	77,271,307	(1,703,193)
Expenditures				
Instruction	51,853,136	51,225,136	49,497,707	1,727,429
Instructional resources	1,248,370	1,248,370	1,244,103	4,267
Student services	10,249,749	11,077,749	10,049,544	1,028,205
General institutional	7,892,283	7,946,283	7,246,594	699,689
Physical plant	8,001,462	7,947,462	7,637,652	309,810
Total expenditures	79,245,000	79,445,000	75,675,600	3,769,400
Revenues over (under) expenditures	(270,500)	(470,500)	1,595,707	2,066,207
Other financing uses				
Transfers out	(150,000)	(150,000)	(150,000)	-
Net change in fund balance	(420,500)	(620,500)	1,445,707	2,066,207
Fund balance				
Beginning of year	24,485,729	24,485,729	24,485,729	-
End of year	$ 24,065,229	$ 23,865,229	$ 25,931,436	$ 2,066,207

SPECIAL REVENUE FUNDS

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

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

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Special Revenue Fund - Operating Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2015

	Budget Amounts		Actual on a Budgetary	Variance with Final Budget- Over
	Original	Final	Basis	(Under)
Revenues				
Local government - tax levy	$ 2,086,000	$ 2,086,000	$ 2,086,000	$ -
Local government - other	-	-	102,347	102,347
Intergovernmental revenue:				
State	2,284,000	2,284,000	1,920,049	(363,951)
Federal	4,389,000	4,389,000	3,654,218	(734,782)
Miscellaneous - institutional revenue	462,000	462,000	303,316	(158,684)
Total revenues	9,221,000	9,221,000	8,065,930	(1,155,070)
Expenditures				
Instruction	5,940,000	5,828,000	4,393,291	1,434,709
Student services	2,070,000	2,179,000	2,128,225	50,775
General institutional	844,000	844,000	669,301	174,699
Physical plant	32,000	32,600	32,555	45
Public services	335,000	337,400	337,247	153
Total expenditures	9,221,000	9,221,000	7,560,619	1,660,381
Revenues over (under) expenditures	-	-	505,311	505,311
Other financing uses				
Transfers out	-	(580,000)	(580,000)	-
Net change in fund balance	-	(580,000)	(74,689)	505,311
Fund balance				
Beginning of year	2,876,052	2,876,052	2,876,052	-
End of year	$ 2,876,052	$ 2,296,052	$ 2,801,363	$ 505,311

GATEWAY TECHNICAL COLLEGE DISTRICT

Special Revenue Fund - Non-Aidable Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2015

	Budget Amounts		Actual on a Budgetary	Variance with Final Budget- Over
	Original	Final	Basis	(Under)
Revenues				
Intergovernmental revenue:				
State	$ 2,570,000	$ 2,570,000	$ 2,096,553	$ (473,447)
Federal	36,099,000	36,099,000	29,028,202	(7,070,798)
Tuition and fees - other student fees	887,000	887,000	817,953	(69,047)
Miscellaneous - institutional revenue	4,948,000	4,948,000	4,487,756	(460,244)
Total revenues	44,504,000	44,504,000	36,430,464	(8,073,536)
Expenditures				
Student services	43,753,000	43,753,000	36,021,069	7,731,931
General institutional	751,000	751,000	689,970	61,030
Total expenditures	44,504,000	44,504,000	36,711,039	7,792,961
Net change in fund balance	-	-	(280,575)	(280,575)
Fund balance				
Beginning of year	2,096,669	2,096,669	2,096,669	-
End of year	$ 2,096,669	$ 2,096,669	$ 1,816,094	$ (280,575)

CAPITAL PROJECTS FUND

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Capital Projects Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2015

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget-Over (Under)
	Original	Final		
Revenues				
Intergovernmental revenue:				
State	$ 70,000	$ 70,000	$ 69,232	$ (768)
Federal	70,000	70,000	115,152	45,152
Miscellaneous - institutional revenue	100,000	100,000	239,037	139,037
Total revenues	240,000	240,000	423,421	183,421
Expenditures				
Instruction	3,694,000	4,274,000	3,951,084	322,916
Instructional resources	23,000	23,000	12,765	10,235
Student services	70,000	70,000	68,739	1,261
General institutional	1,713,500	1,619,500	1,562,968	56,532
Physical plant	7,829,500	9,127,965	9,127,293	672
Public services	60,000	60,000	55,176	4,824
Total expenditures	13,390,000	15,174,465	14,778,025	396,440
Revenues over (under) expenditures	(13,150,000)	(14,934,465)	(14,354,604)	579,861
Other financing sources				
Long-term debt issued	13,000,000	13,000,000	13,000,000	-
Transfers in	150,000	730,000	730,000	-
Total other financing sources	13,150,000	13,730,000	13,730,000	-
Net change in fund balance	-	(1,204,465)	(624,604)	579,861
Fund balance				
Beginning of year	2,745,654	2,745,654	2,745,654	-
End of year	$ 2,745,654	$ 1,541,189	$ 2,121,050	$ 579,861

DEBT SERVICE FUND

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Debt Service Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2015

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget-Over (Under)
	Original	Final		
Revenues				
Local government - tax levy	$ 9,600,000	$ 9,600,000	$ 9,600,000	$ -
Miscellaneous - institutional revenue	5,000	5,000	5,129	129
Total revenues	9,605,000	9,605,000	9,605,129	129
Expenditures				
Physical plant				
Principal retirement	7,895,000	7,895,000	8,005,000	(110,000)
Interest	1,645,000	1,645,000	1,474,065	170,935
Financing costs	260,000	260,000	226,460	33,540
Total expenditures	9,800,000	9,800,000	9,705,525	94,475
Revenues over (under) expenditures	(195,000)	(195,000)	(100,396)	94,604
Other financing sources (uses)				
Proceeds of debt premium	315,000	315,000	442,049	127,049
Proceeds of refunding bonds	-	-	1,315,000	1,315,000
Payment to bond escrow agent	-	-	(1,320,551)	(1,320,551)
Total other financing sources (uses)	315,000	315,000	436,498	121,498
Net change in fund balance	120,000	120,000	336,102	216,102
Fund balance				
Beginning of year	1,966,799	1,966,799	1,966,799	-
End of year	$ 2,086,799	$ 2,086,799	$ 2,302,901	$ 216,102

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)
For the Year Ended June 30, 2015

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Over (Under)
	Original	Final		
Operating Revenues				
Local government - tax levy	$ 45,000	$ 45,000	$ 45,000	$ -
Tuition and fees - other student fees	260,000	260,000	242,577	(17,423)
Miscellaneous - institutional revenue	295,000	295,000	305,587	10,587
Total revenues	600,000	600,000	593,164	(6,836)
Operating Expenses				
Auxiliary services	600,000	600,000	509,387	90,613
Change in Net position	-	-	83,777	83,777
Net Position				
Beginning of year	922,840	922,840	922,840	-
End of year	$ 922,840	$ 922,840	$ 1,006,617	$ 83,777

SCHEDULES TO RECONCILE BUDGETARY 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, 2015

	General	Special Revenue Funds		Capital	Debt	Enterprise		Reconciling	Statement of
ASSETS	Fund	Operating	Non-Aidable	Projects Fund	Service Fund	Fund	Total	Items	Net Position
Assets									
Cash and cash equivalents	$ 27,408,145	$ -	$ -	$3,143,797	$2,302,901	$ -	$ 32,854,843	$ -	$ 32,854,843
Receivables:									
Property taxes	8,027,502	-	-	-	-	-	8,027,502	-	8,027,502
Accounts, net of reserve of $ 145,000	1,396,514	28,105	109,756	-	-	-	1,534,375	-	1,534,375
Federal and state aid	228,092	1,836,665	63,834	-	-	-	2,128,591	-	2,128,591
Due from other funds	-	1,031,228	1,643,937	-	-	1,020,536	3,695,701	(3,695,701)	-
Prepaid expenditures	474,393	-	-	-	-	-	474,393	-	474,393
Capital assets	-	-	-	-	-	-	-	136,584,199	136,584,199
Less: accumulated depreciation	-	-	-	-	-	-	-	(61,570,022)	(61,570,022)
Net Pension Asset	-	-	-	-	-	-	-	8,108,266	8,108,266
Total Assets	37,534,646	2,895,998	1,817,527	3,143,797	2,302,901	1,020,536	48,715,405	79,426,742	128,142,147
Deferred Outflows of Resources									
Deferred outflows related to pension	-	-	-	-	-	-	-	6,669,316	6,669,316
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 37,534,646	$ 2,895,998	$ 1,817,527	$3,143,797	$2,302,901	$ 1,020,536	$ 48,715,405	$ 86,096,058	$ 134,811,463
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND EQUITY									
Liabilities									
Accounts payable	$ 3,575,363	$ 27,255	$ 368	$ -	$ -	$ 13,705	$ 3,616,691	$ -	$ 3,616,691
Accrued payroll and benefits	1,005,612	55,617	1,065	-	-	214	1,062,508	-	1,062,508
Accrued vacation	598,490	-	-	-	-	-	598,490	-	598,490
Accrued interest payable	-	-	-	-	-	-	-	372,205	372,205
Due to other funds	3,695,701	-	-	-	-	-	3,695,701	(3,695,701)	-
Due to students groups/organizations	-	-	-	-	-	-	-	396,591	396,591
Deferred revenues	2,676,914	11,763	-	-	-	-	2,688,677	(1,089,123)	1,599,554
Long-term liabilities	-	-	-	-	-	-	-	58,007,735	58,007,735
Total liabilities	11,552,080	94,635	1,433	-	-	13,919	11,662,067	53,991,707	65,653,774
Deferred Inflows of Resources									
Deferred inflows related to pension	-	-	-	-	-	-	-	49,433	49,433
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	$ 11,552,080	$ 94,635	$ 1,433	$ -	$ -	$ 13,919	$ 11,662,067	$ 53,991,707	$ 65,653,774
Fund balances / net position									
Net investment in capital assets	-	-	-	-	-	-	-	28,972,318	28,972,318
Net position									
Unreserved/unrestricted	-	-	-	-	-	1,006,617	1,006,617	37,008,996	38,015,613
Fund balances:									
Reserved for prepaid expenditures	474,393	-	-	-	-	-	474,393	(474,393)	-
Reserved for student organizations	-	-	1,689,716	-	-	-	1,689,716	(396,591)	1,293,125
Reserved for student financial assistance	-	-	126,378	-	-	-	126,378	-	126,378
Reserved for capital projects	-	-	-	2,121,050	-	-	2,121,050	(2,121,050)	-
Reserved for debt service	-	-	-	-	2,302,901	-	2,302,901	(1,602,079)	700,822
Reserved for OPEB - Other post employment benefits	1,620,000	-	-	-	-	-	1,620,000	(1,620,000)	-
Unreserved - Designated for:									
State aid fluctuations	588,300	-	-	-	-	-	588,300	(588,300)	-
Subsequent years	882,450	-	-	-	-	-	882,450	(882,450)	-
Subsequent year	2,901,577	812,295	-	-	-	-	3,713,872	(3,713,872)	-
Operations	19,464,716	1,989,068	-	-	-	-	21,453,784	(21,453,784)	-
Total fund balances / net position	25,931,436	2,801,363	1,816,094	2,121,050	2,302,901	1,006,617	35,979,461	33,128,795	69,108,256
Reserve for encumbrances	51,130	-	-	1,022,747	-	-	1,073,877	(1,073,877)	-
Total Liabilities, Deferred inflows of Resources, and Fund Equity	$ 37,534,646	$ 2,895,998	$ 1,817,527	$3,143,797	$2,302,901	$ 1,020,536	$ 48,715,405	$ 86,096,058	$ 134,811,463

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
For the Year Ended June 30, 2015

	General Fund	Special Revenue Funds: Operating	Special Revenue Funds: Non-Aidable	Capital Projects Fund	Debt Service Fund	Enterprise Funds	Total	Reconciling Items	Statement of Revenues, Expenses and Changes in Net Position	
Revenues										
Local government - tax levy	$ 17,040,203	$ 2,086,000	$ -	$ -	$ 9,600,000	$ 45,000	$ 28,771,203	$ -	$ 28,771,203	
Local government - other	-	102,347	-	-	-	-	102,347	-	102,347	
Intergovernmental revenue:										
State	38,679,055	1,920,049	2,096,553	69,232	-	-	42,764,889	-	42,764,889	(1)
Federal	24,950	3,654,218	29,028,202	115,152	-	-	32,822,522	-	32,822,522	(2)
Tuition and fees:										
Statutory program fees	15,397,383	-	-	-	-	-	15,397,383	(8,712,004)	6,685,379	
Material fees	746,748	-	-	-	-	-	746,748	(403,310)	343,438	
Other student fees	1,781,542	-	817,953	-	-	242,577	2,842,072	(1,511,902)	1,330,170	
Miscellaneous - institutional revenue	3,601,426	303,316	4,487,756	239,037	5,129	305,587	8,942,251	(4,039,720)	4,902,531	(3)
Total revenues	77,271,307	8,065,930	36,430,464	423,421	9,605,129	593,164	132,389,415	(14,666,936)	117,722,479	
Expenditures										
Instruction	49,497,707	4,393,291	-	3,951,084	-	-	57,842,082	(2,367,398)	55,474,684	
Instructional resources	1,244,103	-	-	12,765	-	-	1,256,868	(2,562)	1,254,306	
Student services	10,049,544	2,128,225	36,021,069	68,739	-	-	48,267,577	(34,934,603)	13,332,974	
General institutional	7,246,594	669,301	689,970	1,562,968	-	-	10,168,833	(1,401,562)	8,767,271	
Physical plant	7,637,652	32,555	-	9,127,293	-	-	16,797,500	(8,910,359)	7,887,141	
Student aid	-	-	-	-	-	-	-	20,997,405	20,997,405	
Public services	-	337,247	-	55,176	-	-	392,423	(18,233)	374,190	
Depreciation	-	-	-	-	-	-	-	5,976,124	5,976,124	
Auxiliary services	-	-	-	-	-	509,387	509,387	-	509,387	
Debt Service:										
Principal	-	-	-	-	8,005,000	-	8,005,000	(8,005,000)	-	
Interest and debt issuance costs	-	-	-	-	1,700,525	-	1,700,525	(133,386)	1,567,139	
Total expenditures	75,675,600	7,560,619	36,711,039	14,778,025	9,705,525	509,387	144,940,195	(28,799,575)	116,140,620	
Revenues over (under) expenditures	1,595,707	505,311	(280,575)	(14,354,604)	(100,396)	83,777	(12,550,780)	14,132,639	1,581,859	
Other financing sources (uses)										
Long-term debt issued	-	-	-	13,000,000	-	-	13,000,000	(13,000,000)	-	
Proceeds of refunding bonds	-	-	-	-	1,315,000	-	1,315,000	(1,315,000)	-	
Payment to bond escrow agent	-	-	-	-	(1,320,551)	-	(1,320,551)	1,295,000	(25,551)	
Debt premium	-	-	-	-	442,049	-	442,049	(406,291)	35,758	
Loss on disposal of capital assets	-	-	-	-	-	-	-	(61,308)	(61,308)	
Transfers in	-	-	-	730,000	-	-	730,000	(730,000)	-	
Transfers out	(150,000)	(580,000)	-	-	-	-	(730,000)	730,000	-	
Total other financing sources (uses)	(150,000)	(580,000)	-	13,730,000	436,498	-	13,436,498	(13,487,599)	(51,101)	
Net Change in Fund Balances	1,445,707	(74,689)	(280,575)	(624,604)	336,102	83,777	885,718	645,040	1,530,758	
Fund balances/net position										
Beginning of year	24,485,729	2,876,052	2,096,669	2,745,654	1,966,799	922,840	35,093,743	17,922,415	53,016,158	(4)
Cumulative Effect of Change in Accounting Principle	-	-	-	-	-	-	-	14,561,340	14,561,340	
End of year	$ 25,931,436	$ 2,801,363	$ 1,816,094	$ 2,121,050	$ 2,302,901	$ 1,006,617	$ 35,979,461	$ 33,128,795	$ 69,108,256	

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)
For the Year ended June 30, 2015

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

Operating	$ 4,228,572
Non-operating - State Appropriations	38,467,085
Non-operating - Capital Grants	69,232
Total	$ 42,764,889

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

Operating	$ 32,707,370
Non-operating - Capital Grants	115,152
	$ 32,822,522

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

Contract revenue	$ 2,648,419
Auxiliary enterprise revenues	267,355
Miscellaneous revenue	1,424,325
Investment income	46,692
Contributions	208,750
Donated capital assets	306,990
Total	$ 4,902,531

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

	2015	2014
Budgetary basis fund equity	$ 35,979,461	$ 35,093,743
Capital assets capitalized - cost	136,584,199	122,993,510
Accumulated depreciation on general capital asset	(61,570,022)	(56,949,857)
General obligation debt	(53,170,000)	(48,155,000)
Other post employment benefits	(2,991,045)	(2,822,829)
Net pension asset	8,108,266	-
Deferred outflows related to pension	6,669,316	-
Deferred inflows related to pension	(49,433)	-
Accrued interest on long-term debt	(372,205)	(324,785)
Summer school tuition and fees	1,160,862	1,551,772
Unamortized debt premium	(1,229,874)	(1,004,388)
Deferred revenue for govt-wide basis	(688,555)	(760,294)
Encumbrances	1,073,877	3,783,037
Reclass fidiuciary funds to liability	(396,591)	(388,751)
Net position per basic financial statements	$ 69,108,256	$ 53,016,158

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.

<u>**Contents**</u>

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

Statistical Section

GATEWAY TECHNICAL COLLEGE DISTRICT

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Net Investment in Capital Assets	$ 28,972,318	$ 23,473,718	$ 20,982,819	$ 18,916,039	$ 19,615,422	$ 17,579,877	$ 16,438,878	$ 16,228,195	$ 14,108,750	$ 13,302,497
Restricted-expendable	16,848,454	2,345,544	2,017,609	2,392,284	2,095,849	1,887,662	1,741,196	1,624,629	1,390,446	1,714,082
Restricted-nonexpendable	-	-	-	-	-	-	11,000	11,000	11,000	11,000
Unrestricted	23,287,464	27,196,896	26,771,698	22,754,631	22,552,555	21,188,982	18,598,688	17,032,962	17,166,821	16,234,066
Total Net Position	$ 69,108,236	$ 53,016,158	$ 49,772,126	$ 44,062,954	$ 44,263,826	$ 40,656,521	$ 36,789,762	$ 34,896,786	$ 32,677,017	$ 31,261,645

GATEWAY TECHNICAL COLLEGE DISTRICT

Changes in Net Position
Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Operating Revenues										
Student tuition and program fees, net of scholarship allowances	$ 8,358,987	$ 9,242,102	$ 9,361,252	$ 10,409,936	$ 14,010,675	$ 11,602,472	$ 10,761,259	$ 9,209,849	$ 9,204,502	$ 8,540,801
Federal grants	32,707,370	36,656,284	42,989,817	42,666,119	43,428,693	25,323,977	16,575,978	13,092,509	12,791,779	13,584,444
State grants	4,228,572	3,271,663	3,521,173	3,520,742	3,860,476	2,971,504	3,044,816	2,692,464	2,706,640	2,554,174
Local Grants	102,347	-	-	-	-	-	-	-	-	-
Contract revenue	2,648,419	2,149,357	2,177,349	2,256,918	2,231,194	1,924,763	2,053,234	2,526,471	2,161,695	2,189,500
Auxiliary enterprise revenues	267,355	257,997	288,855	256,823	286,282	725,250	823,449	853,017	558,428	462,974
Miscellaneous - institutional revenue	1,424,325	1,442,389	1,658,302	1,203,156	1,503,587	1,247,461	925,416	838,262	885,364	800,678
Total operating revenues	49,737,375	53,019,792	59,996,748	60,313,694	65,320,907	43,795,427	34,184,152	29,212,572	28,308,408	28,132,571
Operating Expenses										
Instruction	55,474,683	55,803,389	56,214,432	60,869,404	58,458,128	54,075,497	51,672,106	48,269,277	47,587,891	45,931,954
Instructional resources	1,254,306	1,181,202	1,137,133	1,426,902	1,300,576	1,214,433	1,070,094	1,017,882	1,225,491	1,227,300
Student services	13,332,974	11,529,142	10,747,472	10,087,038	9,831,728	9,328,200	8,611,661	8,521,160	8,775,637	7,656,716
General institutional	8,767,271	8,384,731	8,183,287	8,373,179	8,089,118	7,675,036	7,242,051	6,574,419	6,893,336	7,115,812
Physical plant	7,887,141	7,509,972	7,465,411	7,718,475	8,004,016	7,364,494	6,939,730	6,471,693	6,237,124	5,911,484
Student aid	20,997,405	24,333,329	29,874,262	30,725,417	36,245,389	18,489,556	11,842,905	9,151,817	8,919,036	9,784,156
Public services	374,190	357,437	357,714	344,410	337,025	252,494	384,102	335,213	317,558	300,708
Auxiliary services	509,387	440,292	507,723	574,483	580,525	1,198,058	1,149,043	1,298,310	993,729	891,585
Depreciation	5,976,124	4,997,183	4,543,691	4,307,822	3,950,810	3,543,647	3,186,169	2,897,941	2,583,246	2,501,129
Total operating expenses	114,573,481	114,536,677	119,031,125	124,427,130	126,797,315	103,141,415	92,097,861	84,537,712	83,533,048	81,320,844
Operating loss	(64,836,106)	(61,516,885)	(59,034,377)	(64,113,436)	(61,476,408)	(59,345,988)	(57,913,709)	(55,325,140)	(55,224,640)	(53,188,273)
Non-operating revenues (expenses)										
Property Taxes	28,771,203	60,150,673	59,395,806	59,003,731	58,328,021	56,248,873	53,910,836	51,079,902	49,101,201	47,291,043
State appropriations	38,467,085	5,499,903	5,485,937	6,081,694	7,265,517	7,518,927	6,825,727	6,627,536	7,131,956	7,464,990
Gain (loss) on sale of capital assets	(61,308)	35,400	(2,245)	(13,933)	(43,980)	(14,631)	52,927	53,996	535,930	-
Investment income	46,692	40,747	38,735	33,320	76,959	69,363	210,390	617,039	911,205	714,778
Interest expense and debt issuance costs	(1,556,932)	(1,449,331)	(1,518,828)	(1,263,110)	(1,264,089)	(1,280,020)	(1,269,463)	(1,133,864)	(1,048,180)	(1,085,376)
Total non-operating revenues(expenses)	65,666,740	64,277,392	63,399,405	63,841,702	64,362,428	62,542,512	59,730,417	57,244,609	56,632,112	54,385,435
Capital Contributions										
State and federal capital appropriations	184,384	297,698	193,935	35,183	532,561	25,235	4,066	19,247	7,900	3,035
Contributions	208,750	164,827	1,421,800	35,679	41,002	538,267	44,202	15,639	-	143,210
Donated capital assets	306,990	21,000	11,367	-	147,722	106,733	28,000	265,414	-	-
Total capital contributions	700,124	483,525	1,627,102	70,862	721,285	670,235	76,268	300,300	7,900	146,245
Cumulative effect of change in accounting priniciple (1)(2)	14,561,340	-	(282,958)	-	-	-	-	-	-	-
Increase/(Decrease) in Net Position	$ 16,092,098	$ 3,244,032	$ 5,709,172	$ (200,872)	$ 3,607,305	$ 3,866,759	$ 1,892,976	$ 2,219,769	$ 1,415,372	$ 1,343,407

(1) The college implemented GASB 68 and 71 beginning with fiscal year ended June 30, 2015.
(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)

	2015	% of Total	2014	% of Total	2013	% of Total	2012	% of Total	2011	% of Total	2010	% of Total	2009	% of Total	2008	% of Total	2007	% of Total	2006	% of Total
Expense Classifications																				
Salaries and wages	$ 50,731,715	43.8%	$ 49,927,226	43.1%	$ 48,806,522	40.5%	$ 49,060,461	39.0%	$ 48,410,278	37.8%	$ 46,108,596	44.2%	$43,890,665	47.0%	$41,139,413	48.0%	$40,010,460	47.3%	$39,186,439	47.6%
Fringe benefits	18,895,006	16.3%	18,360,563	15.8%	17,409,046	14.4%	23,133,387	18.4%	22,310,925	17.4%	20,677,526	19.8%	19,747,456	21.2%	19,509,572	22.8%	19,975,483	23.6%	18,174,037	22.1%
Travel, memberships and subscriptions	1,464,452	1.3%	1,290,745	1.1%	1,165,200	1.0%	957,520	0.8%	826,946	0.6%	740,879	0.7%	780,231	0.8%	698,040	0.8%	705,682	0.8%	723,762	0.9%
Supplies and minor equipment	7,983,678	6.9%	7,550,554	6.5%	8,935,173	7.4%	8,724,938	6.9%	7,664,080	6.0%	6,895,824	6.6%	6,056,363	6.5%	5,349,544	6.2%	5,032,988	6.0%	4,843,828	5.9%
Contract services	4,236,256	3.7%	4,043,245	3.5%	3,669,705	3.0%	3,207,743	2.6%	2,800,111	2.2%	2,405,619	2.3%	2,325,998	2.5%	2,116,237	2.5%	2,502,591	3.0%	2,193,068	2.7%
Bank/Agency credit/collection fees	100,306	0.1%	110,854	0.1%	89,929	0.1%	87,761	0.1%	118,761	0.1%	202,816	0.2%	196,348	0.2%	131,862	0.2%	132,267	0.2%	93,789	0.1%
Rentals	732,774	0.6%	734,061	0.6%	826,787	0.7%	958,089	0.8%	963,315	0.8%	827,786	0.8%	785,358	0.8%	737,152	0.9%	636,383	0.8%	664,383	0.8%
Repairs and maintenance	818,435	0.7%	565,631	0.5%	829,905	0.7%	709,408	0.6%	809,862	0.6%	664,938	0.6%	742,014	0.8%	521,508	0.6%	635,382	0.8%	641,042	0.8%
Insurance	540,802	0.5%	581,160	0.5%	524,070	0.4%	574,587	0.5%	633,985	0.5%	597,291	0.6%	518,683	0.6%	409,729	0.5%	629,031	0.7%	653,990	0.8%
Utilities	1,669,042	1.4%	1,859,746	1.6%	1,621,648	1.3%	1,618,643	1.3%	1,766,539	1.4%	1,631,363	1.6%	1,762,077	1.9%	1,728,450	2.0%	1,579,719	1.9%	1,709,410	2.1%
Depreciation	5,976,124	5.2%	4,997,183	4.3%	4,543,691	3.8%	4,307,822	3.4%	3,950,810	3.1%	3,543,647	3.4%	3,186,169	3.4%	2,897,941	3.4%	2,583,246	3.1%	2,501,129	3.0%
Student aid	20,997,578	18.1%	24,333,329	21.0%	29,874,262	24.8%	30,725,417	24.4%	36,245,389	28.3%	18,489,556	17.7%	11,842,905	12.7%	9,151,817	10.7%	8,919,036	10.5%	9,784,156	11.9%
Student debt writeoff	427,313	0.4%	182,380	0.2%	735,187	0.6%	361,354	0.3%	296,314	0.2%	355,584	0.3%	263,594	0.3%	146,447	0.2%	190,780	0.2%	151,811	0.2%
Total operating expenses	114,573,481	98.8%	114,536,677	98.8%	119,031,125	98.7%	124,427,130	99.0%	126,797,315	99.0%	103,141,425	98.8%	92,097,861	98.6%	84,537,712	98.7%	83,533,048	98.8%	81,320,844	98.7%
Interest expense & debt issuance costs(1)	1,556,932	1.3%	1,449,331	1.2%	1,518,828	1.3%	1,263,110	1.0%	1,264,089	1.0%	1,280,050	1.2%	1,269,463	1.4%	1,133,864	1.3%	1,048,180	1.2%	1,085,376	1.3%
(Gain)/Loss on disposal of assets	61,308	0.1%	(35,400)	0.0%	2,245	0.0%	13,933	0.0%	43,980	0.0%	14,631	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total non-operating expenses	1,618,240	1.4%	1,413,931	1.2%	1,521,073	1.3%	1,277,043	1.0%	1,308,069	1.0%	1,294,681	1.2%	1,269,463	1.4%	1,133,864	1.3%	1,048,180	1.2%	1,085,376	1.3%
Total Expenses	$116,191,721	100.2%	$115,950,608	100.0%	$120,552,198	100.0%	$125,704,173	100.0%	$128,105,384	100.0%	$ 104,436,106	100.0%	$93,367,324	100.0%	$85,671,576	100.0%	$84,581,228	100.0%	$82,406,220	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 2015

County	Municipality	Taxable equalized valuation	Percent of total	Total tax levy
Kenosha	Town of:			
	Brighton	$ 160,027,200	0.428338 %	$ 123,271
	Paris	196,604,700	0.526243	$ 151,447
	Randall	468,295,100	1.253464	$ 360,734
	Salem	990,367,500	2.650872	$ 762,892
	Somers	741,006,700	1.983419	$ 570,807
	Wheatland	279,762,100	0.748827	$ 215,504
	Village of:			
	Bristol	514,406,100	1.376888	$ 396,253
	Genoa City	260,100	0.000696	$ 200
	Paddock Lake	220,364,700	0.589840	$ 169,750
	Pleasant Prairie	2,266,248,800	6.065966	$ 1,745,720
	Silver Lake	162,893,500	0.436010	$ 125,479
	Twin Lakes	670,494,500	1.794682	$ 516,490
	City of Kenosha	5,071,209,000	13.573876	$ 3,906,416
Racine	Town of:			
	Burlington	620,480,000	1.660811	$ 477,963
	Dover	321,999,200	0.861881	$ 248,040
	Norway	314,343,447	0.841389	$ 242,143
	Raymond	443,875,700	1.188102	$ 341,923
	Waterford	723,806,800	1.937381	$ 557,557
	Yorkville	498,601,900	1.334585	$ 384,079
	Village of:			
	Caledonia	1,958,340,900	5.241802	$ 1,508,534
	Elmwood Park	35,755,900	0.095706	$ 27,543
	Mount Pleasant	2,310,885,700	6.185443	$ 1,780,104
	North Bay	34,684,900	0.092840	$ 26,718
	Rochester	352,204,300	0.942729	$ 271,307
	Sturtevant	322,083,600	0.862107	$ 248,105
	Union Grove	286,150,900	0.765927	$ 220,426
	Waterford	389,461,300	1.042453	$ 300,007
	Wind Point	230,252,400	0.616306	$ 177,366
	City of:			
	Burlington	637,462,800	1.706268	$ 491,046
	Racine	3,149,485,850	8.430086	$ 2,426,088

GATEWAY TECHNICAL COLLEGE DISTRICT

Equalized Value and Tax Levy Distribution by Municipality (continued)
Fiscal Year 2015

County	Municipality	Taxable equalized valuation	Percent of total	Total tax levy
Walworth	Town of:			
	Bloomfield	$ 101,197,000	0.270869 %	$ 77,953
	Darien	189,163,200	0.506325	$ 145,715
	Delavan	871,856,800	2.333660	$ 671,602
	East Troy	712,378,000	1.906790	$ 548,754
	Geneva	798,463,200	2.137210	$ 615,066
	Lafayette	248,249,000	0.664477	$ 191,229
	LaGrange	684,324,700	1.831701	$ 527,144
	Linn	1,594,022,300	4.266647	$ 1,227,895
	Lyons	397,085,600	1.062861	$ 305,880
	Richmond	235,202,200	0.629555	$ 181,179
	Sharon	76,207,200	0.203980	$ 58,703
	Spring Prairie	239,833,800	0.641952	$ 184,747
	Sugar Creek	351,464,000	0.940748	$ 270,737
	Troy	250,791,100	0.671281	$ 193,188
	Walworth	221,418,600	0.592661	$ 170,562
	Whitewater	302,697,300	0.810216	$ 233,172
	Village of:			
	Bloomfield	345,433,200	0.924605	$ 266,091
	Darien	79,310,400	0.212287	$ 61,094
	East Troy	308,366,600	0.825391	$ 237,539
	Fontana	1,112,417,400	2.977557	$ 856,909
	Genoa City	159,663,400	0.427364	$ 122,991
	Mukwonago	13,258,000	0.035487	$ 10,213
	Sharon	71,326,300	0.190916	$ 54,944
	Walworth	188,306,300	0.504031	$ 145,055
	Williams Bay	704,985,500	1.887003	$ 543,059
	City of:			
	Burlington	594,100	0.001590	$ 458
	Delavan	527,057,900	1.410752	$ 405,999
	Elkhorn	610,887,900	1.635136	$ 470,575
	Lake Geneva	1,096,509,800	2.934978	$ 844,655
	Whitewater	495,780,200	1.327032	$ 381,906
	Totals	$ 37,360,066,597	100 %	$ 28,778,925

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
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	16,966,705	59,436,000	100.00
2014	60,043,000	43,169,400	71.90	16,873,600	60,043,000	100.00
2015	28,778,925	20,953,581	72.81	-	20,953,581	72.81

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 rea 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
2014 Equalized Valuation and Tax Levy

Municipality	County	Equalized value	Tax levy	Percentage of total tax levy
City of Kenosha	Kenosha	$ 5,071,209,000	$ 3,906,416	13.57 %
City of Racine	Racine	3,149,485,850	2,426,088	8.43
Village of Mount Pleasant	Racine	2,310,885,700	1,780,104	6.19
Village of Pleasant Prairie	Kenosha	2,266,248,800	1,745,720	6.07
Village of Caledonia	Racine	1,958,340,900	1,508,534	5.24
Town of Linn	Walworth	1,594,022,300	1,227,895	4.27
Village of Fontana	Walworth	1,112,417,400	856,909	2.98
City of Lake Geneva	Walworth	1,096,509,800	844,655	2.93
Town of Salem	Kenosha	990,367,500	762,892	2.65
Town of Delavan	Walworth	871,856,800	671,602	2.33
Total principal taxing districts		$ 20,421,344,050	$ 15,730,816	54.66 %
County:				
Racine		$ 12,629,875,597	$ 9,728,951	33.80 %
Kenosha		11,741,940,000	9,044,963	31.43
Walworth		12,988,251,000	10,005,012	34.77
		$ 37,360,066,597	$ 28,778,925	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

County	Name of Business	Type of Business	Year Ended June 30, 2015: 2014 Equalized Valuation	Rank	Percent of District equalized valuation	Year Ended June 30, 2006: 2005 Equalized Valuation	Rank	Percent of District equalized valuation
Racine	S. C. Johnson & Son, Inc.	Manfacturing	$ 117,338,650	1	0.31 %	$ 113,943,058	1	0.36 %
	Racine Joint Venture (Regency Mall)	Shopping center	113,149,900	2	0.30	75,843,674	2	0.24
	Centerpoint Properties Trust(2)	Insurance	75,302,300	3	0.20	-		-
	All Saints Health Care	Health care services	44,151,800	4	0.12	43,486,130	3	0.14
	Continental 81 Fund LLC	Retail-Wal-Mart Stores	44,024,600	5	0.12	22,009,908	6	0.07
	Aurora Medical Group	Health care provider	33,543,200	6	0.09	25,531,282	5	0.08
	CNH Global(1)	Manufacturing	32,872,100	7	0.09	31,987,256	4	0.10
	Inland Southeast Mount Pleasant	Village Center strip mall	26,024,500	8	0.07	20,507,722	7	0.06
	Bombardier Motor Corp	Manufacturing	20,068,700	9	0.05	19,618,083	8	0.06
	High Ridge Improvements	DLC Management Corp	16,400,000	10	0.04	16,820,340	9	0.05
	American National Insurance	Insurance	-		-	16,782,227	10	0.05
Racine county total			$ 522,875,750		1.40 %	$ 386,529,680		1.21 %
(1) Formerly known as J.I. Case Corporation (2)Formerly American National Insurance								
Kenosha (1)	Uline Inc (Route 165 LLC)	Commerical	$ 89,454,991	1	0.24 %	$ -		- %
	Prime Outlets at Pleasant Prairie	Commercial	74,233,501	2	0.20	34,107,398	2	-
	Gordon Food Services	Commercial	67,012,905	3	0.18	-		-
	Centerpoint Properties Trust	Commerical	62,414,259	4	0.17	29,838,612	4	0.09
	Affliated Foods Midwest Coop.	Commercial	51,521,364	5	0.14	-		-
	CV II Lakeview LLC	Commercial	47,235,266	6	0.13	-		-
	Prime Outlets at Pleasant Prarie II LLC	Commercial	46,451,013	7	0.12	-		-
	Southport Plaza Ltd. Partners	Commercial	37,575,779	8	0.10	38,225,112	3	0.12
	Ohiocubco (Meijer Distribution, Inc.)	Commercial	33,569,246	9	0.09	27,894,650	5	-
	Inland Diversified Pleasant Prairie	Commercial	33,380,700	10	0.09	-		-
	Edward Rose Assoc. Apartments	Apartments	-		-	26,360,822	6	0.08
	Cabot Acquisitions LLC	Manufacturing	-		-	44,200,677	1	0.14
	Petretti Realty et Al.	Developer/Builder	-		-	25,910,382	7	0.08
	Diamler-Chrysler Corp.	Manufacturing	-		-	23,828,444	8	0.07
	VillaRoyale Apartments	Multi-family	-		-	22,743,851	9	0.07
	Dairyland Greyhound Park	Recreation/dog track	-		-	21,558,044	10	0.07
Kenosha county total			$ 542,849,024		1.45 %	$ 294,667,992		0.92 %
(1) Estimated								
Walworth	Grand Geneva Resort	Resort	$ 30,916,700	1	0.08 %	$ 41,943,037	1	0.13 %
	Art Mortgage Borrower	Mortgage	27,468,500	2	0.07	-		-
	DLK Enterprises, Inc.	Farm/Real Estate	24,668,700	3	0.07	37,121,400	2	0.12
	Kikkoman Foods Inc.	Factory	21,420,900	4	0.06	17,554,231	6	0.05
	Lake Geneva Retail DST	Retail	15,055,800	5	0.04	-		-
	Wal-Mart Associates	Retail	13,213,600	6	0.04	27,296,127	3	0.09
	Lake Geneva Shopping Center	Retail	13,202,600	7	0.04	-		-
	Paloma Geneva National, LLC	Golf course/Country Club	13,163,500	8	0.04	16,802,575	8	0.05
	Lake Geneva Investors LLC	Investor	13,153,000	9	0.04	11,601,947	9	0.04
	Honey Creek of East Troy, LLP	Real Estate	10,942,700	10	0.03	-		-
	Geneva Project	Development	-		-	25,168,898	4	0.08
	Lake Lawn Lodge	Resort	-		-	18,972,350	5	0.06
	Geneva Lakes Cold Storage	Private business	-		-	17,228,580	6	0.05
	Edwin Kowalski	Landlord	-		-	11,390,829	10	0.04
Walworth county total			$ 183,206,000		0.49 %	$ 225,079,974		0.70 %
Grand total			$ 1,248,930,774		3.34 %	$ 906,277,646		2.83 %
Total District Equalized Valuation			$ 37,360,066,597			$ 32,011,436,858		

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 2006-2015

County	Year	Gateway District Direct Rates: Operational[2]	Gateway District Direct Rates: Debt Service	Gateway District Direct Rates: Direct Rate	School districts elementary/ secondary	Local tax[3]	County tax	Other taxes[4]	Total property tax	State tax relief	Net total
Racine	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
	2014	1.39	0.24	1.63	10.80	8.09	3.99	1.44	25.95	(1.76)	24.19
	2015	0.51	0.26	0.77	10.07	7.73	3.75	1.14	23.46	1.70	25.16
Kenosha	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
	2014	1.39	0.24	1.63	12.41	7.40	5.29	2.15	28.88	(1.98)	26.90
	2015	0.51	0.26	0.77	11.00	6.88	4.93	1.91	25.49	(1.84)	23.65
Walworth	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
	2014	1.39	0.24	1.63	9.88	3.45	4.72	0.84	20.52	(1.67)	18.85
	2015	0.51	0.26	0.77	9.69	3.47	4.60	0.84	19.37	(1.64)	17.73

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

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

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

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Distribution of Real Property of Merged Equalized Values
Racine, Kenosha, and Walworth Counties[1]
Calendar Years 2005-2014
(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
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	79.7%	14.4%	2.5%	0.2%	0.3%	1.4%	1.5%			
2008	36,882,473	6,838,821	1,120,526	97,228	132,254	652,973	733,951	46,458,226	43,959,586	1.22646
% of Total	79.4%	14.7%	2.4%	0.2%	0.3%	1.4%	1.6%			
2009	36,352,336	7,290,549	1,110,045	98,212	158,399	666,742	761,899	46,438,182	43,837,849	1.28202
% of Total	78.3%	15.7%	2.4%	0.2%	0.3%	1.4%	1.6%			
2010	34,525,308	7,203,211	1,063,863	97,068	149,929	648,459	778,346	44,466,184	41,935,823	1.39112
% of Total	77.6%	16.2%	2.4%	0.2%	0.3%	1.5%	1.8%			
2011	33,676,562	7,065,832	1,026,690	93,688	153,901	644,843	759,781	43,421,297	41,111,929	1.43255
% of Total	77.6%	16.3%	2.4%	0.2%	0.4%	1.5%	1.7%			
2012	30,890,678	6,943,049	1,027,116	91,285	161,365	622,065	758,543	40,494,101	38,180,224	1.55672
% of Total	76.3%	17.1%	2.5%	0.2%	0.4%	1.5%	1.9%			
2013	29,672,937	6,520,623	1,030,748	87,647	182,408	609,307	754,730	38,858,400	36,730,173	1.63471
% of Total	76.4%	16.8%	2.7%	0.2%	0.5%	1.6%	1.9%			
2014	30,046,068	6,779,526	1,018,061	85,920	172,041	599,234	784,369	39,485,219	37,360,067	0.77031
% of Total	76.1%	17.2%	2.6%	0.2%	0.4%	1.5%	2.0%			

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 2006-2015

						Net debt			
	Population[1]	Personal Income[2]	Equalized Value-TID in[3]	Gross Debt [4]	Less Amounts Available [5]	Amount	Ratio to equalized valuation	Ratio to Personal Income	Per Capita
			(Dollars in thousands, except per capita)						
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	18,156,777	42,914,419	39,735	1,202	38,533	0.09	0.21	83
2013	464,688	18,495,164	40,025,114	44,580	625	43,955	0.11	0.24	95
2014	465,556	(6)	38,398,101	48,155	638	47,517	0.12	(6)	102
2015	465,446	(6)	39,011,537	53,170	701	52,469	0.13	(6)	113

(1) Wisconsin Department of Administration, Demographic Services Center. (2015 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. Details regarding the District's outstanding debt can be found in the notes to the basic financial statements.

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

(6) Information not yet available.

GATEWAY TECHNICAL COLLEGE DISTRICT

Legal Debt Margin Information[1]
Last Ten Fiscal Years

Calculation of Legal Debt Margin for Fiscal Year 2014

2014 Equalized Valuation - TID In		$ 39,011,536,747
		x 5%
Total debt limit - 5% of total equalized valuation		1,950,576,837
Debt applicable to limit:		
Total gross indebtedness (includes general obligation notes and bonds)	$ 53,170,000	
Less Net Position Restricted for Debt Service (GAAP basis)	(700,822)	
Total amount of debt applicable to debt limit		52,469,178
Legal debt margin		$ 1,898,107,659

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
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
2014	38,398,101	1,919,905	-	48,155	638	47,517	1,872,388	2.47
2015	39,011,537	1,950,577	-	53,170	701	52,469	1,898,108	2.69

(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
For the Year ended June 30, 2015

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	$ 53,170,000	100%	$ 53,170,000
Towns:			
Racine County[3]	2,412,094	varies	2,020,558
Kenosha County	52,517,751	100%	52,517,751
Walworth County	3,702,721	100%	3,702,721
Town Total	58,632,566		58,241,030
Villages:			
Racine County	109,999,534	100%	109,999,534
Kenosha County	122,611,543	100%	122,611,543
Walworth County	77,090,529	100%	77,090,529
Village Total	309,701,606		309,701,606
Cities:			
Racine County	122,887,079	100%	122,887,079
Kenosha County	210,973,852	100%	210,973,852
Walworth County	64,518,497	100%	64,518,497
City Total	398,379,428		398,379,428
Counties:			
Racine County	60,075,000	96.52%	57,984,390
Kenosha County	92,450,000	100%	92,450,000
Walworth County	20,395,000	100%	20,395,000
County Total	172,920,000		170,829,390
School Districts:			
Racine County	107,415,971	96.52%	103,677,895
Kenosha County	194,014,136	100%	194,014,136
Walworth County	112,318,544	100%	112,318,544
School District Total	413,748,651		410,010,575
Sanitary Districts Total	40,952,018	varies	40,590,456
Total Direct and Overlapping debt	$ 1,447,504,269		$ 1,440,922,485

Source: Survey of each governmental unit-June 2015. (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 39.89% in the Gateway District

GATEWAY TECHNICAL COLLEGE DISTRICT

Demographic Statistics for Kenosha, Racine, and Walworth Counties
Historical Comparisons
2006-2015

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)
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	18,156,777	38,698	8.7%	86,827
2013	464,688	204,062	18,495,164	39,711	7.2%	85,490
2014	465,556	204,729	(6)	(6)	7.0%	85,616
2015	465,446	(6)	(6)	(6)	5.6%	85,222

(1) Wisconsin Department of Administration, Demographic Services Center. (2015 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, 2015 Number of Employees	Rank	Percent of District Population	Year Ended June 30, 2006 Number of Employees	Rank	Percent of District Population
Racine	All Saints Health Care	Hospital and Medical Centers	3,200	1	0.69 %	3,400	1	0.75 %
	Racine Unified School District	Education	2,497	2	0.54	2,472	4	0.54
	CNH Global[1]	Manufacturing, agricultural & construction equipment & Implements	2,208	3	0.47	2,500	3	0.55
	S. C. Johnson & Son, Inc.	Manufacturing, commerical & institutional cleaning products	2,000	4	0.43	1,384	5	0.30
	Wheaton Franciscan Healthcare	Hospital	1,250	5	0.27	-		-
	Racine County	County Government	1,147	6	0.25	1,138	8	0.25
	Gateway Technical College[2]	Education	1,104	7	0.24	1,151	7	0.25
	In-Sink-Erator Division	Manufacturer of disposer systems, hot water dispensers	1,000	8	0.21	1,000	9	0.22
	Cree, Inc	Manufactures industrial, commercial & residential; lighting fixtures	1,000	9	0.21	-		-
	Modine Manufacturing	Heat exchanger manufacturing	800	10	0.17	1,000	10	0.22
	City of Racine[2]	Government	723		0.16	1,328	6	0.29
	Regency Mall	Retail shopping center	-		0.00	2,800	2	0.62
	(1)Formerly known as J.I. Case Corporation	Racine county sub-total	16,929		3.64 %	18,173		4.00 %
	(2)Includes full-time and part-time employees.							
Kenosha	Kenosha Unified School District No. 1[1]	Education	2,944	1	0.63 %	2,240	1	0.49 %
	Kenosha Memorial Hospital	Health care services	2,000	2	0.43	1,450	2	0.32
	Aurora Medical Center	Health care services	1,200	3	0.26	-		-
	Kenosha County	Government	1,180	4	0.25	998	4	0.22
	Kenosha Beef	Beef & ground beef processing	750	5	0.16	510	8	0.11
	City of Kenosha[2]	Government	739	6	0.16	773	5	0.17
	Snap-On Tools Corporation	Manufacturer, hand tools & electronics	600	7	0.13	527	7	0.12
	University of Wisconsin-Parkside	Education	506	8	0.11	679	6	0.15
	Jockey International	Manufacturer, clothing	350	9	0.08	-		-
	Ocean Spray Cranberries	Manufacturers cranberry & other fruit products	275	10	0.06	-		-
	Daimler-Chrysler Corp.	Manufacturer, jeep engines	-		-	1,178	3	0.26
	Dairyland Greyhound Park	Greyhound racing	-		-	348	9	0.08
	Carthage College	Education	-		-	200	10	0.04
	(1)Regular full-time only.	Kenosha county sub-total	10,544		2.27 %	8,903		1.96 %
	(2)Full-time only.							
Walworth	Grand Geneva, Timber Ridge Lodge	Resort	1,100	1	0.24 %	1,010	2	0.22 %
	University of Wisconsin-Whitewater	College	1,018	2	0.22	2,414	1	0.53
	Pentair, Inc.	Water & fluid power pumps	900	3	0.19	1,000	3	0.22
	Walworth County	Government agency	812	4	0.17	936	4	0.21
	Miniature Precision Components	Automotive industry parts supplier	500	5	0.11	400	8	0.09
	Aurora Health Care	Medical Facilities	500	6	0.11	764	5	0.17
	Wal-Mart	Retail	500	7	0.11	573	6	0.13
	Abbey Resort	Resort	490	8	0.11	-		0.00
	Elkhorn Area School District	Elementary/Secondary school	362	9	0.08	303	10	0.07
	Birds Eye Foods LLC	Manufacturer, fruits & vegetables	350	10	0.08	-		-
	Lake Lawn Resort	Resort	-		-	550	7	0.12
	Trostel Ltd.	Packaging seals & assemblies	-		-	350	9	0.08
		Walworth county sub-total[3]	6,532		1.40 %	8,300		1.83 %
	Source: Robert W. Baird reports	Total	34,005		7.31 %	35,376		7.79 %

GATEWAY TECHNICAL COLLEGE DISTRICT

Employment Trends by Equal Employment Opportunity Categories
Historical Comparisons
2005-2014

Category	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Administrative/Managerial:	55	54	53	54	52	55	60	71	79	82
Female percent	58	59	62	59	62	62	65	68	48	45
Minority percent	9	9	8	7	10	7	8	11	16	17
Faculty:	266	266	263	265	265	266	268	265	252	253
Female percent	57	57	57	58	58	59	58	59	49	48
Minority percent	8	9	9	10	11	10	11	12	12	12
Professional/Noninstructional:	35	34	34	33	32	33	32	35	33	30
Female percent	83	71	71	73	75	76	78	80	64	53
Minority percent	20	21	24	24	25	24	22	31	30	30
Secretarial/Clerical:	110	106	106	104	96	108	98	91	89	81
Female percent	97	88	99	99	99	99	97	93	80	77
Minority percent	18	22	21	23	23	23	22	20	28	23
Technical/Paraprofessional:	108	104	104	101	97	105	103	120	122	148
Female percent	62	62	62	61	61	59	55	57	42	56
Minority percent	25	26	37	24	23	25	22	22	20	27
Service/Maintenance:	35	36	35	38	37	39	38	40	40	40
Female percent	14	11	11	8	8	10	11	18	10	10
Minority percent	34	36	34	34	35	33	32	35	33	30
Total:	609	600	595	595	579	606	599	622	615	634
Female percent	64	62	64	64	64	64	63	63	50	48
Minority percent	15	16	16	17	17	17	17	17	16	18

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Enrollment Statistics
Historical Comparisons
Last Ten Fiscal Years

Student Enrollment (1)

	Aidable				Non-Aidable	
Fiscal year ended June 30	Associate degree	Technical Diploma	Vocational Adult	Non-post-secondary (ABE)	Community service program	Unduplicated Total
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
2014	10,704	2,409	5,902	4,863	0	20,142
2015	9,718	2,136	5,409	4,110	0	18,336

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
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
2014	4,313	498	128	479	0	5,418
2015	3,930	464	117	408	0	4,919

Source: Wisconsin Technical College System Board

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

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Per Credit Course Fee History
Last Ten Fiscal Years

	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
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
2014	122.20	4.5	61.10	4.5	150.15	0.0
2015	125.85	3.0	62.95	3.0	154.00	2.6

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
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
2013	2,174	1,779	1,308	85	59	75	17.46	97
2014	2,167	1,758	1,199	87	64	68	17.39	98

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	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Racine	Racine Campus										
	Lincoln Building[1]	10,880	10,880	10,880	10,880	10,880	10,880	16,115	16,115	16,115	16,115
	Lake Building	81,127	81,127	81,127	79,172	79,172	79,172	76,362	76,362	76,362	76,362
	Tech Building	87,605	87,605	87,605	87,605	85,589	85,589	109,336	109,336	109,336	109,336
	Racine Building	68,786	68,786	68,786	68,786	68,786	68,786	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	251,668	251,668	249,713	247,697	247,697	274,573	274,573	274,573	274,573
	iMET (formerly CATI)	53,370	53,370	53,370	37,370	37,370	37,370	42,186	42,186	42,186	42,186
	Burn Building-Town of Dover (Land lease)	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440
	Racine County Sub-Total	306,478	306,478	306,478	288,523	286,507	286,507	318,199	318,199	318,199	318,199
Kenosha	Kenosha Campus										
	Administration Building	17,772	17,772	17,772	17,772	17,772	17,772	17,353	17,353	17,353	17,353
	Conference Building	29,954	29,954	29,954	29,954	29,954	29,954	29,365	29,365	29,365	29,365
	Bioscience Building	28,352	28,352	28,352	28,352	28,352	28,352	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	92,000	88,000	88,000	88,000	88,000	88,000	113,965	113,965	113,965	113,965
	Horticultural Buildings[2]	15,648	15,648	14,233	14,233	6,502	6,502	5,873	5,873	5,873	5,873
	Science Building	45,187	41,302	41,302	41,302	41,302	41,302	55,992	55,992	55,992	55,992
	Student Commons	17,130	17,130	17,130	17,130	17,130	17,130	13,456	13,456	13,456	13,456
	Storage Buildings	4,550	4,550	4,550	4,550	4,550	4,550	2,350	2,350	2,350	2,350
	Technical Building	49,480	49,480	49,480	49,480	49,480	49,480	63,634	63,634	63,634	63,634
	Kenosha Campus Sub-Total	318,158	310,273	308,858	308,858	301,127	301,127	350,478	350,478	350,478	350,478
	Leased Facilities:										
	Center for Sustainable Living	1,844	1,844	1,844	1,844	-	-	-	-	-	-
	Horizon Center (Aviation - land lease)	38,755	38,755	38,755	38,755	38,755	38,755	24,277	24,277	24,277	23,477
	Horizon Center Storage Bldg	1,800	1,800	1,800	1,800	1,800	1,800	-	-	-	-
	Lakeview Technology Center	14,000	14,000	14,000	14,000	14,000	14,000	23,200	23,200	23,200	23,200
	Kenosha County Job Center	1,026	1,026	1,162	1,162	1,162	1,162	1,026	1,026	1,026	1,026
	Gateway Medical Park - East	4,724	4,724	-	-	-	-	-	-	-	-
	Launch Box ' 1 Stop Center"	2,668	-	-	-	-	-	-	-	-	-
	SIM House	1,237	-	-	-	-	-	-	-	-	-
	Kenosha County Sub-Total	384,212	372,422	366,419	366,419	356,844	356,844	398,981	398,981	398,981	398,181
Walworth	Elkhorn Campus										
	Alternative High School	7,600	7,600	7,600	7,600	7,600	7,600	7,474	7,474	7,474	7,474
	South Building	40,772	39,072	39,072	39,072	39,072	39,072	38,596	38,596	38,596	38,596
	North Building	49,341	49,341	49,341	49,341	42,241	42,241	42,230	42,230	42,230	42,230
	Veterinary Sciences (prv Job Center)	6,468	6,468	6,468	6,468	6,468	6,468	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	105,854	104,154	104,154	104,154	97,054	97,054	96,473	96,473	96,473	96,473
	Burlington Campus (Leased)										
	380 Building	22,255	19,694	19,694	19,694	19,694	9,439	9,439	9,439	9,439	12,000
	496 Building	33,512	33,512	33,512	33,512	33,512	33,512	33,000	33,000	33,000	33,000
	Walworth County Sub-Total	161,621	157,360	157,360	157,360	150,260	140,005	138,912	138,912	138,912	141,473
	Total District Square Footage	852,311	836,260	830,257	812,302	793,611	783,356	856,092	856,092	856,092	857,853

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

(1) 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 - FY15 - INSURANCE SUMMARY

Type of Coverage	Insurance Company	Policy Period	Details of Coverage	Limits of Coverage	Annual Premium
Property Coverage	DMI	7/1/14 - 6/30/15	Covers all real and personal property, all risk; $25,000 Deductible		$ 86,625
			Blanket Property Limit (Per Occurrence)	$ 400,225,000	
			Certified Terrorism	$ 400,225,000	
			Non-Certified Terrorism	$ 400,225,000	
			Accounts Receivable	$ 25,225,000	
			Fine Arts	$ 15,225,000	
			Valuable Papers and Records	$ 25,225,000	
			Extra Expense	$ 25,225,000	
			Electronic Data Processing Equipment	$ 20,225,000	
			Miscellaneous Unnamed Locations	$ 25,000,000	
			Newly Acquired Property (180 days reporting)	$ 25,225,000	
			Building Ordinance including Demolition & ICC & Increased Time to Rebuild	$ 25,225,000	
			Debris Removal - the greater of 25% of the loss or	$ 15,000,000	
			Earth Movement and Volcanic Action (Annual Aggregate)	$ 25,225,000	
			Flood and Water Damage (Annual Aggregate)	$ 25,225,000	
			Flood in FEMA Zones designated using letters A or V (Annual Aggregate)	$ 25,225,000	
			Property in the Course of Construction	$ 20,225,000	
			Transit	$ 2,725,000	
			Ingress/Egress (1 mile limitation, 30 days limitation)	$ 5,225,000	
			Interruption by Civil Authority (1 mile radius limitation, 30 day limitation)	$ 5,225,000	
			Leasehold Interest	$ 2,725,000	
			Service Interruption - Property Damage & Time Element Combined (Water, Communication including overhead transmission lines, Power including overhead transmission lines)	$ 10,000,000	
			Mobile Equipment	$ 1,000,000	
			Expediting Expenses	$ 5,000,000	
			Pollutant Clean-Up and Removal (Annual Aggregate)	$ 1,225,000	
			Claims Preparation Expenses (Subject to max. 5% of combined PD & TE Loss)	$ 250,000	
			Defense Costs	$ 250,000	
			Exhibition, Exposition, Fair or Trade Show	$ 1,225,000	
			Fire Department Service Charges	$ 475,000	
			Protection of Property	$ 325,000	
			Radioactive Contamination	$ 250,000	
			Royalties	$ 250,000	
Equipment Breakdown	DMI	7/1/14 - 6/30/15	Comprehensive coverage; $25,000 deductible	$ 100,000,000	$ 4,696
			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	
			Green Upgrade	$ 25,000	
Workers' Compensation	DMI	7/1/14 - 6/30/15	**Workers' Compensation - Wisconsin Benefits**	Statutory	$ 317,760
		Employer's Liability	- Bodily injury by accident, each accident	$ 100,000	
			- Bodily injury by disease, policy limit	$ 500,000	
			- Bodily injury by disease, each employee	$ 100,000	
General Liability	DMI	7/1/14 - 6/30/15	Each occurrence limit	$ 5,000,000	$ 84,800
(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	
[Educators Legal Liability (Includes, Directors & Officers, Employment Practices, and Employee Benefits Liability)]					
			- Per Wrongful Act	$ 5,000,000	
			- Per Wrongful Act Deductible	$ 100,000	
Campus Violent Acts*	DMI	7/1/14 - 6/30/15	Policy Aggregate Limit	$ 250,000	$ 1,453
			Policy Deductible	$ 25,000	
			Equipment or Property Improvements	$ 25,000	

GATEWAY TECHNICAL COLLEGE DISTRICT

CAFR - FY15 - INSURANCE SUMMARY

Type of Coverage	Insurance Company	Policy Period	Details of Coverage	Limits of Coverage	Annual Premium
Cyber Liability	DMI	8/1/14 - 6/30/15	Policy Aggregate Limit of Liability	$ 1,000,000	$ 3,536
			Coverage for Privacy Breach and Response Services	$ 500,000	
			Computer Expert Services, Legal Services, Public Relations and Crisis Management Expense	$ 500,000	
			Per Claim Deducitible	$ 25,000	
			Dedctible for Computer Expert Services, Legal Services, Public Relations and Crisis Management Expense	$ 10,000	

TOTAL ANNUAL INSURANCE PREMIUMS PAID TO DISTRICTS MUTUAL INSURANCE: $ 498,870

INSURANCE COVERAGE PURCHASED THROUGH WISCONSIN TECHNICAL COLLEGE INSURANCE TRUST

Type of Coverage	Insurance Company	Policy Period	Details of Coverage	Limits of Coverage	Annual Premium
Crime	National Union Fire Insurance Company	7/1/14 - 6/30/15	Employee Theft	$ 750,000	$ 7,586
			Forgery or Alteration	$ 750,000	
			ERISA Fidelity	$ 750,000	
			On-Premises / In-Transit	$ 500,000	
			Computer Fraud	$ 750,000	
			Computer Program and Electronic Data Restoration	$ 100,000	
			Funds Transfer Fraud	$ 750,000	
			Personal Accounts Forgery or Alteration	$ 750,000	
			Identity Fraud Expense Reimbursement	$ 25,000	
			Claim Expense	$ 25,000	
			Employee Dishonesty	$ 25,000	
			Deductible	$ 5,000	
Foreign Travel Liability*	ACE American Insurance Company	7/1/14 - 6/30/15	Foreign general liability - Each occurrence	$ 1,000,000	$ 2,893
(Year 2 of 3-Year Premium)			General Aggregate	$ 5,000,000	
			Personal and Advertising Injury - Aggregate	$ 1,000,000	
			Products - Completed Operations - Aggregate	$ 2,000,000	
			Premises Damage Limit - Each Occurrence	$ 1,000,000	
			Medical Expense Limit - Any one person	$ 25,000	
			Contingent Auto Liability - Combined Single Limit - Each Accident	$ 1,000,000	
			Foreign Hired Auto Physical Damage		
			- Any One Accident	$ 50,000	
			- Any one policy period	$ 50,000	
			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)	$ 1,000,000	
			Kidnap and Extortion (per cause of loss)	$ 250,000	
Business Travel Accident (for Local Boards of Director Members)	CIGNA	7/1/14 - 6/30/15	Principal Sum	$ 100,000	$ 285
			- Loss of Life		
			- Other Covered Losses as Scheduled		

TOTAL ANNUAL INSURANCE PREMIUMS PAID TO WTCS INSURANCE TRUST: $ 10,764

*This coverage is provided on a request basis

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

Type of Coverage	Insurance Company	Policy Period	Details of Coverage	Limits of Coverage	Annual Premium
Multimedia Liability WGTD 91.1 FM (Year 2 of 3-Year Policy)	Arthur J. Gallagher; Executive Risk Indemnity Policy No. 9177-2134	7/1/14 - 6/30/15	Errors and Omissions		$ 4,550
			Maximum Limit of liability for each claim	5,000,000	
			Retentions each and every claim	10,000	
International SOS Coverage		7/1/14 - 6/30/15	Global Traveler features:		$ 5,818
			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 INSURANCE PREMIUMS PAID TO ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES INC. $ 10,368

Aviation Insurance Coverages Purchased through Wenk Insurance Agency

Type of Coverage	Insurance Company	Policy Period	Details of Coverage	Limits of Coverage	Annual Premium
Aviation Insurance	Wenk Aviation Insurance Agencies	7/1/14 - 6/30/15	Liability Coverage		$ 19,667
			Single Limit Including Passengers and Property Damage	3,000,000	
			Medical Payments at Each Person/Each Occurrence	3,000/18,000	
Coverages & Premiums renewed with Old Republic Insurance through Phoenix Aviation Managers Policy AVC 1037 08			Aircraft Physical Damage Coverages as indicated in policy	130,000 and 385,000	
			Hangarkeepers (per occurrence)	250,000	
			Deductible	5,000	
			Products	1,000,000	

TOTAL ANNUAL INSURANCE PREMIUMS PAID TO WENK INSURANCE AGENCY: $ 19,667

TOTAL ANNUAL PREMIUMS: $ 539,669

2015-2016 Gateway Technical College Associate Degree Programs

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

CAMPUS/CENTER LOCATIONS — ASSOCIATE DEGREES

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 Medic (10-531-2)	2 Years
							■			Geospatial Surveying Technician (10-607-7)	2 Years
■						■		■		Graphic Communications (10-204-3)	2 Years
						■			+	Health Information Technology (10-530-1)	2 Years
			■							Horticulture (10-001-1)	2 Years
										Greenhouse & Marketing (Concentration Area 10-001-1A)	
										Landscape (Concentration Area 10-001-1B)	
■			■			■				Human Service Associate (10-520-3)	2 Years
									+	Individualized Technical Studies (10-825-1)	2 Years
										Technical Studies – Journeyworker (10-499-5)	
■			■							Information Technology – Computer Support Specialist (10-154-3)	2 Years
■						■				Information Technology – Network Specialist (10-150-2A)	2 Years
										Security Analyst (Concentration Area 10-150-2B)	
			■							Information Technology – Software Developer (10-152-1)	2 Years
								■		Information Technology – Web Developer (10-152-3A)	2 Years
										SharePoint Developer (Concentration Area 10-152-3B)	
								■		Instructional Assistant – Associate Degree (10-522-2)	2 Years
			■							Interior Design (10-304-1)	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
■										Veterinary Technician (10-091-1)	2 Years

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

GATEWAY

2015-2016 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
			■							Barber Technologist (30-502-5)	1 Year
						■				CNC Production Technician (31-444-2)	1 Year
						■				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
								■		IT – Junior SharePoint Developer (31-152-5)	1 Year
								■		IT – Junior Web Developer (31-152-4)	1 Year
■						■			+	Medical Assistant (31-509-1)	1 Year
■	■		■			■				Nursing Assistant (30-543-1)	6 Weeks
■			■			■		■		Office Assistant (31-106-1)	1 Year
	■								+	Pharmacy Technician (31-536-1)	1 Year
■			■						+	Practical Nursing (31-543-1) (Listed on Nursing (10-543-1) Curriculum Sheet)	1 Year
			■					■		Small Business Entrepreneurship (31-145-1)	1 Year
						■				Tool and Die Technician (31-439-1)	1 Year
■										Veterinary Assistant (31-091-3)	1 Year
■						■				Welding (31-442-1)	1 Year
										Robotics (Concentration Area 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

GATEWAY

2015-2016 Gateway Technical College Advanced Technical Certificates

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

CAMPUS/CENTER LOCATIONS

Elkhorn Campus	Burlington Center	HERO Center	Kenosha Campus	Horizon Center	Lakeview Center	Racine Campus	iMET Center	Online	Program
			■						Game Programming (10-810-16)
								■	Gerontological and Rehabilitative Nursing Care (10-810-21)
						■			Oracle (10-810-4)
	■		■						Perioperative Nursing (10-810-23)
			■						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 (Highway H)
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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