

**GATEWAY TECHNICAL COLLEGE DISTRICT**  
**Kenosha, Wisconsin**  
**SINGLE AUDIT REPORT**  
June 30, 2011



**Schenck**

**CPAs AND SO MUCH MORE.**

## TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	1 - 2
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS IN ACCORDANCE WITH <i>OMB CIRCULAR A-133 AND STATE SINGLE AUDIT GUIDELINES</i>	3 - 5
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	6 - 8
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	9 - 10
SCHEDULE OF EXPENDITURES OF STATE AWARDS	11 - 13
NOTES TO THE SCHEDULE OF EXPENDITURES OF STATE AWARDS	14 - 15
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	16 - 17
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN	18



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the District Board  
Gateway Technical College District

We have audited the basic financial statements of Gateway Technical College District ("the District") as of and for the year ended June 30, 2011, and have issued our report thereon dated October 27, 2011. We conducted our audit 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.

Internal Control over Financial Reporting

Management of Gateway Technical College District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Gateway Technical College District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Gateway Technical College District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Gateway Technical College District's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Gateway Technical College District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Gateway Technical College District, in a separate letter dated October 27, 2011.

This report is intended solely for the information and use of the District Board, management, the Wisconsin Technical College System Board, federal and state awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.



Certified Public Accountants

Fond du Lac, Wisconsin  
October 27, 2011

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT  
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL AND  
STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND SCHEDULE  
OF EXPENDITURES OF FEDERAL AND STATE AWARDS IN ACCORDANCE WITH OMB  
CIRCULAR A-133 AND THE STATE SINGLE AUDIT GUIDELINES

To the District Board  
Gateway Technical College District

Compliance

We have audited Gateway Technical College District's ("the District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and *State Single Audit Guidelines* issued by the Wisconsin Department of Administration that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2011. Gateway Technical College District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of Gateway Technical College District's management. Our responsibility is to express an opinion on Gateway Technical College District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and *State Single Audit Guidelines* issued by the Wisconsin Department of Administration. Those standards, OMB Circular A-133, and the *State Single Audit Guidelines* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Gateway Technical College District's compliance with those requirements.

In our opinion, Gateway Technical College District, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2011.

## Internal Control over Compliance

Management of Gateway Technical College District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, and *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Gateway Technical College District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

## Schedules of Expenditures of Federal and State Awards

We have audited the basic financial statements of Gateway Technical College District as of and for the year ended June 30, 2011, and have issued our report thereon dated October 27, 2011, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming our opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal and state awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal and state awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the District Board, management, the Wisconsin Technical College System Board, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Schenck Se". The signature is written in black ink and is positioned above a thin horizontal line.

Certified Public Accountants

Fond du Lac, Wisconsin  
October 27, 2011

GATEWAY TECHNICAL COLLEGE DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2011

Agency/Program/Grant Title	Awarding/Pass- Through Agency	Catalog Number	Grant Number	Grant Period	Grant Amount	Federal		Match	Total Expenditures
						Revenue	Expenditures		
<b>U.S. Department of Agriculture</b>									
SNAP Cluster:									
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	RCWD	10.561	#10-98	01/01/10-12/31/10	\$ 7,563	\$ 10,036	\$ 10,036	\$ 30	\$ 10,066
<b>U.S. Department of Commerce</b>									
Economic Development Cluster:									
Economic Adjustment Assistance	Direct program	11.307	06-79-05470	10/01/09-09/30/12	687,100	102,774	102,774	4,318	107,092
			06-79-05547	07/01/10-06/30/13	867,183	143,372	143,372	19,939	163,311
Total Economic Adjustment Assistance and									
<b>Subtotal - U.S. Department of Commerce</b>					<u>1,554,283</u>	<u>246,146</u>	<u>246,146</u>	<u>24,257</u>	<u>270,403</u>
<b>U.S. Department of Interior</b>									
Indian Education - Higher Education Grant Program	WTCS	15.114		07/01/10-06/30/11	24,000	16,330	16,330	4,081	20,411
<b>U.S. Department of Labor</b>									
WIA Cluster:									
WIA Adult Program	RCWD	17.258	#10-98	01/01/10-12/31/10	7,963	10,380	10,380	(865)	9,515
WIA Youth Activities		17.259							
WIA Youth Activities	WOWWD		#10-98	01/01/10-12/31/10	7,520	9,950	9,950	(883)	9,067
Manufacturing Skills Standards Certification	WOWWD		DWD-9/27/10	10/01/10-06/30/11	30,923	21,025	21,025	-	21,025
Skills Jump Start-CAN Bridge Program	SEWD			02/01/10-01/31/11	23,954	21,688	21,688	52	21,740
Total WIA Youth Activities					<u>62,397</u>	<u>52,663</u>	<u>52,663</u>	<u>(831)</u>	<u>51,832</u>
WIA Dislocated Workers	RCWD	17.260	#10-98	01/01/10-12/31/10	13,963	16,349	16,349	-	16,349
Total WIA Cluster					<u>84,323</u>	<u>79,392</u>	<u>79,392</u>	<u>(1,696)</u>	<u>77,696</u>
Youth Build Racine Green Tech Project	OICRC	17.274	YB-18938-09-60-A-55	07/01/09-06/30/11	41,140	41,140	41,140	-	41,140
<b>Subtotal - U.S. Department of Labor</b>					<u>125,463</u>	<u>120,532</u>	<u>120,532</u>	<u>(1,696)</u>	<u>118,836</u>
<b>National Science Foundation</b>									
Education and Human Resources Geoexchange Initiative	Direct program	47.076	DUE-0903279	06/01/09-12/31/10	141,063	4,857	4,857	-	4,857
<b>U.S. Department of Energy</b>									
Renewable Energy Research and Development 20% Wind by 2030:Overcoming the Challenges	LTC	81.087	DE-0000537	01/01/10-01/01/12	16,875	5,741	5,741	-	5,741

(CONTINUED)



GATEWAY TECHNICAL COLLEGE DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
Year ended June 30, 2011

Agency/Program/Grant Title	Awarding/Pass- Through Agency	Catalog Number	Grant Number	Grant Period	Grant Amount	Federal		Match	Total Expenditures
						Revenue	Expenditures		
<b>U.S. Department of Education</b>									
Adult Education - Basic Grants to States	WTCS	84.002							
Adult Basic Education			06-016-146-121	07/01/10-06/30/11	\$ 471,050	\$ 471,051	\$ 471,051	\$ 620,861	\$ 1,091,912
Integr. English Literacy & Civics Educ.			06-017-146-161	07/01/10-06/30/11	15,560	15,417	15,417	-	15,417
Total Adult Education - Basic Grants to States					<u>486,610</u>	<u>486,468</u>	<u>486,468</u>	<u>620,861</u>	<u>1,107,329</u>
TRIO Cluster:									
TRIO Student Support Services	Direct program	84.042	PO42A100069	09/01/10-08/31/11	219,957	130,844	130,844	(2,620)	128,224
			PO42A100069	09/01/10-08/31/11	5,000	5,000	5,000	6,005	11,005
Total TRIO Student Support Services					<u>224,957</u>	<u>135,844</u>	<u>135,844</u>	<u>3,385</u>	<u>139,229</u>
Student Financial Assistance Programs:									
Supplemental Educational Opportunity Grant	Direct program	84.007 (a)	P007A064500	07/01/10-06/30/11	314,000	301,082	301,082	-	301,082
Federal Work-Study Program	Direct program	84.033 (a)	P033A064500	07/01/10-06/30/11	225,000	151,321	151,321	8,496	159,817
Federal PELL Grant Program	Direct program	84.063 (a)	P063P062671	07/01/10-06/30/11	15,800,000	15,885,861	15,885,861	(23,920)	15,861,941
Federal Direct Student Loans	Direct program	84.268 (a)	n/a	07/01/10-06/30/11	25,212,700	24,141,630	24,141,630	(4,925)	24,136,705
Academic Competitiveness Grant	Direct program	84.375 (a)	P375A062674	07/01/10-06/30/11	22,000	117,091	117,091	281	117,372
Total Student Financial Assistance Programs					<u>41,573,700</u>	<u>40,596,985</u>	<u>40,596,985</u>	<u>(20,068)</u>	<u>40,576,917</u>
Career and Technical Education - Basic Grants to States									
		84.048							
Strengthening Nursing & Human Services Education	WTCS		06-080-150-251	07/01/10-06/30/11	179,200	179,201	179,201	2,589	181,790
Student Engagement & Success	WTCS		06-083-150-231	07/01/10-06/30/11	671,900	671,901	671,901	502,200	1,174,101
NTO - Training & Employment	WTCS		06-085-150-261	07/01/10-06/30/11	44,800	34,112	34,112	-	34,112
Minority Student Support Program Start-up	WTCS		06-087-150-201	07/01/10-06/30/11	18,690	12,032	12,032	-	12,032
CNC/Machine Tool-TSA	WTCS		06-089-150-221	07/01/10-06/30/11	25,000	25,000	25,000	1,864	26,864
Surgical Technology Programs Technical Skill Attainment	WTCS		06-090-150-221	07/01/10-06/30/11	15,120	15,120	15,120	-	15,120
EMT-Paramedic-TSA	WCTC		08-131-150-221	07/01/10-06/30/11	31,979	797	797	108	905
Total Career and Technical Education - Basic Grants to States					<u>986,689</u>	<u>938,163</u>	<u>938,163</u>	<u>506,761</u>	<u>1,444,924</u>
Fund for the Improvement of Postsecondary Education									
Healthcare Educational Attainment for Livelihood (HEAL)	Direct program	84.116W	P116W090260	01/01/10-12/31/12	497,938	163,597	163,597	2,556	166,153
Tech-Prep Education	WTCS	84.243	06-186-150-401	07/01/10-06/30/11	127,335	107,525	107,525	-	107,525
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)	DPI	84.334		07/01/10-06/30/11	-	14,398	14,398	-	14,398
<b>Subtotal - U.S. Department of Education</b>					<u>43,897,229</u>	<u>42,442,980</u>	<u>42,442,980</u>	<u>1,113,495</u>	<u>43,556,475</u>

(CONTINUED)

GATEWAY TECHNICAL COLLEGE DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
Year ended June 30, 2011

Agency/Program/Grant Title	Awarding/Pass- Through Agency	Catalog Number	Grant Number	Grant Period	Grant Amount	Federal		Match	Total Expenditures
						Revenue	Expenditures		
<b>U.S. Department of Health and Human Services</b>									
Affordable Care Act Health Profession Opportunity Grants	DHS	93.093	90FX0019	09/01/10-09/29/15	\$ 1,828,442	\$ 98,872	\$ 98,872	\$ 621	\$ 99,493
Student Financial Assistance Programs:									
ARRA - Scholarships for Disadvantaged Students	DHS	93.407 (a)	1 T0AHP18389-01-00	07/01/10-06/30/11	70,000	66,275	66,275	1,328	67,603
Scholarships for Disadvantaged Students	DHS	93.925 (a)	1-T08HP07270-01-00	07/01/10-06/30/11	170,000	101,047	101,047	-	101,047
Total Student Financial Assistance Programs					<u>240,000</u>	<u>167,322</u>	<u>167,322</u>	<u>1,328</u>	<u>168,650</u>
TANF Cluster:									
Temporary Assistance for Needy Families	RCWD	93.558	#10-98	01/01/10-12/31/10	14,010	16,450	16,450	1,572	18,022
ARRA - Child Care and Development Block Grant	DHS	93.713	PO#CFA000125	07/01/10-03/31/11	140,470	140,470	140,470	-	140,470
Health Care and Other Facilities	Direct program	93.887	C76HF19660	09/01/10-12/31/11	495,000	495,000	495,000	-	495,000
<b>Subtotal - U.S. Department of Health and Human Services</b>					<u>2,717,922</u>	<u>918,114</u>	<u>918,114</u>	<u>3,521</u>	<u>921,635</u>
<b>U.S. Department of Homeland Security</b>									
Disaster Recovery Aids Award Presidential Disaster Declaration	DMA	97.036	PA-05-WI- 1966-RPA-0191	07/21/11	38,848	38,848	38,848	-	38,848
<b>Agency for International Development</b>									
USAID Development Partnerships for University Cooperation and Development		98.012	HED139-9722- MAR-11-03	03/24/11-07/29/11	57,686	40,173	40,173	-	40,173
BMENA(ACE)-Entrepreneur Demo	Direct program								
BMENA(ACE)-Automotive Diagnostic Training Partnership	Direct program		MAR-11-01	08/15/10-12/31/11	148,482	66,309	66,309	-	66,309
Total USAID Development Partnerships for University Cooperation and Development					<u>206,168</u>	<u>106,482</u>	<u>106,482</u>	<u>-</u>	<u>106,482</u>
<b>TOTAL FEDERAL AWARDS</b>					<u>\$ 48,729,414</u>	<u>\$ 43,910,066</u>	<u>\$ 43,910,066</u>	<u>\$ 1,143,688</u>	<u>\$ 45,053,754</u>

(a) Student Financial Assistance Cluster

RCWD - Racine County Department of Health Services - Division of Workforce Development  
WTCS - Wisconsin Technical College System  
WOWWD - Waukesha-Ozaukee-Washington Workforce Development  
SEWD - SE Wisconsin Workforce Development  
OICRC - OIC of Racine County

LTC - Lakeshore Technical College  
DMA - Wisconsin Department of Military Affairs  
WCTC - Waukesha County Technical College  
DPI - Wisconsin Department of Public Instruction  
DHS - Wisconsin Department of Health Services

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to the Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2011

**1. Summary of Significant Accounting Policies**

The Gateway Technical College District Board oversees the operations of Gateway Technical College District (the College or the District) under the provisions of Chapter 38 of the Wisconsin Statutes. The District includes all of Kenosha, Walworth, and the majority of Racine County. All significant operations of the College are included in the scope of the Office of Management and Budget Circular No. A-133 (Single Audit). Although the United States Department of Education has been designated as the District oversight agent for the Single Audit, certain responsibilities related to the Single Audit have been delegated by this department to the Wisconsin Technical College System.

Programs Subject to Single Audit

All significant federal awards received by the College, either directly from the federal government or passed through the State of Wisconsin, have been included in the schedule of expenditures of federal awards.

Basis of Presentation

The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting.

**2. Federal Direct Student Loan Program (Direct Loans)**

The Direct Loans (Federal CFDA Number 84.268) is comprised of the following types of loans:

Subsidized Stafford loans	\$ 12,800,375
Unsubsidized Stafford loans	11,337,251
PLUS Loans	<u>4,004</u>
Total Direct Loans	<u>\$ 24,141,630</u>

**3. Reconciliation of Revenues to Basic Financial Statements**

Following is a reconciliation of federal revenues per the schedule of expenditures of federal awards to the federal revenues per the College's basic financial statements.

Revenues per schedule of expenditures of federal awards	\$ 43,910,066
Other funded programs	<u>34,143</u>
Revenues per basic financial statements	<u>\$ 43,944,209</u>
Revenues per basic financial statements	
Operating revenue - federal grants	\$ 43,428,693
Non-operating revenue:	
Capital grants	<u>515,516</u>
Total	<u>\$ 43,944,209</u>

**GATEWAY TECHNICAL COLLEGE DISTRICT**

Notes To The Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2011

**4. Subrecipients**

The College made grants to subrecipients under the following federal programs:

CFDA#	11.307 Economic Development Administration		
	Walworth County Economic Development Alliance	\$	27,528
	Wisconsin Womens Business Initiative Corporation		16,385
	University of WI-Parkside		30,515
		<u>\$</u>	<u>74,428</u>
CFDA#	84.048 Career and Technical Education - Basic Grants to States		
	Wisconsin Technical College System Foundation, Inc.	\$	13,000
	WIDS Consulting		14,000
	W. Jankowski, Reinvention, LLC		10,000
		<u>\$</u>	<u>37,000</u>
CFDA#	84.116W Fund for the Improvement of Postsecondary Education		
	Racine County Human Services	\$	65,265
	University of WI-Parkside		18,151
		<u>\$</u>	<u>83,416</u>

This information is an integral part of the accompanying schedule.

GATEWAY TECHNICAL COLLEGE DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
Year ended June 30, 2011

Agency/Program/Grant Title	Awarding/Pass- Through Agency	Catalog Number	Grant Number	Grant Period	Grant Amount	State		Match	Total Expenditures
						Revenue	Expenditures		
<b>MAJOR PROGRAMS</b>									
<b>Wisconsin Higher Education Aids Board</b>									
Wisconsin Higher Education Grant	Direct Program	235.102		07/01/10-06/30/11	\$ 1,850,000	\$ 2,450,424	\$ 2,450,424	14,151	\$ 2,464,575
<b>Wisconsin Technical College System</b>									
State Aid for Technical Colleges		292.105							
State Aids - General	Direct Program			07/01/10-06/30/11	7,000,000	7,139,315	7,139,315	-	7,139,315
State Aids - Prior Year	Direct Program			07/01/10-06/30/11	-	(67,459)	(67,459)	-	(67,459)
Total State Aids for Technical Colleges					<u>7,000,000</u>	<u>7,071,856</u>	<u>7,071,856</u>	<u>-</u>	<u>7,071,856</u>
Workforce Advancement Training Grants		292.116							
Synerject LLC	Direct Program		06-140-116-111	07/01/10-06/30/11	8,668	8,668	8,668	-	8,668
Rust-Oleum Corporation	Direct Program		06-142-116-111	07/01/10-06/30/11	7,740	4,761	4,761	-	4,761
SPX Flow Technology	Direct Program		06-147-116-111	07/01/10-06/30/11	41,225	34,753	34,753	-	34,753
Diversey Incorporated	Direct Program		06-148-116-111	07/01/10-06/30/11	12,200	12,200	12,200	-	12,200
Pentair	Direct Program		06-149-116-111	07/01/10-06/30/11	26,677	22,907	22,907	18	22,925
A&E Equipment	Direct Program		06-162-116-110	07/01/09-06/30/10	22,792	3,539	3,539	1,296	4,835
Johnson Diversey	Direct Program		06-163-116-110	07/01/09-06/30/10	34,294	3,853	3,853	1,284	5,137
Andes Candies, LP	Direct Program		06-164-116-111	07/01/10-06/30/11	22,000	19,841	19,841	-	19,841
Premier Products of Racine, Inc.-WAT	Direct Program		06-165-116-110	07/01/09-06/30/10	3,325	-	-	1,857	1,857
Andes Candies, LP	Direct Program		06-166-116-110	07/01/09-06/30/10	10,814	6,674	6,674	2,678	9,352
Pentair	Direct Program		06-167-116-110	07/01/09-06/30/10	25,875	1,810	1,810	1,299	3,109
Edstrom Industries, Inc.	Direct Program		06-168-116-111	07/01/10-06/30/11	51,295	35,322	35,322	66	35,388
Insinkerator	Direct Program		06-169-116-111	07/01/10-06/30/11	28,142	21,177	21,177	-	21,177
Brunk Industries	Direct Program		06-171-116-110	07/01/09-06/30/10	23,618	2,800	2,800	933	3,733
BICSI Training for Electrical Contractors	Direct Program		06-172-116-111	07/01/10-06/30/11	24,000	24,000	24,000	4,990	28,990
ACCO Brands	Direct Program		06-174-116-111	07/01/10-06/30/11	5,133	5,133	5,133	1,203	6,336
Ocean Spray Cranberries	Direct Program		06-175-116-110	07/01/09-06/30/10	11,250	4,989	4,989	489	5,478
K & K Screw Products	Direct Program		06-177-116-111	07/01/10-06/30/11	2,850	2,850	2,850	-	2,850
Teleflex Medical OEM	Direct Program		06-181-116-119	07/01/09-06/30/10	47,550	15,927	15,927	5,575	21,502
Teleflex Medical OEM	Direct Program		06-182-116-111	07/01/10-06/30/11	47,925	25,034	25,034	-	25,034
Total Workforce Advancement Training Grants					<u>457,373</u>	<u>256,238</u>	<u>256,238</u>	<u>21,688</u>	<u>277,926</u>
Faculty Development Grants		292.123							
Faculty Innovating with Technology-Match	Direct Program		06-118-123-111	07/01/10-06/30/11	-	-	-	54,296	54,296
Faculty Innovating with Technology	Direct Program		06-119-123-111	07/01/10-06/30/11	50,700	55,028	55,028	747	55,775
Total Faculty Development Grants					<u>50,700</u>	<u>55,028</u>	<u>55,028</u>	<u>55,043</u>	<u>110,071</u>
<b>Subtotal - Wisconsin Technical College System</b>					<u>7,508,073</u>	<u>7,383,122</u>	<u>7,383,122</u>	<u>76,731</u>	<u>7,459,853</u>
<b>TOTAL MAJOR STATE PROGRAMS</b>					<u>9,358,073</u>	<u>9,833,546</u>	<u>9,833,546</u>	<u>90,882</u>	<u>9,924,428</u>

(CONTINUED)

GATEWAY TECHNICAL COLLEGE DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS (CONTINUED)  
Year ended June 30, 2011

Agency/Program/Grant Title	Awarding/Pass- Through Agency	Catalog Number	Grant Number	Grant Period	Grant Amount	State		Match	Total Expenditures
						Revenue	Expenditures		
<b>NONMAJOR PROGRAMS</b>									
<b>Wisconsin Higher Education Aids Board</b>									
WI GI Bill Remission Aid	Direct Program	235.105		07/01/10-06/30/11	\$ 69,333	\$ 69,333	\$ 69,333	\$ -	\$ 69,333
Minority Undergraduate Retention Grant	Direct Program	235.107		07/01/10-06/30/11	40,000	34,000	34,000	-	34,000
Academic Excellence Scholarship	Direct Program	235.109		07/01/10-06/30/11	7,000	2,813	2,813	2,813	5,626
Talent Incentive Program	Direct Program	235.114		07/01/10-06/30/11	60,000	80,940	80,940	(40)	80,900
Wisconsin Nursing Student Loan	Direct Program	235.117		07/01/10-06/30/11	10,000	6,000	6,000	-	6,000
Indian Student Assistance Grant	Direct Program	235.132		07/01/10-06/30/11	2,000	3,850	3,850	-	3,850
<b>Subtotal - Wisconsin Higher Education Aids Board</b>					<u>188,333</u>	<u>196,936</u>	<u>196,936</u>	<u>2,773</u>	<u>199,709</u>
<b>Wisconsin Technical College System</b>									
Displaced Homemaker Program	Direct Program	292.106	06-096-106-111	07/01/10-06/30/11	46,955	35,997	35,997	4,000	39,997
Minority Student Participation and Retention Program	Direct Program	292.109	06-054-109-111	07/01/10-06/30/11	70,957	70,957	70,957	25,607	96,564
Incentive Grants		292.112							
Community Wide Adult Learning	Direct Program		06-009-112-121	07/01/10-06/30/11	330,820	330,820	330,820	63,300	394,120
ABC-HVAC Apprenticeship	Direct Program		06-033-112-131	07/01/10-06/30/11	8,000	8,000	8,000	-	8,000
ATC-High Risk Perinatal Nursing	Direct Program		06-057-112-131	07/01/10-06/30/11	30,000	28,516	28,516	(494)	28,022
Honeywell Cable Products	Direct Program		06-144-112-171	07/01/10-06/30/11	17,258	5,657	5,657	1,886	7,543
Protect-all, Inc.	Direct Program		06-145-112-171	07/01/10-06/30/11	9,381	5,207	5,207	1,735	6,942
Nursing Curriculum Advisory Group Activities	MSTC		14-131-112-131	07/01/10-06/30/11	9,925	1,188	1,188	-	1,188
Total Incentive Grants					<u>405,384</u>	<u>379,388</u>	<u>379,388</u>	<u>66,427</u>	<u>445,815</u>
Transition Services for Individuals with Disabilities	Direct Program	292.115	06-114-115-111	07/01/10-06/30/11	23,637	23,637	23,637	8,674	32,311
Fire Fighter Training 2%	Direct Program	292.137	100-137	07/01/10-06/30/11	-	52,407	52,407	-	52,407
Medicaid Infrastructure Grant		292.138							
Improving Transition Outcomes for Youth with Mental Health Disorders	Direct Program		06-088-138-210	01/01/10-12/31/10	45,000	33,750	33,750	-	33,750
Automotive I-BEST	MPTC		10-813-138-271	09/01/10-01/31/11	13,600	5,444	5,444	-	5,444
Total Medicaid Infrastructure Grant					<u>58,600</u>	<u>39,194</u>	<u>39,194</u>	<u>-</u>	<u>39,194</u>
GPR Increased Program Capacity		292.161							
Expanding Associate Degree Nursing	Direct Program		06-035-161-111	07/01/10-06/30/11	153,417	153,417	153,417	-	153,417
Community Pharmacy Technician	Direct Program		06-036-161-111	07/01/10-06/30/11	79,040	79,040	79,040	-	79,040
Total GPR Increased Program Capacity					<u>232,457</u>	<u>232,457</u>	<u>232,457</u>	<u>-</u>	<u>232,457</u>
<b>Subtotal - Wisconsin Technical College System</b>					<u>837,990</u>	<u>834,037</u>	<u>834,037</u>	<u>104,708</u>	<u>938,745</u>

(CONTINUED)

GATEWAY TECHNICAL COLLEGE DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS (CONTINUED)  
Year ended June 30, 2011

Agency/Program/Grant Title	Awarding/Pass- Through Agency	Catalog Number	Grant Number	Grant Period	Grant Amount	State		Match	Total Expenditures
						Revenue	Expenditures		
<b>Wisconsin Department of Natural Resources</b>									
State Aid in Lieu of Property Taxes	Direct Program	370.503		07/01/10-06/30/11	\$ -	\$ 21,751	\$ 21,751	\$ -	\$ 21,751
<b>Wisconsin Department of Justice</b>									
Supervision of Police Personnel	Direct Program	455.231	10-509	06/14/10-06/25/10	18,000	18,000	18,000	-	18,000
<b>Wisconsin Department of Military Affairs</b>									
Disaster Recovery Aids Award Presidential Disaster Declaration	Direct Program	465.305	PA-05-WI- 1966-RPA-0191	07/21/11	6,475	6,475	6,475	-	6,475
<b>Wisconsin Department of Workforce Development</b>									
Children First & W2 Education Grant	RCWD	437.265	#10-98	01/01/10-12/31/10	10,360	12,467	12,467	-	12,467
W2 FSET Administration Grant	RCWD	437.215	#10-98	01/01/10-12/31/10	14,010	17,417	17,417	-	17,417
<b>Subtotal - Wisconsin Department of Workforce Development</b>					<u>24,370</u>	<u>29,884</u>	<u>29,884</u>	<u>-</u>	<u>29,884</u>
<b>Wisconsin Department of Revenue</b>									
State Aid-Computers	Direct Program	835.109			200,000	171,910	171,910	-	171,910
<b>TOTAL NONMAJOR STATE PROGRAMS</b>					<u>1,275,168</u>	<u>1,278,993</u>	<u>1,278,993</u>	<u>107,481</u>	<u>1,386,474</u>
<b>TOTAL STATE AWARDS</b>					<u>\$ 10,633,241</u>	<u>\$ 11,112,539</u>	<u>\$ 11,112,539</u>	<u>\$ 198,363</u>	<u>\$ 11,310,902</u>

MSTC - Mid-State Technical College  
MPTC - Moraine Park Technical College  
RCWD - Racine County Department of Health Services - Division of Workforce Development

The notes to the schedule of expenditures of state awards are an integral part of this schedule.

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to the Schedule of Expenditures of State Awards  
Year Ended June 30, 2011

**1. Summary of significant accounting policies**

The Gateway Technical College District Board oversees the operation of Gateway Technical College District (the College or the District) under provisions of Chapter 38 of the Wisconsin Statutes. The District includes all of Kenosha, Walworth, and the majority of Racine County. All significant operations of the College are included in the scope of the State Single Audit. The Wisconsin Technical College System has been designated the state cognizant agency.

Programs subject to Single Audit

All significant state awards received by the District from the State of Wisconsin, either directly from the state government or from a pass-through agency, have been included in the schedule of expenditures of state awards.

Basis of presentation

The accompanying schedule of expenditures of state awards is prepared on the accrual basis of accounting.

**2. Reconciliation of Revenues to Basic Financial Statements**

Following is a reconciliation of state revenues per the schedule of expenditures of state awards to the state revenues per the College's basic financial statements.

Revenues per schedule of expenditures of state awards	\$ 11,112,539
Radio station revenue	30,000
Other funded programs	<u>499</u>
Revenues per basic financial statements	<u>\$ 11,143,038</u>
Revenues per basic financial statements	
Operating revenue - state grants	\$ 3,860,476
Non-operating revenue:	
Capital Projects Fund	17,045
State appropriations	<u>7,265,517</u>
Total	<u>\$ 11,143,038</u>



**GATEWAY TECHNICAL COLLEGE DISTRICT**

Notes To The Schedule of Expenditures of State Awards  
Year Ended June 30, 2011

**3. Subrecipients**

The College made grants to subrecipients under the following state programs:

CFDA#	292.138 Medicaid Infrastructure Grant Community Impact Programs, Inc.	<u>\$ 33,750</u>
-------	--	------------------

This information is an integral part of the accompanying schedule.

**GATEWAY TECHNICAL COLLEGE DISTRICT**

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2011

**Section I - Summary of audit results**

Financial statements

Type of auditors report issued: Unqualified  
 Internal control over financial reporting  
     • Material weakness(es) identified? No  
     • Significant deficiency(ies) identified? None Reported  
 Noncompliance material to basic financial statements noted? No

Federal awards

- Internal control over compliance:
  - Material weakness(es) identified? No
  - Significant deficiency(ies) identified? None Reported
- Type of auditors' report issued on compliance for major programs? Unqualified
- Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a): No
- Identification of major programs:

Federal Programs	CFDA No.
Student Financial Assistance Program Cluster	
Federal Supplemental Education Opportunity Grant Program	84.007
Federal Work Study Program	84.033
Federal PELL Grant Program	84.063
Federal Direct Student Loans	84.268
Academic Competitiveness Grants	84.375
ARRA - Scholarships for Disadvantaged Students	93.407
Scholarships for Disadvantaged Students	93.925
Adult Basic Education - Basic Grants to States	84.002
Health Care and Other Facilities	93.887

- Dollar threshold used to distinguish between Types A and Type B programs? \$ 592,000
- Auditee qualified as low-risk auditee? Yes

State awards

- Internal control over compliance:
  - Material weakness(es) identified: No
  - Significant deficiency(ies) identified? None Reported
- Type of auditors' report issued on compliance over programs Unqualified
- Any audit findings disclosed that are required to be reported in accordance with the *State Single Audit Guidelines*: No
- Identification of major state programs:

State Programs	State ID No.
Wisconsin Higher Education Grant	235.102
State Aids for Technical Colleges	292.105
Workforce Advancement Training Grants	292.116
Faculty Development Grants	292.123

- Dollar threshold used to distinguish between Types A and Type B programs? \$ 100,000
- Auditee qualified as low-risk auditee? Yes

**GATEWAY TECHNICAL COLLEGE DISTRICT**

Schedule of Findings and Questioned Costs - Continued  
Year Ended June 30, 2011


**Section II - Financial Statement Findings that are Required to be Reported in Accordance with**

There were no findings noted for the year ended June 30, 2011.

**Section III - Federal Award and State Financial Award Findings and Questioned Costs**

There were no findings noted for the year ended June 30, 2011.

**Section IV - Other Issues**

- 1. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern? No
  
- 2. Does the audit report show audit issues (i.e. material noncompliance, non-material non-compliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with *State Single Audit Guidelines*:
  - Wisconsin Technical College System No
  - Wisconsin Higher Education Aids Board No
  - Wisconsin Department of Health Services No
  - Wisconsin Department of Justice No
  - Wisconsin Department of Military Affairs No
  - Wisconsin Department of Natural Resources No
  - Wisconsin Department of Public Instruction No
  - Wisconsin Department of Revenue No
  - Wisconsin Department of Workforce Development No
  
- 3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? (yes/no) Yes
  
- 4. Name and signature of shareholder   
David Maccoux, CPA
  
- 5. Date of report October 27, 2011

**GATEWAY TECHNICAL COLLEGE DISTRICT**

Schedule of Prior Year Audit Findings and Corrective Action Plan  
Year Ended June 30, 2011

**Summary Schedule of Prior Year Findings**

There were no findings or questioned costs noted for the year ended June 30, 2010.

**Corrective Action Plan**

None required for the year ended June 30, 2011.