

2021

Annual Comprehensive Financial Report *(with Independent Auditors' Report)*



GATEWAY TECHNICAL
COLLEGE FOUNDATION



For the Fiscal Years Ended
June 30, 2021 and 2020

Serving Southeastern WI

To provide equal employment, advancement, and learning opportunities to all individuals, employment and student admission decisions at Gateway will be based on merit, qualifications, and abilities. Gateway will not discriminate against any employee, applicant for employment, student or applicant for admission on the basis of race, color, national origin, ancestry, sex, sexual orientation, creed, religion, political affiliation, marital status, parental status, pregnancy, disability, age, membership in any reserve component of the armed forces, union affiliation, or any other protected category under applicable local, state or federal law, including protections for those opposing discrimination or participating in any resolution process on campus or within the Equal Employment Opportunity Commission or other human rights agencies.

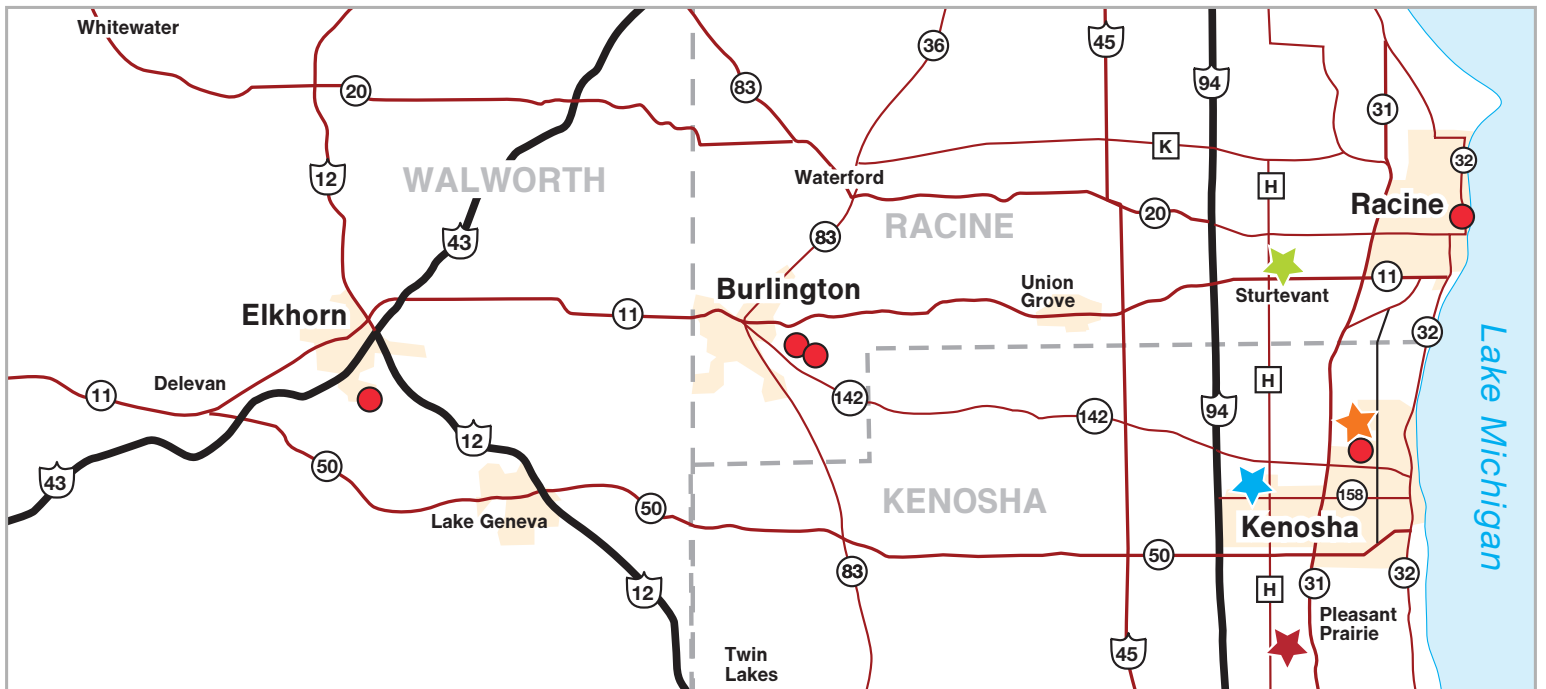
As a recipient of federal financial assistance for education activities, Gateway is required by Title IX of the Education Amendments of 1972 to ensure that all of its education programs and activities do not discriminate on the basis of sex/gender. Sex includes sex, sex stereotypes, gender identity, gender expression, sexual orientation, and pregnancy or parenting status. Gateway also prohibits retaliation against any person opposing discrimination or participating in any discrimination investigation or complaint process internal or external to the institution. Sexual harassment, sexual assault, dating and domestic violence, and stalking are forms of sex discrimination, which are prohibited under Title IX and by Gateway policy. Any member of the campus community, guest, or visitor who acts to deny, deprive, or limit the educational, employment, residential, or social access, opportunities and/or benefits of any member of the Gateway community on the basis of sex or any other protected class listed above is in violation of Gateway's policy on Equal Opportunity, Civil Rights, and Sexual Harassment. Any person may report sex discrimination (whether or not the person reporting is the person alleged to have experienced the conduct), in person, by mail, by telephone, by video, or by email, using the contact information listed for the Title IX Coordinator (below). A report may be made at any time (including during non-business hours) by filing a report at gtc.edu/safety or sending an email.

Josh Vollendorf, MSE, PHR
Director of Compliance/Title IX Coordinator
Kenosha Campus, Administration Center
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Gateway Technical College

Gateway Technical College





GATEWAY TECHNICAL COLLEGE DISTRICT

Racine/Kenosha/Elkhorn, Wisconsin

Annual Comprehensive Financial Report
For the Fiscal Years Ended June 30, 2021 and 2020
(With Independent Auditors' Report)

Official Issuing Report:

Sharon Johnson, CPA
CFO/VP of Finance & Administration

Report Prepared By:

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Assisted By:

Business Office staff
Marketing & Communications staff
Human Resources staff
Institutional Effectiveness staff

GATEWAY TECHNICAL COLLEGE DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Years Ended June 30, 2021 and 2020

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Introductory Section

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Bryan D. Albrecht, Ed.D.
President and CEO

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Burlington, WI 53105-3623
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ELKHORN CAMPUS

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**HERO (HEALTH AND
EMERGENCY RESPONSE
OCCUPATIONS) CENTER**

380 McCanna Pkwy.
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**HORIZON CENTER FOR
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TECHNOLOGY**

4940 - 88th Avenue
Kenosha, WI 53144-7467
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INSPIRE CENTER

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Kenosha, WI 53144-1690
262.564.3600

KENOSHA CAMPUS

3520 - 30th Avenue
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262.564.2200

**LAKEVIEW ADVANCED
TECHNOLOGY CENTER**

9449 - 88th Avenue (Highway H)
Pleasant Prairie, WI 53158-2216
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RACINE CAMPUS

1001 South Main Street
Racine, WI 53403-1582
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WGTD HD

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www.gtc.edu

November 11, 2021

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

The Annual Comprehensive Financial Report (ACFR) of Gateway Technical College District (the District or Gateway) for the fiscal years ended June 30, 2021 and June 30, 2020 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, 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.

Gateway remains firm in its commitment to provide a quality education to all students to positively impact their lives, and to also impact the communities which it serves. Gateway consistently strives 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 an industry leader and one of the top technical colleges in the nation. We strive to make life-changing educational opportunities a reality.

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 12,000 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 innovation, excellence, and meeting the communities' needs.

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, recently developed, approved, and are conducting business according to the following Ends Policies and Mission, Vision, and Values statements.

Board Ends Policy

The tri-county community benefits from affordable higher education that allows residents to develop knowledge and skills for family-supporting careers that contribute to the growth and sustainability of the local economy at a cost commensurate with the value of services provided.

1. Students demonstrate the knowledge and skills and self-confidence required for employability, career advancement, a global perspective, and lifelong learning.
2. Businesses benefit from a well-trained, educated workforce and access to customized business and workforce solutions that support a positive business climate.
3. Taxpayers receive a positive return on investment from Gateway's impact on the local tax base, property values, and overall economic development as well as the contributions of graduates to the tri-county community.
4. Families are strengthened by the prosperity of their graduates, reduced unemployment or underemployment, and the availability of local jobs for family members.
5. Educational partners, locally, nationally, and internationally, connect their students to Gateway's well-developed career pathways courses, facilities, and educational resources.

Vision and Strategic Direction

Our Mission: We deliver industry-focused education that is flexible, accessible, and affordable for our diverse community.

Our Vision: We make life-changing educational opportunities a reality.

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

During fiscal year 2019, the Gateway Board and Administration refined the college's strategic direction as we looked to the future and all the opportunities it affords to impact the lives of our students and our community. As a result, a new strategic plan, Vision 2021 was developed to span three fiscal years. This plan is centered around six Drivers of Excellence that are deemed essential to the continued success of the college. They are as follows:

- Foster Employee Engagement
- Attract and Develop Engaged Students
- Deliver Program and Service Excellence
- Create and Strengthen Connections with Employers, Education, and Community
- Create an Equitable and Inclusive Campus Climate
- Steward College Resources Effectively

Significant Recognitions

Gateway's public radio station, WGTD-FM 91.1, was awarded first place in the medium market category for "Best Coverage of Civil Discourse and Social Change" by the Wisconsin Broadcasters Association.

Gateway received the Military Friendly School award again in fiscal year 2020-21. This award is given by Victory Media to the top 15 percent of colleges providing quality services and initiatives to embrace America's military service members, veterans, and their spouses to ensure their success as students.

Economic Condition and Development

Wisconsin's economy was slowed by effects of the COVID-19 pandemic, but has somewhat started to rebound. The U.S. Bureau of Labor Statistics' unemployment and employment estimates showed Wisconsin's not-seasonally adjusted June 2021 unemployment rate at 4.5 percent, lower than the national rate of 6.1 percent. For the same time period, the unemployment rate in Kenosha County was 5.3 percent, Racine County 5.6 percent and Walworth County 4.4 percent. Those rates compare to June 2020 numbers of 9.8 percent in Kenosha County, 9.5 percent in Racine County, and 8.3 percent in Walworth County.

The economy of Gateway's three-county district of Walworth, Racine and Kenosha have collectively been negatively impacted by COVID-19. The COVID-19 pandemic has potentially lasting implications for businesses on a global scale. Pandemic related factors impacting our district economy are complex and evolving.

Our area workforce, location, educational opportunities, and infrastructure combined with our region's strong manufacturing base attract new companies. Through its ability to provide flexible and solid training, Gateway continues to be recognized as one of the reasons why companies are drawn to the community and the district strives to quickly build strong partnerships with these new businesses. One such new development, Foxconn, has garnered national notice, and Gateway is a major training partner for this development.

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 benefit area companies in expansion growth as well, kick starting new ways to bolster the economy through programs and education that has been recognized locally, statewide, and nationally.

Gateway has expanded its course offerings to meet the increasing need from industry in a number of areas, as well as expanding its SC Johnson iMET Center by 36,000 square feet and remodeling 12,100 existing square feet to meet the technologically advanced Industry 4.0 training. The college also continues its multi-year, in-depth strategic enrollment plan that seeks to use data to help recruit and retain students as well as help them to reach their educational goals.

Gateway understands that our strength is in our shared goal of commitment to our students, community and staff and will rise to new challenges by developing forward thinking initiatives that will also contribute to their development.

Major Initiatives and Accomplishments

In addition to dealing with the COVID-19 pandemic, Gateway also had several major initiatives, accomplishments and efforts during fiscal year 2020-21 to support students and the community. A few of those accomplishments included:

- Gateway Technical College starting in July 2020 held drive-through celebrations at all three of its campuses to honor graduates who were part of the Spring 2020 virtual commencement ceremony. They held the events as a way to recognize graduates who were unable to gather as a group for the virtual commencement ceremony in May.
- The U.S. Department of Education awarded Gateway Technical College a five-year, \$2.25 million Title III grant to further strengthen the college's efforts in areas such as advising, first year experience, work-based learning programs and other areas which support students and help them to succeed educationally and enter their career.
- Gateway in May 2021 held a historic two-day, four-ceremony drive-in commencement celebration for its graduates on its Kenosha Campus. The college recognized 1,347 prospective graduates.

Leadership of a Model College

In fiscal year 2020-21, Gateway demonstrated its leadership in the community and on a national level in a variety of ways including the following:

- Gateway was nationally recognized by the National Coalition of Certification Centers (NC3) by being named a 2020 Dennis Iudice Memorial Award winner for the number of industry-recognized certifications students earned in its programs in 2019. Students in Gateway programs earned 2,375 certifications, the third most of all NC3-participating colleges.
- A Gateway welding graduate spoke to a bipartisan Congressional caucus on what it was like to train in an online format for a very hands-on career field during a pandemic. She was one of four panelists to speak to the U.S. House of Representative-Career and Technical Education (CTE) Caucus seeking to determine how COVID-19 affected CTE.
- Gateway Technical College Foundation created the Red Hawk Strong Kenosha emergency grant fund, an effort to help those affected by the civil unrest events in Kenosha who found themselves struggling to continue their education because of impacts to their home, family or work. Corporate and private donors stepped forward to contribute to the campaign.
- Gateway staff and students offered some best practices the college has engaged in to succeed at a high level during the COVID-19 pandemic, as part of an online event for the U.S. Department of Education. Gateway was selected to be a participant in the federal showcase because it was one of a handful of colleges across the nation identified by the DOE as “delivering high quality career and technical education even in an unprecedented school year.”
- The theme for Gateway Technical College’s 27th Annual Dr. Martin Luther King Jr. Celebration, “Response, Resiliency, Restoration” certainly resonates in today’s society, communities and families, said keynote speaker Tammi Summers at the event. The annual college event to honor Dr. King was held virtually.

Service Learning – Serving the Community

Gateway faculty, staff and students understand that we are stronger as a community and nation when we help and support each other. One example of Gateway’s service learning projects in fiscal year 2020-21 includes Gateway Arboriculture program students who gave their time and used the skills learned in the program to fell and clear trees at two Habitat for Humanity homes sites in Kenosha.

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.

A few of the highlights from fiscal year 2021 include:

- Gateway Technical College held an opening ceremony for the newly named Emergency Vehicle Operation Course sponsored by Kunes Automotive Group, a center that will meet the needs of Gateway students in many different programs as well as provide a training site for the college’s law enforcement academy and area first responders.
- Gateway Technical College and Rockwell Automation partnered for an intense, 12-week Academy of Advanced Manufacturing program where students receive industry-leading training typically reserved for professionals.

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 throughout 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. In fiscal year 2021, Gateway Technical College combined its two annual environmentally focused events into one large event that met in-person as well as online at the Racine, Kenosha and Elkhorn campuses. Celebrate Earth Day and EcoFest were held on the same date this year and featured fun, informative and hands-on activities for people of all ages.

Facilities

COVID-19 continued to be the primary focus of the facilities team during fiscal year 2020-21 as they worked diligently to keep Gateway’s facilities safe for employees and staff. Examples of the efforts included:

- Providing masks to students and employees.
- Placing hand sanitizer at strategic locations.
- Enhancing the disinfection of commonly touched surfaces/areas such as restrooms, student centers and entrances.
- Using electrostatic sprayers to efficiently and effectively sanitize large areas.
- Utilizing air purifiers.

Student Success

Gateway provides students the opportunity to succeed in their future careers through innovative programs, state-of-the art instruction, 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 and notable examples include:

- A student from the nursing program was named Gateway Technical College’s 2021 District Ambassador and served as the student voice of the college to communities in Kenosha County, Racine County and Walworth County as well as at speaking engagements during public events held by the college each year.
- Gateway Technical College hosted its 2021 Go Lead Our World Leadership and Diversity Conference, a leadership and diversity event that provides students and other participants ways to build skills in leadership, inclusion and confidence.
- Gateway Technical College students swept the national American Technical Education Association Futures Competition, a design competition challenging students to find solutions to real-world problems. This year’s competition focused on requiring students to provide solutions that incorporated digital tools required in industry today.

Technology Initiatives

Gateway's information technology team continues to research alternative technologies in support of learning objectives. 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. An example of advancements in technology initiatives in fiscal year 2020-21 was:

- Gateway Technical College worked with the Racine County Executive to help set up 15 new internet access points throughout Racine County to improve internet connectivity in high-need areas.

Special Funding/Grants

Grants and special funding received by Gateway this year included the following:

- SC Johnson committed \$5.5 million to Gateway through the Gateway Foundation to create the SC Johnson STEM Scholars Pathway, a program dedicated to providing women and people of color, who have historically been underrepresented in STEM industries, and those with limited means the opportunity to gain a four-year degree in STEM-related career fields. This gift marks the largest single donation to the college in its history, and is part of SC Johnson's long-standing commitment to supporting education and underserved communities.
- Gene Haas Foundation (\$500,000) and Haribo of America (\$250,000) committed to the Promise 2 Finish Endowed Fund for students who have started but not completed college and want to complete their Associate Degree at Gateway Technical College. In honor of their gifts, the High Bay Area of the SC Johnson iMET Center will become Gene Haas Innovation Alley and the auditorium located on the Kenosha Campus has been named Haribo Hall.
- Kunes Family Foundation committed \$250,000 in support of scholarships for students enrolling in the Automotive, Diesel, or Law Enforcement Academy.
- Compeer Financial donated \$75,000 in support of Horticulture and Vet Tech equipment.
- Snap-on Incorporated donated \$68,100 in support of SIM City, Kenosha Earth Day, the Mahone Fund Forward Scholarship, Red Hawk Kenosha Strong fund, and Kenosha Earth Day, Gateway Foundation Presents: Innovation Celebration, and Foundation Scramble events.
- The John J. and Ruth F. Kloss Charitable Trust donated \$66,500 in support of the Racine Campus Nursing Expansion, K12 STEM and Red Hawk Kenosha Strong programs.

New Programs/Academic Initiatives

Gateway strives to be flexible in its course and service delivery to help students achieve their goals. Examples from fiscal year 2020-21 include:

- Gateway's faculty, administration and staff developed a robust hybrid learning model that includes online instruction though synchronous (a scheduled meeting time with instructors

and students) and asynchronous (online, but at a self-guided schedule) methods coupled with face-to-face lab experiences.

- Gateway continued to work towards gaining approval of offering Associate of Arts and Associate of Science Degrees.

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. As 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 auditors' reports related specifically to the single audit will be included in a separate document, titled "Single Audit Report".

Budgeting Controls

Budgeting is done in accordance with Chapter 65 of Wisconsin Statutes, Wisconsin Technical College System administrative rules and local District policy. Gateway maintains budgetary controls which are designed to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the District Board. Activities of the general fund, special revenue fund, debt service fund, capital projects funds, enterprise funds, and trust and agency funds are included in the annual appropriated budget. The level of budgetary control (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. Each 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 CliftonLarsonAllen, LLP 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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. In order to be awarded such certificates, a college unit must publish an easily readable and efficiently organized Annual Comprehensive 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 CliftonLarsonAllen, LLP. 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



Sharon Johnson, CPA
CFO/Vice President of Finance & Administration

GATEWAY TECHNICAL COLLEGE

DISTRICT BOARD AND PRINCIPAL OFFICIALS
As of June 30, 2021

District Board

Chairperson	R. Scott Pierce	School District Member
Vice Chairperson	Jesse Adams	Employer Member
Secretary	Pamela Zenner-Richards	Additional Member
Treasurer	Zaida Hernandez-Irisson	Employee Member
Member	Ram Bhatia	Additional Member
Member	William Duncan	Additional Member
Member	Rebecca Matoska-Mentink	Elected Official Member
Member	Bethany Ormseth	Employer Member
Member	Roger Zacharias	Employee Member

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.
Vice President Community and Government Relations	Stephanie L. Sklba
Vice President Learning Innovation / Chief Information Officer	Jeffrey D. Robshaw
Vice President Business & Workforce Solutions	Matthew Janisin, Ed.D.
Vice President Student Services and Enrollment Management	Stacy Riley, Ed.D.
Vice President Human Resources	Jacqueline Morris
Chief Financial Officer / Vice President Finance and Administration	Sharon Johnson, CPA
Vice President of Diversity, Equity & Inclusion	Tammi, Summers, Ph.D.



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.



Jesse Adams
Walworth County



Ram Bhatia
Racine County



William Duncan
Walworth County



Zaida Hernandez-Irisson
Racine County



Rebecca Matoska-Mentink
Kenosha County



Bethany Ormseth
Kenosha County



R. Scott Pierce
Kenosha County

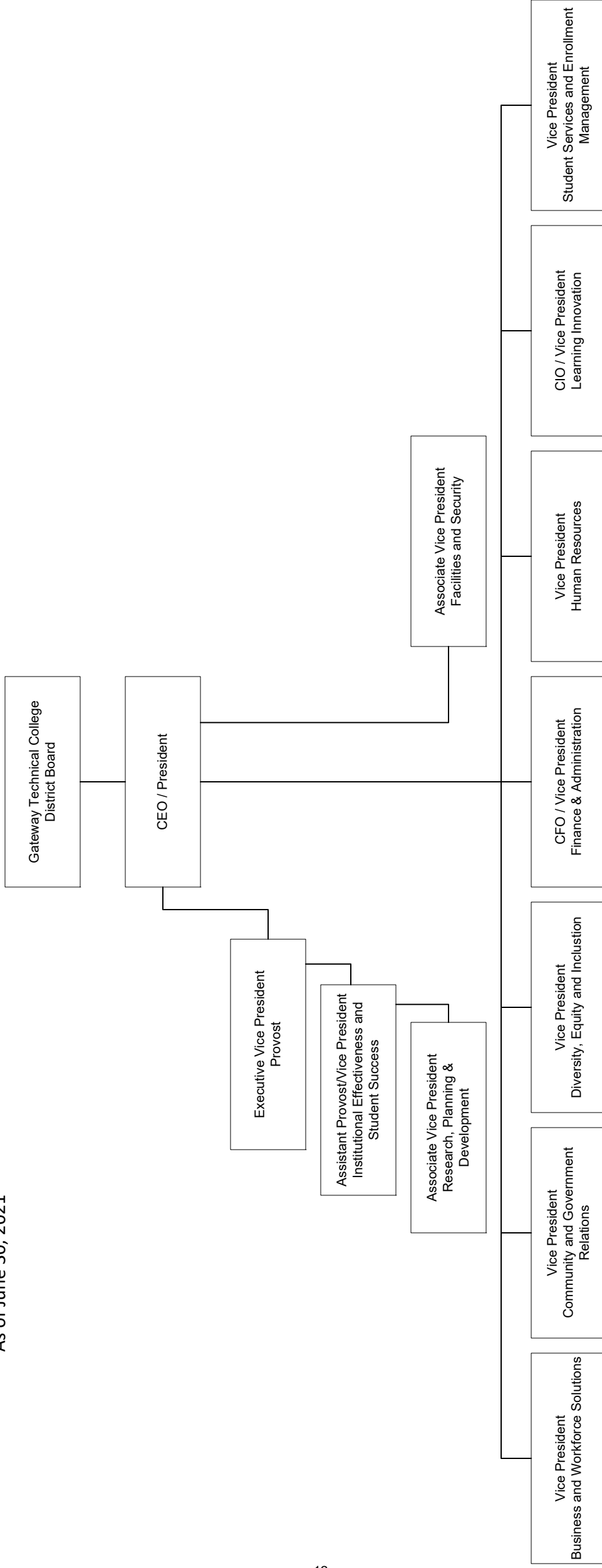


Roger Zacharias
Kenosha County



Pamela Zenner-Richards
Racine County

GATEWAY TECHNICAL COLLEGE
 ORGANIZATIONAL CHART
 As of June 30, 2021





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, 2020

Christopher P. Morill

Executive Director/CEO



Financial Section

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INDEPENDENT AUDITORS' REPORT

To the District Board
Gateway Technical College District
Kenosha, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the Gateway Technical College District (the "District") and its discretely presented component unit as of and for the years ended June 30, 2021 and 2020, 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 opinions on these financial statements based on our audit. We did not audit the financial statements of the Gateway Technical College Foundation, Inc. (the "Foundation") which represents one hundred percent of the assets, net position, and revenues of the discretely presented component unit. 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 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. The financial statements of the Foundation, a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District and its discretely presented component unit as of June 30, 2021 and 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter

Change in Accounting Principle

As discussed in Note 8 to the financial statements, in 2021, the District adopted new accounting guidance, GASB statement No. 84, *Fiduciary Activities*. As a result of the implementation, the District reported a restatement for the change in accounting principle. 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 postemployment benefits, as included in the table of contents, be presented to supplement the basic financial statements. Such information, although not a 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 audit 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 audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The financial information listed in the table of contents as supplementary information and other information, such as the introductory and statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates 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 is 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 it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2021, 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 solely 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 effectiveness of the District's 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.



CliftonLarsonAllen LLP

Wauwatosa, Wisconsin
November 8, 2021

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, 2021.

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 district, the changes in its financial position, and the cash flows of the district 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 outflows/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)

	<u>2021</u>	<u>2020</u>	<u>Incr (Decr)</u> <u>2021-2020</u>	<u>2019</u>	<u>Incr (Decr)</u> <u>2020-2019</u>
<u>Assets</u>					
Cash and other current assets	\$ 59,913	\$ 53,918	\$ 5,995	\$ 49,653	\$ 4,265
Capital assets, net of accumulated depreciation	<u>119,266</u>	<u>108,280</u>	<u>10,986</u>	<u>95,072</u>	<u>13,208</u>
Total Assets	<u>179,179</u>	<u>162,198</u>	<u>16,981</u>	<u>144,725</u>	<u>17,473</u>
<u>Deferred Outflows</u>					
Deferred outflows related to pension and OPEB	<u>32,500</u>	<u>23,486</u>	<u>9,014</u>	<u>31,270</u>	<u>(7,784)</u>
<u>Liabilities</u>					
Current	23,174	22,816	358	20,825	1,991
Non-Current	<u>80,683</u>	<u>77,669</u>	<u>3,014</u>	<u>90,991</u>	<u>(13,322)</u>
Total Liabilities	<u>103,857</u>	<u>100,485</u>	<u>3,372</u>	<u>111,816</u>	<u>(11,331)</u>
<u>Deferred Inflows</u>					
Deferred inflows related to pension and OPEB	<u>43,377</u>	<u>31,330</u>	<u>12,047</u>	<u>15,392</u>	<u>15,938</u>
<u>Net Position</u>					
Net investment in capital assets	35,945	34,187	1,758	33,156	1,031
Restricted	24,127	14,719	9,408	3,855	10,864
Unrestricted	<u>4,373</u>	<u>4,963</u>	<u>(590)</u>	<u>11,776</u>	<u>(6,813)</u>
Total Net Position	<u>\$ 64,445</u>	<u>\$ 53,869</u>	<u>\$ 10,576</u>	<u>\$ 48,787</u>	<u>\$ 5,082</u>

Total assets and deferred outflows increased \$26.0 million or 14.0% in FY 2021 and increased \$9.7 million or 5.5% in FY 2020. Total liabilities and deferred inflows increased by \$15.4 million or 11.7% in FY 2021 as compared to an increase of \$4.6 million or 3.6% in FY 2020. Overall, the total net position increased by \$10.6 million or 19.6% in FY 2021 while FY 2020 experienced a \$5.0 million or 10.4% increase for the fiscal year.

Fiscal Year 2021 Compared to Fiscal Year 2020

- In FY 2021 cash and cash equivalents experienced an increase of \$4.8 million or 12.6% due to an effort to control expenditures to mitigate the effects of Coronavirus compared to \$1.4 million or 3.7% decrease in FY 2020.
- Non-Current assets increased by \$11.0 million or 10.1% due to an increase in Capital assets, net of accumulated depreciation of \$1.7 million or 1.7% and an increase in the value of the pension asset in 2021 of \$9.3 million or 93.1 %.
- Other assets increased by \$1.2 million or 7.6% due mainly to an increase in the federal and state aid receivable at year-end and changes in restricted cash balances.

- Deferred outflows, which includes amounts related to the District's Wisconsin Retirement System pension asset and OPEB liability, increased \$9.0 million in FY 2021 as compared to a decrease of \$7.8 million in FY 2020. The increase is due mainly to the change in deferred outflows related to the District's pension asset of \$8.5 million in FY 2021. In addition, the District saw an increase in its deferred outflows related to its OPEB obligation of \$.5 million in FY2021. (Additional information can be found in footnotes six and seven in the notes to the financial statements).
- Overall current liabilities increased \$.4 million or 1.6% in FY 2021 as compared to an increase of \$2.0 million or 9.6% in FY 2020. The increase in FY 2021 is due mainly to an increase in accounts payable because of higher year end payment accruals.
- Non-Current liabilities increased \$3.0 million or 3.9% in FY 2021 as compared to a decrease of \$13.3 million or 14.6% in FY 2020. The increase in FY 2021 is due to an increase of general obligation debt of approximately \$1.4 million or 2.4% and an increase the OPEB liability of \$1.7 million or 8.6%. (Additional information can be found in footnotes six and seven in the notes to the financial statements).
- Deferred inflows, which includes amounts related to the District's Wisconsin Retirement System pension asset and OPEB liability increased by \$12.0 million or 38.4% in FY 2021. The increase is due to the change in deferred inflows related to the District's pension asset in FY 2021 as well as the recording of deferred inflows relating to changes in the district's OPEB liability. (Additional information can be found in footnotes 6 and seven in the notes to the financial statements).

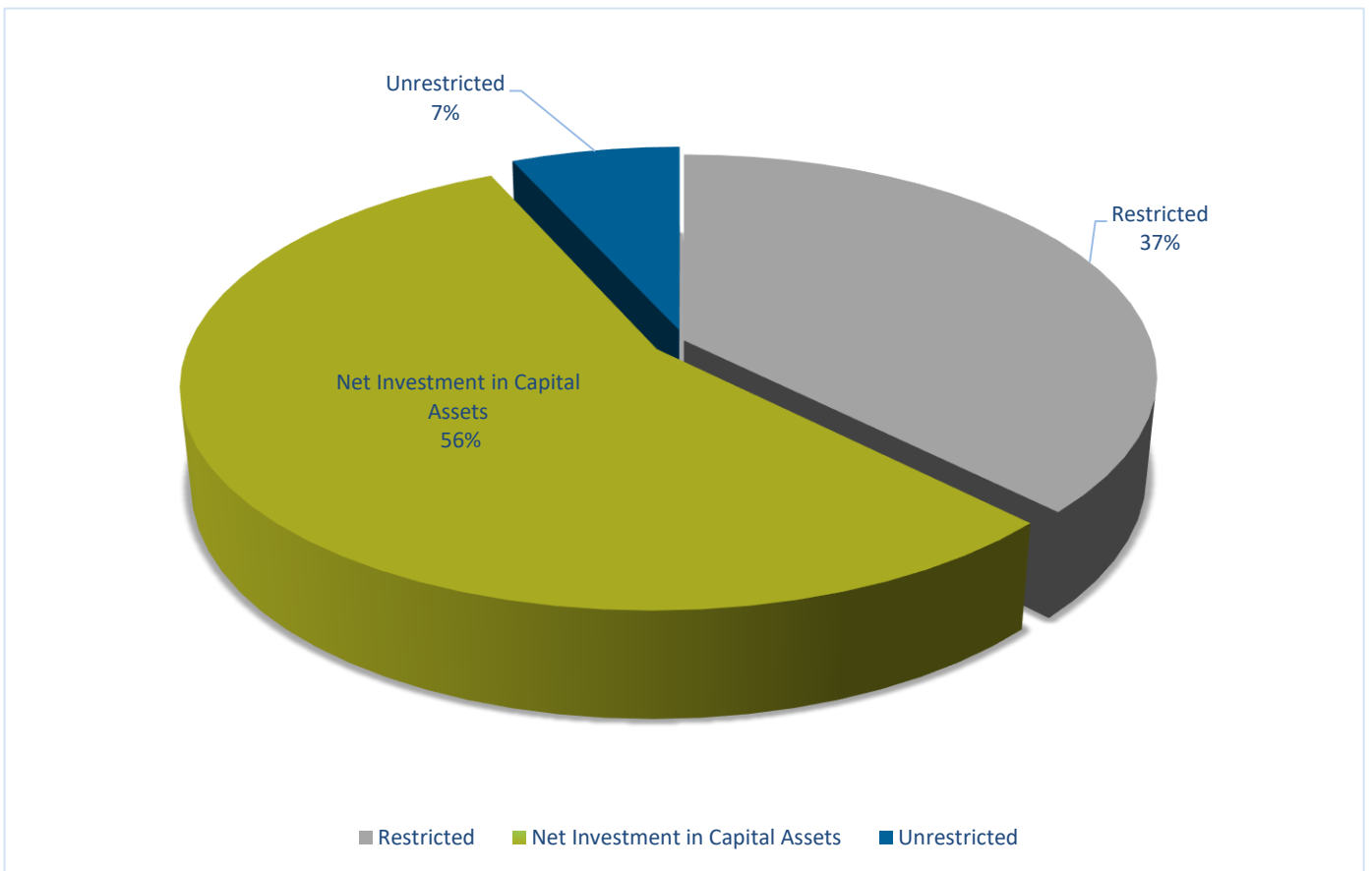
Fiscal Year 2020 Compared to Fiscal Year 2019

- In FY 2020 cash and cash equivalents experienced an increase of \$1.4 million or 3.7% due to an effort to control expenditures to mitigate the effects of Coronavirus compared to \$3.1 million or 8.0% decrease in FY 2019.
- Non-Current assets increased by \$13.2 million or 13.9% due to an increase in Capital assets, net of accumulated depreciation of \$3.2 million or 3.4% and the recording of a pension asset in 2020 of \$10.0 million.
- Other assets increased by \$2.9 million or 21.7% due mainly to an increase in the federal and state aid receivable at year-end and changes in restricted cash balances.
- Deferred outflows, which includes amounts related to the District's Wisconsin Retirement System pension asset and OPEB liability, decreased \$7.8 million in FY 2020 as compared to an increase of \$13.3 million in FY 2019. The decrease is due to the change in deferred outflows related to the District's pension asset in FY 2020, which was a liability in FY 2019. In addition, the District saw a decrease in its deferred outflows related to its OPEB obligation. (Additional information can be found in footnotes six and seven in the notes to the financial statements).
- Overall current liabilities increased 2.0% in FY 2020 compared to an increase of 9.6% in FY 2019. The increase in FY 2020 is due mainly to an increase general obligation debt, accrued liabilities, and an increase in the current portion of the OPEB liability.
- Non-Current liabilities decreased 14.6% or \$13.3 million in FY 2020 as compared to an increase of 15.4% or \$12.2 million in FY 2019. The decrease in FY 2020 is due mainly to the recording of a pension asset in 2020 versus the pension liability recorded in 2019.

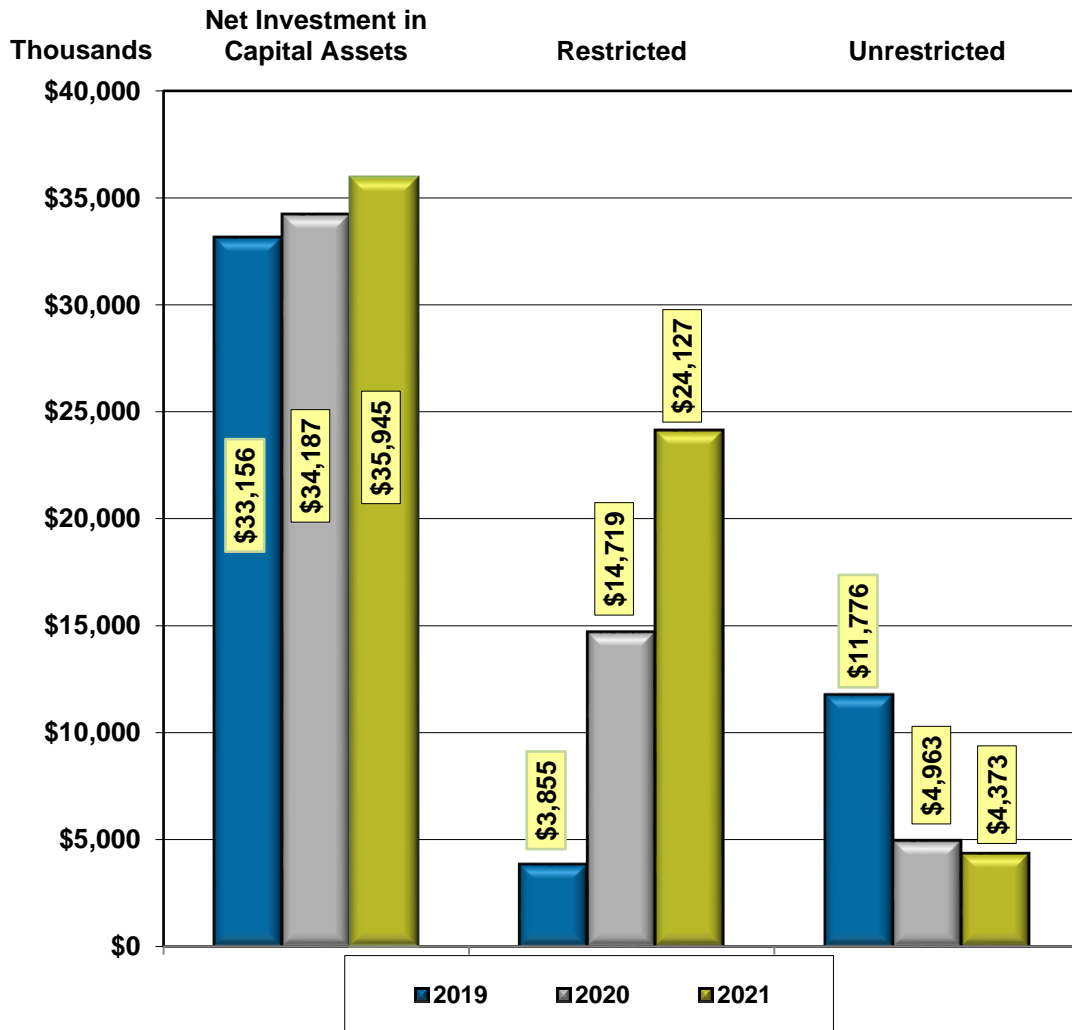
General obligation debt increased by approximately \$1.7 million or 3.1% in FY 2020 and the OPEB liability decreased by \$2.3 million or 9.7%. (Additional information can be found in footnotes 6 and 7 in the notes to the financial statements).

- Deferred inflows, which includes amounts related to the District's Wisconsin Retirement System pension asset and OPEB liability increased by \$15.9 million or 103.6% in FY 2020. The increase is due to the change in deferred inflows related to the District's pension asset in FY 2020 as well as the recording of deferred inflows relating to changes in the district's OPEB liability. (Additional information can be found in footnote 6 in the notes to the financial statements).

Net Position **June 30, 2021**



**Comparative Net Position
Fiscal Years 2019, 2020 and 2021**



Statement 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)

	<u>2021</u>	<u>2020</u>	<u>Incr (Decr)</u> <u>2021-2020</u>	<u>2019</u>	<u>Incr (Decr)</u> <u>2020-2019</u>
<u>Operating Revenues</u>					
Student fees	\$ 11,212	\$ 9,889	\$ 1,323	\$ 10,831	\$ (942)
Federal & state grants	20,086	17,262	2,824	17,637	(375)
Contract revenues	4,119	4,689	(570)	5,335	(646)
Auxiliary & miscellaneous revenues	1,960	1,775	185	1,459	316
Total Operating Revenues	<u>37,377</u>	<u>33,615</u>	<u>3,762</u>	<u>35,262</u>	<u>(1,647)</u>
<u>Operating Expenses</u>					
Instruction	55,335	57,201	(1,866)	60,245	(3,044)
Instructional resources	1,023	1,125	(102)	1,269	(144)
Student services	13,785	15,544	(1,759)	14,594	950
General institutional	11,055	10,499	556	11,377	(878)
Physical plant	8,145	6,342	1,803	9,066	(2,724)
Student aid	12,736	13,519	(783)	16,075	(2,556)
Public services	335	399	(64)	407	(8)
Auxiliary services	545	636	(91)	428	208
Depreciation	10,791	10,117	674	9,193	924
Total Operating Expenses	<u>113,750</u>	<u>115,382</u>	<u>(1,632)</u>	<u>122,654</u>	<u>(7,272)</u>
<u>Non-operating Revenues (Expenses)</u>					
Property taxes	39,261	36,779	2,482	34,852	1,927
State appropriations	39,837	39,939	(102)	39,334	605
Federal nonoperating grants	8,054	9,702	(1,648)	9,942	(240)
Loss on disposal of capital assets	(8)	-	(8)	15	(15)
Investment income	37	273	(236)	454	(181)
Interest expense & debt issuance costs	(1,809)	(1,777)	(32)	(1,718)	(59)
Total Non-operating Revenues (Expenses)	<u>85,372</u>	<u>84,916</u>	<u>456</u>	<u>82,879</u>	<u>2,037</u>
<u>Capital Contributions</u>					
Federal & state capital grants	1,496	1,232	264	4,485	(3,253)
Other capital grants/donations	81	290	(209)	474	(184)
Total Capital Contributions	<u>1,577</u>	<u>1,522</u>	<u>55</u>	<u>4,959</u>	<u>(3,437)</u>
Net increase (decrease) in net position	10,576	4,671	5,905	446	4,225
Net Position - beginning of year	<u>53,869</u>	<u>48,787</u>		<u>52,739</u>	
Prior-Period Adjustment	-	411			
Net Position - end of year	<u>\$ 64,445</u>	<u>\$ 53,869</u>		<u>\$ 53,185</u>	

Operating Revenues include the charges for services offered by the District and other federal and state operating grants. During FY 2021, the District generated \$37.4 million of operating revenue, which is an 11.2% increase or \$3.8 million more than in FY 2020. Significant changes for the fiscal years are as follows:

Fiscal Year 2021 Compared to Fiscal Year 2020

- Student Tuition net of scholarship allowances increased by \$1.3 million or 13.4% in FY 2021 compared to a decrease of \$1.0 million or 8.7% in FY 2020.
- Federal grants increased by \$2.6 million or 18.8% in FY 2021 versus 2020 due to Higher Education Emergency Relief funding grants received in FY21 that were not in FY20.
- State grants increased by \$.2 million or 6.9% in FY 2021 or compared to a decrease of \$.4 million or 11.2% in FY 2020.
- Contract revenues decreased by \$.6 million or 12.2% in 2021 versus 2020 due to less revenues received because of the effects of the coronavirus.

Fiscal Year 2020 Compared to Fiscal Year 2019

- Student Tuition net of scholarship allowances decreased by \$1.0 million or 8.7% in FY 2020 compared to a decrease of \$.1 million or 1.3% in FY 2019.
- State grants decreased by \$.4 million or 11.2% in FY 2020 compared to an increase of \$.8 million or 25.4% in FY 2019.
- Contract revenues decreased by \$.6 million or 12.1% in 2020 versus 2019 due to the effects of the coronavirus.

Operating Expenses are costs incurred for providing education, training and related services. Overall operating expenses decreased by \$1.6 million or 1.4% in FY 2021 as compared to a decrease of \$7.3 million or 5.9% in FY 2020. Changes within operating expenses for the fiscal years are as follows:

Fiscal Year 2021 Compared to Fiscal Year 2020

- Pension and OPEB expense decreased by \$3.7 million for FY 2021 as compared to FY 2020.
- Depreciation expense increased by \$.7 million in FY 2021, as compared to FY 2020.
- Physical Plant expense increased by \$1.8 million in FY 2021 as compared to FY 2020 due to an increase in expenses related to capital assets.

Fiscal Year 2020 Compared to Fiscal Year 2019

- Pension and OPEB expense decreased by \$6.0 million for FY 2020 as compared to FY 2019.
- Depreciation expense increased by \$.9 million in FY 2020, as compared to FY 2019.
- Student aid expense decreased by \$2.5 million due to a decrease in enrollment and fewer students applying for loans and Pell grants.

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 sixteen 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 \$.5 million or .5% in FY 2021 compared to a \$2.0 million increase or 2.5% in FY 2020. The significant components of the fiscal years are as follows:

- Property taxes are a primary source of revenue for the District comprising 31.1% of our revenue source in FY 2021. Overall property tax revenues for the year were \$39.3 million, an increase of \$2.5 million or 6.8% more than recognized in FY 2020.

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 year 2015. Act 145 also shifted a portion of funding for technical college districts in the state from property taxes levied to a state aid payment. This shift in revenues has been in place for the past six fiscal years. In FY 2021, there was an increase in the District's tax levy to \$39.3 million, up from \$36.8 million in FY 2020. State appropriations increased \$.1 million or .3% compared to a \$.6 million or 1.5% increase in FY 2020. The amount of state aids received is based on a formula that takes into consideration activities of the other fifteen technical colleges in Wisconsin, including actual expenses, student FTE's, and equalized property valuations of each district.

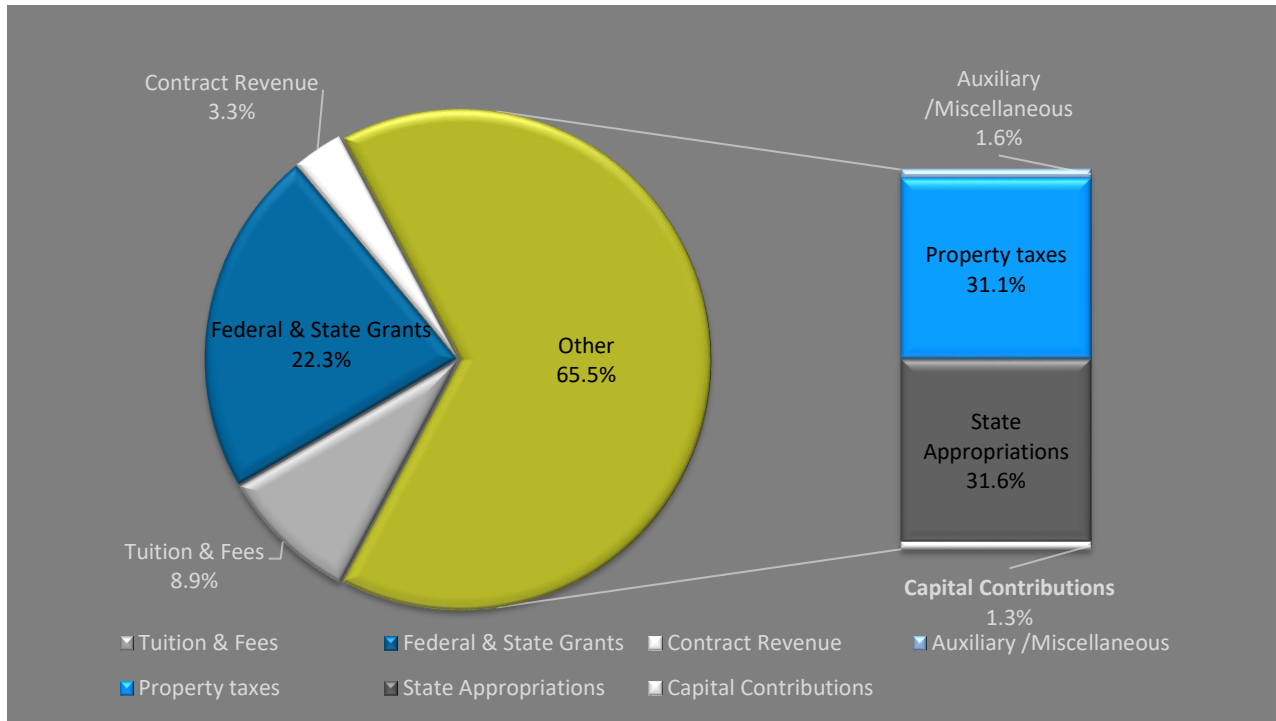
Non-Operating Expenses consist of interest expense and debt issuance costs on long-term debt. Debt issuance costs are recognized as an expense in the year they are incurred. FY 2020 reflected an increase of approximately \$58,630 or 3.4% for the expense, while FY 2021 reflects an increase of approximately \$32,436 or 1.8%. 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 by 3.6% in FY 2021 as compared to an increase of 69.3% in FY 2020. This increase in FY 2021 was due to an increase in federal capital grants up from FY 2020 grants received.

The following graphs represent the distribution of revenues and operating expenses for the fiscal year ended June 30, 2021.

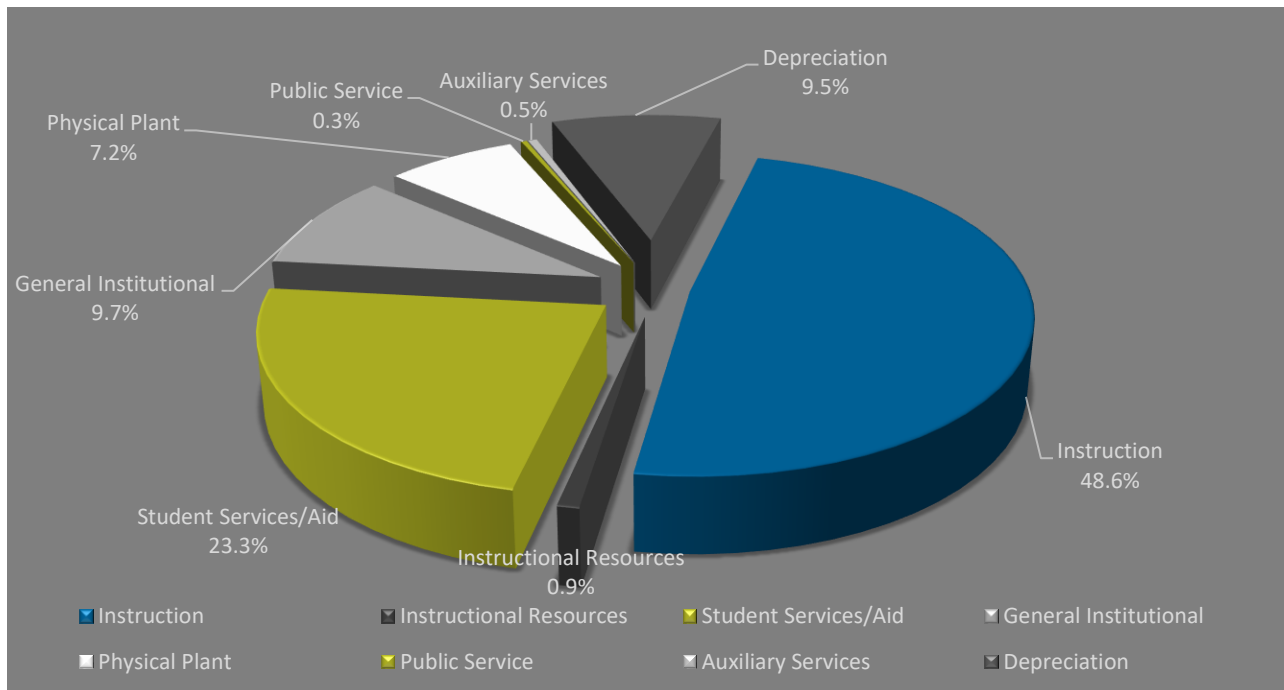
Revenues

June 30, 2021



Operating Expenses

June 30, 2021



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)

	<u>2021</u>	<u>2020</u>	<u>Incr (Decr) 2021-2020</u>	<u>2019</u>	<u>Incr (Decr) 2020-2019</u>
Cash Used By Operating Activities	\$ (72,195)	\$ (72,579)	\$ 384	\$ (74,133)	\$ 1,554
Cash Provided By Non-Capital Financing Activities	87,172	85,432	1,740	83,259	2,173
Cash Used By Capital and Related Financing Activities	(10,264)	(11,775)	1,511	(12,735)	960
Cash Provided By Investing Activities	<u>37</u>	<u>273</u>	<u>(236)</u>	<u>455</u>	<u>(182)</u>
Net Increase in Cash and Cash Equivalents	<u>\$ 4,750</u>	<u>\$ 1,351</u>	<u>\$ 3,399</u>	<u>\$ (3,154)</u>	<u>\$ 4,505</u>

Fiscal Year 2021 Compared to Fiscal Year 2020

The cash and cash equivalents balance increased from \$37.6 million in FY 2020 to \$42.3 million in FY 2021. Overall, in FY 2021, cash and cash equivalents increased by \$4.7 million or 12.6% as compared to the FY 2020 increase of \$1.4 million or 3.7%.

The District's cash used for operating activities decreased in FY 2021 as compared to FY 2020. \$.4 million or .5% less cash was used for operating activities in FY 2021 compared to \$1.6 million or 2.1% less cash used in FY 2020.

Overall cash provided by non-capital financing activities increased by \$1.7 million or 2.0%. Local government property taxes received increased by \$3.5 million or 9.8%. Federal grants decreased by \$1.6 million or 17.0% due to lower federal aid to students received, and state appropriations received decreased by \$.1 million or .26%.

Overall net cash used for capital and related financing activities decreased by \$1.5 million or 12.8% in FY 2021 as compared to a decrease of \$1.0 million or 7.6% in FY 2020. The decrease in FY 2021 is due mainly to a decrease in the purchases of capital assets in FY 2021 of \$2.2 million or 16.3%. This is offset primarily by a higher amount of principal paid on debt of \$.8 million in FY 2021. In addition, the district refunded some debt issues in FY2021.

Cash provided by investing activities decreased by \$235,871 or 86.3% as the rate of return on investments decreased in FY 2021.

Fiscal Year 2020 Compared to Fiscal Year 2019

The cash and cash equivalents balance increased from \$36.2 million in FY 2019 to \$37.6 million in FY 2020. Overall, in FY 2020, cash and cash equivalents increased by \$1.4 million or 3.7% as compared to the FY 2019 decrease of \$3.2 million or 8.0%.

The District's cash used for operating activities decreased in FY 2020 as compared to FY 2019. \$1.6 million or 2.1% less cash was used for operating activities in FY 2020 compared to \$2.3 million or 3.8% additional cash used in FY 2019.

Overall cash provided by non-capital financing activities increased by \$2.2 million or 2.6%. Local government property taxes received increased by \$1.8 million or 5.3% and state appropriations received increased by \$.6 million or 1.6%.

Overall net cash used for capital and related financing activities decreased by 7.6% or \$1.0 million in FY 2020 as compared to an increase of 26.1% or \$2.6 million in FY 2019. The decrease in FY 2020 is due mainly to the use of a \$5 million state grant in FY 2019 not used in FY 2020.

Cash provided by investing activities decreased by \$181,556 or 39.9% as the rate of return on investments decreased in FY 2020.

Capital Asset and Debt Administration

Stated in Thousands (\$000)

	<u>2021</u>	<u>2020</u>	<u>Incr (Decr)</u> <u>2021-2020</u>	<u>2019</u>	<u>Incr (Decr)</u> <u>2020-2019</u>
Land and Land Improvements	\$ 14,750	\$ 11,858	\$ 2,892	\$ 11,968	\$ (110)
Less Accumulated Depreciation	(5,083)	(4,280)	(803)	(3,879)	(401)
Buildings, Improvements and Leasehold Interest/Improvement	135,884	130,126	5,758	116,987	13,139
Less Accumulated Depreciation	(67,408)	(61,423)	(5,985)	(55,582)	(5,841)
Intangible Assets	3,416	2,809	607	2,646	163
Less Accumulated Depreciation	(2,404)	(2,237)	(167)	(2,083)	(154)
Equipment	53,193	50,502	2,691	46,394	4,108
Less Accumulated Depreciation	(36,151)	(32,352)	(3,799)	(28,630)	(3,722)
Construction in Progress	<u>3,738</u>	<u>3,267</u>	<u>471</u>	<u>7,251</u>	<u>(3,984)</u>
Cost of Capital Assets Net of Accumulated Depreciation	<u>\$ 99,935</u>	<u>\$ 98,270</u>	<u>\$ 1,665</u>	<u>\$ 95,072</u>	<u>\$ 3,198</u>
Capital asset related debt outstanding at Year End	<u>\$ 63,990</u>	<u>\$ 64,083</u>	<u>\$ (93)</u>	<u>\$ 61,916</u>	<u>\$ 2,167</u>

Fiscal Year 2021 Compared to Fiscal Year 2020

Overall capital assets, net of accumulated depreciation, increased by \$1.7 million from FY 2020 to FY 2021. Remodeling improvements were completed at each campus; however, the major additions in 2021 were at the Horizon Center in Kenosha with a \$1.4 million EVOC track expansion and the continuation of the remodel of the Academic Building second floor of \$2.7 million on the Kenosha campus. Additional information about Gateway's capital assets may be found in footnote #4 in the financial statements.

The District had general obligation debt, relating to capital assets, outstanding of \$64.0 million at June 30, 2021, which is flat as compared to \$64.0 million at June 30, 2020. The district also refunded debt during the fiscal year. (Additional information can be found in footnote 5 in the notes to the financial statements).

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 is repaid in 5 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 2020 Compared to Fiscal Year 2019

Overall capital assets, net of accumulated depreciation, increased by \$3.2 million from FY 2019 to FY 2020. Remodeling improvements were completed at each campus; however, the major additions in 2020 were at the Kenosha campus with a \$3.0 million remodel of the Academic Building second floor and the iMet center \$1.5 million renovation related to the Advanced Manufacturing program. Additional information about Gateway's capital assets may be found in footnote 4 in the financial statements.

The District had general obligation debt, relating to capital assets, outstanding of \$50.4 million at June 30, 2020, an increase of \$1.4 million, as compared to \$48.9 million at June 30, 2019. 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 5 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 2021 as evidenced by the following indicators:

- Moody's Investors Services evaluate the District's financial position periodically. Gateway Technical College District has consistently maintained its high Aaa rating. The most recent credit report cites the following:

“The Aaa rating reflects the district's large, diverse tax base located between the cities of Milwaukee (A2 negative) and Chicago (Ba1 negative), healthy financial position, and a low debt and pension burden. The rating also considers the district's declining enrollment and limited revenue raising ability.”

- The current ratio, current assets compared to current liabilities, was at 2.5 times as of June 30, 2021.

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 there continues to be 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. The District has a strong financial position, but there are always concerns and challenges that need to be considered, monitored, and addressed, including the following:

- The District saw a decrease in enrollment to 3,904 FTE (full-time equivalent) or 10.9% in FY 2021 compared to 4,383 FTE or 2.1% decrease in FY 2020. Enrollment continues to be a challenge throughout the technical college system and although the pandemic caused an additional negative impact through the fiscal year, Gateway worked diligently to mitigate this impact. Gateway's strategic enrollment management efforts, which began in FY 2017, continue to focus on heightened marketing, recruitment, retention, and completion strategies informed by the right data that translates into actionable intelligence. During FY 2021 pivoting enrollment management efforts to a fully virtual service model for recruitment and retention and establishing a majority virtual model for teaching and learning with adjustments to a hybrid model throughout the year demonstrates the adaptability needed to dull the pandemic's impact on student success and to address the enrollment challenges.
- 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.

These challenges and many others are only met through strong planning processes, fiscal policies, and practices. The valuable lessons learned throughout the pandemic have made the District stronger and more flexible in how we serve our students.

Gateway is well known and highly respected for its quality instruction and services. The District continues to be successful in collaborating with local K-12 education districts (which continues to see significant growth), local businesses, and community partners for supporting training and technology needs. Gateway's commitment to meet these needs is reflected in our resilience during the pandemic, our strategic plan, our strong efforts on continuous quality improvement and our focus on our students. Even with the new challenges faced this past year, the District 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 remains positive and we are positioned to maintain this positive status.

With continued strategic planning, a focus on diversity, equity and inclusion, flexibility, and innovation in how we engage and connect with our students and community partners, the college continues to gain ground in attracting underserved student populations. Gateway has positioned itself to be an industry leader and a strong positive force in our community.

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 CFO/Vice President of Finance and Administration, 3520 – 30th Avenue, Kenosha, WI 53144-1690.

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BASIC FINANCIAL STATEMENTS

GATEWAY TECHNICAL COLLEGE DISTRICT
Statements of Net Position
June 30, 2021 and 2020

	2021		2020	
	District	Foundation	District	Foundation
ASSETS				
<u>Current Assets</u>				
Cash and cash equivalents	\$ 29,709,891	\$ 15,538,214	\$ 26,121,263	\$ 11,975,327
Restricted assets - cash and cash equivalents	12,608,920	-	11,447,261	-
Receivables:				
Property taxes	10,134,964	-	10,154,893	-
Accounts, net of reserve of \$172,000 and \$376,000 for 2021 and 2020, respectively	2,254,708	15,362	2,204,624	38,743
Federal and state aid	4,547,444	-	3,568,418	-
Promises to Give - Foundation	-	1,387,500	-	37,793
Prepaid expenses	656,861	7,754	421,780	7,190
Total Current Assets	<u>59,912,788</u>	<u>16,948,830</u>	<u>53,918,239</u>	<u>12,059,053</u>
<u>Non-Current Assets</u>				
Capital assets	210,981,885	1,525,851	198,561,509	1,429,467
Less: accumulated depreciation	(111,046,485)	(914,026)	(100,291,118)	(854,610)
Net pension asset	19,330,650	-	10,010,177	-
Promises to Give - Foundation	-	3,678,437	-	-
Total Non-Current Assets	<u>119,266,050</u>	<u>4,290,262</u>	<u>108,280,568</u>	<u>574,857</u>
Total Assets	<u>179,178,838</u>	<u>21,239,092</u>	<u>162,198,807</u>	<u>12,633,910</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to OPEB	2,497,053	-	1,963,630	-
Deferred outflows related to pensions	30,003,420	-	21,522,294	-
Total Deferred Outflows of Resources	<u>32,500,473</u>	<u>-</u>	<u>23,485,924</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>211,679,311</u>	<u>21,239,092</u>	<u>185,684,731</u>	<u>12,633,910</u>
LIABILITIES				
<u>Current Liabilities</u>				
Accounts payable	4,306,840	134,345	3,718,506	86,240
Accrued payroll and benefits	2,251,059	-	1,998,608	-
Accrued vacation	791,989	-	1,081,545	-
Accrued interest payable	451,414	-	475,703	-
Unearned revenue	1,174,177	-	1,331,949	-
General obligation debt - current portion	12,820,000	-	12,690,000	-
Other postemployment benefits - current portion	1,379,028	-	1,519,836	-
Notes payable	-	-	-	4,816
Total Current Liabilities	<u>23,174,507</u>	<u>134,345</u>	<u>22,816,147</u>	<u>91,056</u>
<u>Non-Current Liabilities</u>				
General obligation debt	58,910,350	-	57,528,877	-
Other postemployment benefits	21,586,224	-	19,881,542	-
Unearned revenue	186,378	-	258,118	-
Total Non-Current Liabilities, Less Current Portion	<u>80,682,952</u>	<u>-</u>	<u>77,668,537</u>	<u>-</u>
Total Liabilities	<u>103,857,459</u>	<u>134,345</u>	<u>100,484,684</u>	<u>91,056</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to OPEB	1,047,833	-	1,357,272	-
Deferred inflows related to pensions	42,329,438	-	29,973,392	-
Total Deferred Inflows of Resources	<u>43,377,271</u>	<u>-</u>	<u>31,330,664</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	35,945,315	611,825	34,187,240	574,857
Restricted for:				
Debt service	3,137,007	-	3,531,338	-
Pension asset	19,330,650	-	10,010,177	-
Student organizations	1,659,008	-	1,177,666	-
Scholarships and other activities	-	19,873,989	-	11,733,308
Unrestricted	4,372,601	618,933	4,962,962	234,689
Total Net Position	<u>\$ 64,444,581</u>	<u>\$ 21,104,747</u>	<u>\$ 53,869,383</u>	<u>\$ 12,542,854</u>

GATEWAY TECHNICAL COLLEGE DISTRICT
 Statements of Revenues, Expenses and Changes in Net Position
 For the years ended June 30, 2021 and 2020

	2021		2020	
	District	Foundation	District	Foundation
<u>Operating Revenues</u>				
Student tuition and program fees, net of scholarship allowances of \$6,320,268 and \$8,705,297 for 2021 and 2020, respectively	\$ 11,212,027	\$ -	\$ 9,889,474	\$ -
Federal grants	16,354,334	-	13,767,204	-
State grants	3,732,051	-	3,493,792	-
Contract revenue	4,118,837	-	4,689,288	-
Auxiliary enterprise revenues	266,025	-	299,343	-
Miscellaneous - institutional revenue	1,693,975	8,190,912	1,476,176	2,439,934
Total Operating Revenues	37,377,249	8,190,912	33,615,277	2,439,934
<u>Operating Expenses</u>				
Instruction	55,335,023	-	57,201,437	-
Instructional resources	1,022,827	-	1,124,875	-
Student services	13,785,305	-	15,544,161	-
General institutional	11,055,417	2,204,521	10,499,435	1,222,452
Physical plant	8,144,872	-	6,341,421	-
Student aid	12,736,637	-	13,518,512	-
Public services	334,535	-	399,054	-
Auxiliary services	545,117	-	636,343	-
Depreciation	10,791,025	59,416	10,116,853	59,416
Total Operating Expenses	113,750,758	2,263,937	115,382,091	1,281,868
Net Operating Income (Loss)	(76,373,509)	5,926,975	(81,766,814)	1,158,066
<u>Nonoperating Revenues (Expenses)</u>				
Property taxes	39,261,271	-	36,778,620	-
State appropriations	39,836,926	-	39,939,154	-
Federal nonoperating grants	8,053,659	-	9,701,777	-
Loss on disposal of capital assets	(7,858)	-	-	-
Investment income (net of fees)	37,351	2,634,983	273,222	379,922
Interest expense & debt issuance costs	(1,809,502)	(65)	(1,777,066)	(688)
Total Nonoperating Revenues (Expenses)	85,371,847	2,634,918	84,915,707	379,234
<u>Capital Contributions</u>				
State capital grants	106,145	-	1,061,052	-
Federal capital grants	1,390,278	-	171,819	-
Contributions	70,437	-	289,742	-
Donated capital assets	10,000	-	-	-
Total Capital Contributions	1,576,860	-	1,522,613	-
Change in Net Position	10,575,198	8,561,893	4,671,506	1,537,300
Net Position - Beginning of Year	53,869,383	12,542,854	48,787,062	11,005,554
Prior-Period Adjustment	-	-	410,815	-
Net Position - Beginning of Year, restated	53,869,383	12,542,854	49,197,877	11,005,554
Net Position - End of Year	\$ 64,444,581	\$ 21,104,747	\$ 53,869,383	\$ 12,542,854

The accompanying notes are an integral part of these statements.

GATEWAY TECHNICAL COLLEGE DISTRICT
 Statements of Cash Flows
 For the years ended June 30, 2021 and 2020

	2021	2020
<u>Cash flows from operating activities</u>		
Tuition and fees received	\$ 11,465,412	\$ 9,774,131
Federal and state grants received	21,157,645	17,291,442
Contract revenues received	1,777,803	2,620,930
Payments to employees, including related benefits	(79,523,973)	(72,616,401)
Payments for materials and services	(28,963,330)	(30,958,257)
Auxiliary enterprise revenues received	266,025	299,343
Other receipts	<u>1,625,037</u>	<u>1,009,705</u>
Net cash used for operating activities	<u>(72,195,381)</u>	<u>(72,579,107)</u>
<u>Cash flows from non-capital financing activities</u>		
Local government property taxes received	39,281,200	35,791,351
State appropriations received	39,836,926	39,939,154
Federal grants received	<u>8,053,659</u>	<u>9,701,777</u>
Net cash provided by noncapital financing activities	<u>87,171,785</u>	<u>85,432,282</u>
<u>Cash flows from capital and related financing activities</u>		
State and federal grants received for capital assets	1,493,931	1,202,426
Purchases of capital assets	(11,435,080)	(13,655,577)
Proceeds from issuance of capital debt	18,990,000	14,000,000
Premium received on debt issuance	769,016	890,476
Debt issuance costs paid	(350,875)	(266,750)
Principal paid on capital debt	(17,745,000)	(11,985,000)
Interest paid on capital debt	<u>(1,985,460)</u>	<u>(1,960,149)</u>
Net cash used for capital and related financing activities	<u>(10,263,468)</u>	<u>(11,774,574)</u>
<u>Cash flows from investing activities</u>		
Investment income received	<u>37,351</u>	<u>273,222</u>
Net increase in cash and cash equivalents	4,750,287	1,351,823
<u>Cash and cash equivalents</u>		
Beginning of year	<u>37,568,524</u>	<u>36,216,701</u>
End of year	<u>\$ 42,318,811</u>	<u>\$ 37,568,524</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position		
Cash and cash equivalents	\$ 29,709,891	\$ 26,121,263
Restricted assets - cash and cash equivalents	<u>12,608,920</u>	<u>11,447,261</u>
	<u>\$ 42,318,811</u>	<u>\$ 37,568,524</u>

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, 2021 and 2020

	2021	2020
<u>Reconciliation of operating loss to net cash used for operating activities:</u>		
Operating loss	\$ (76,373,509)	\$ (81,766,814)
Adjustment to reconcile operating loss to net cash used for operating activities:		
Depreciation	10,791,025	10,116,853
Changes in assets and liabilities:		
(Increase) decrease		
Receivables	(1,026,617)	(2,125,518)
Prepaid expenses	(235,081)	229,901
Increase (decrease)		
Accounts payable	(360,041)	1,213,094
Accrued payroll and benefits	252,451	390,055
Accrued vacation	(289,556)	402,652
OPEB liability	1,563,874	(3,596,727)
OPEB related deferred outflows	(533,423)	703,475
OPEB related deferred inflows	(309,439)	1,357,272
Unearned revenue	(229,512)	21,523
Pension related asset/liability	(9,320,473)	(21,187,140)
Pension related deferred outflows	(8,481,126)	7,080,821
Pension related deferred inflows	12,356,046	14,581,446
	<u>12,356,046</u>	<u>14,581,446</u>
Net cash used for operating activities	<u>\$ (72,195,381)</u>	<u>\$ (72,579,107)</u>
Non Cash Capital and Related Financing Activities:		
Donated capital assets	\$ 10,000	\$ -
Capital accounts payable	\$ 569,433	\$ 249,155

The accompanying notes are an integral part of these statements.

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(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 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.

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(1) Summary of Significant Accounting Policies (continued)

(a) Reporting Entity

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.

It has been determined that the Foundation's resources are significant to the District as a whole and to exclude them 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 in accordance with applicable standards.

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 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.

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

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

(c) **Budgetary Data (continued)**

Property taxes are levied on a calendar year basis by various taxing municipalities located in Kenosha, Racine and Walworth Counties. The District records its share of the local tax as revenue 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 is due January 15th and the last payment is due August 20th. Property taxes receivable at June 30th 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 20th.

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.

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(1) Summary of Significant Accounting Policies (continued)

(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 three months, from when purchased, are considered cash equivalents. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

(g) Prepaid Expenses

Prepaid expenses represent payments made by the District for which benefits extend beyond the fiscal year end and are accounted for on the consumption method.

(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 acquisition value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(1) Summary of Significant Accounting Policies (continued)

(i) Compensated Absences (continued)

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. The vacation carryover limit was increased from 80 hours to 160 hours for fiscal year 2020 only due to the COVID-19 pandemic. 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, 2021 and 2020 was \$791,989 and \$1,081,545, 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) Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension (revenue) 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.

(k) Other Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Gateway Technical College's Other Postemployment Benefit Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

(l) Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expenses as incurred.

(m) 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

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(1) Summary of Significant Accounting Policies (continued)

(m) Tuition and Fees (continued)

program are prorated on the basis of student class days occurring before and after June 30th.

(n) 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.

(o) Deferred Outflows/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 resources (expense) until then. The District has two items that qualify for reporting in this category. They are related to the District's proportionate share of the Wisconsin Retirement System pension plan which is deferred and amortized over the expected remaining service lives of the pension plan participants and amounts related to the District's OPEB liability which are recognized as an expense over a closed period of time.

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 two items that qualify for reporting in this category on the statement of net position. They are related to the District's proportionate share of the Wisconsin Retirement System pension plan which is deferred and amortized over the expected remaining service lives of the pension plan participants and amounts related to the District's OPEB liability which are recognized as an expense over a closed period of time.

(p) 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

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(1) Summary of Significant Accounting Policies (continued)

(p) Scholarship Allowances and Student Aid (continued)

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.

(q) Classification of Revenue

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

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

Non-operating revenues: Non-operating revenues include activities that have the characteristics of non-exchange 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.

(r) 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, unspent bond proceeds 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.

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(1) Summary of Significant Accounting Policies (continued)

(r) Net Position (continued)

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.

(s) Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform with the presentation in the current year financial statements with no change in previously reported net position, changes in net position, fund balance or changes in fund balance.

(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	2021	2020
Cash on hand	\$ 38,872	\$ 33,237
Demand deposits	33,028,606	28,990,793
Wisconsin Local Government Investment Pool	9,251,333	8,544,494
Total Cash and Cash Equivalents	\$ 42,318,811	\$ 37,568,524

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

Restricted for	2021	2020
Capital Projects	\$ 9,020,499	\$ 7,440,220
Debt Service	3,588,421	4,007,041
	12,608,920	11,447,261
Unrestricted	29,709,891	26,121,263
Total Cash and Cash Equivalents	\$ 42,318,811	\$ 37,568,524

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(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 were fully insured by an irrevocable Public Unit Deposit Letter of Credit issued from the Federal Home Loan Bank of Chicago (FHLBC). The value of the collateral for the deposits as of June 30, 2021 and 2020 was \$33,459,197 and \$28,820,894, 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.

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(2) Cash and Cash Equivalents (continued)

<u>June 30, 2021</u>	Fair	Investment Maturities (in Years)	
<u>Investment Type</u>	<u>Value</u>	<u>Less than 1</u>	<u>1-2</u>
Wisconsin Local Government Investment Pool	<u>\$ 9,251,333</u>	<u>\$ 9,251,333</u>	<u>\$ -</u>
<u>June 30, 2020</u>	Fair	Investment Maturities (in Years)	
<u>Investment Type</u>	<u>Value</u>	<u>Less than 1</u>	<u>1-2</u>
Wisconsin Local Government Investment Pool	<u>\$ 8,544,494</u>	<u>\$ 8,544,494</u>	<u>\$ -</u>

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. As of June 30, 2021 and 2020, the fair value of the District's share of investments was equal to the carrying value.

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, 2021 and June 30, 2020, the concentration of credit risk was not applicable to the investments held by the District.

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

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(2) Cash and Cash Equivalents (continued)

arising from increasing interest rates, but all investments held at June 30, 2021 and 2020 mature in less than one year.

Fair Value Measurements - The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The District currently has no investments subject to fair value measurement.

(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, 2021, and 2020, were as follows:

	<u>2021</u>		<u>2020</u>	
	<u>Mill Rate</u>	<u>Amount Levied</u>	<u>Mill Rate</u>	<u>Amount Levied</u>
Operating levy	0.49718	\$ 24,419,438	0.49909	\$ 22,990,641
Debt service levy	0.30153	<u>14,810,000</u>	0.29903	<u>13,775,000</u>
 Total Property Tax Levy		<u><u>\$ 39,229,438</u></u>		<u><u>\$ 36,765,641</u></u>

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 \$122,369 and \$122,369 in state aid revenue in lieu of property tax for the year ended June 30, 2021, and 2020, respectively. 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 \$39,261,271 and \$36,778,620 for the years ended June 30, 2021, and 2020, 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, 2021 and 2020

(4) Capital Assets

The following are the changes in the District's capital assets for the years ended June 30, 2021 and 2020:

	2021			Balance June 30, 2021
	Balance July 1, 2020	Additions	Disposals	
Capital assets, not being depreciated:				
Land	\$ 2,379,913	\$ -	\$ -	\$ 2,379,913
Construction in progress	3,266,759	7,409,568	6,938,203	3,738,124
Total capital assets not depreciated	<u>5,646,672</u>	<u>7,409,568</u>	<u>6,938,203</u>	<u>6,118,037</u>
Capital assets, being depreciated:				
Land improvements	9,477,919	2,892,268	-	12,370,187
Buildings and improvements	124,285,274	5,758,510	-	130,043,784
Intangible assets	2,808,617	607,333	-	3,415,950
Equipment	50,502,396	2,734,416	43,516	53,193,296
Leasehold interest	958,193	-	-	958,193
Leasehold improvement	4,882,438	-	-	4,882,438
Total capital assets being depreciated	<u>192,914,837</u>	<u>11,992,527</u>	<u>43,516</u>	<u>204,863,848</u>
Total capital assets	<u>198,561,509</u>	<u>19,402,095</u>	<u>6,981,719</u>	<u>210,981,885</u>
Less accumulated depreciation for:				
Land improvements	4,279,755	803,743	-	5,083,498
Buildings and improvements	58,257,926	5,711,990	-	63,969,916
Intangible assets	2,236,616	167,587	-	2,404,203
Equipment	32,352,337	3,834,250	35,658	36,150,929
Leasehold interest	811,754	48,811	-	860,565
Leasehold improvement	2,352,730	224,644	-	2,577,374
Total accumulated depreciation	<u>100,291,118</u>	<u>10,791,025</u>	<u>35,658</u>	<u>111,046,485</u>
Net capital assets	98,270,391	<u>\$ 8,611,070</u>	<u>\$ 6,946,061</u>	99,935,400
Less capital asset related debt	<u>(64,083,151)</u>			<u>(63,990,085)</u>
Net investment in capital assets	<u>\$ 34,187,240</u>			<u>\$ 35,945,315</u>

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(4) Capital Assets (continued)

	2020			
	Balance July 1, 2019	Additions	Disposals	Balance June 30, 2020
Capital assets, not being depreciated:				
Land	\$ 2,379,913	\$ -	\$ -	\$ 2,379,913
Construction in progress	7,251,034	7,919,916	11,904,191	3,266,759
Total capital assets not depreciated	9,630,947	7,919,916	11,904,191	5,646,672
Capital assets, being depreciated:				
Land improvements	9,588,418	1,387,906	1,498,405	9,477,919
Buildings and improvements	112,645,022	11,640,252	-	124,285,274
Intangible assets	2,646,391	162,226	-	2,808,617
Equipment	46,393,405	4,108,991	-	50,502,396
Leasehold interest	958,193	-	-	958,193
Leasehold improvement	3,384,033	1,498,405	-	4,882,438
Total capital assets being depreciated	175,615,462	18,797,780	1,498,405	192,914,837
Total capital assets	185,246,409	26,717,696	13,402,596	198,561,509
Less accumulated depreciation for:				
Land improvements	3,878,780	550,816	149,841	4,279,755
Buildings and improvements	52,946,406	5,311,520	-	58,257,926
Intangible assets	2,082,828	153,788	-	2,236,616
Equipment	28,630,555	3,721,782	-	32,352,337
Leasehold interest	762,943	48,811	-	811,754
Leasehold improvement	1,872,753	479,977	-	2,352,730
Total accumulated depreciation	90,174,265	10,266,694	149,841	100,291,118
Net capital assets	95,072,144	\$ 16,451,002	\$ 13,252,755	98,270,391
Less capital asset related debt	(61,916,469)			(64,083,151)
Net investment in capital assets	\$ 33,155,675			\$ 34,187,240

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(5) Long-Term Obligations

The following is a summary of the changes in long-term obligations for the years ended June 30, 2021 and 2020:

	<u>July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2021</u>	<u>Due Within One Year</u>
General obligation debt	\$67,705,000	\$18,990,000	\$17,745,000	\$68,950,000	\$12,820,000
Debt premium	<u>2,513,877</u>	<u>769,017</u>	<u>502,544</u>	<u>2,780,350</u>	<u>-</u>
Total long-term obligations	<u>\$70,218,877</u>	<u>\$19,759,017</u>	<u>\$18,247,544</u>	<u>\$71,730,350</u>	<u>\$12,820,000</u>

	<u>July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2020</u>	<u>Due Within One Year</u>
General obligation debt	\$65,690,000	\$14,000,000	\$11,985,000	\$67,705,000	\$12,690,000
Debt premium	<u>2,080,971</u>	<u>890,477</u>	<u>457,571</u>	<u>2,513,877</u>	<u>-</u>
Total long-term obligations	<u>\$67,770,971</u>	<u>\$14,890,477</u>	<u>\$12,442,571</u>	<u>\$70,218,877</u>	<u>\$12,690,000</u>

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(5) Long-Term Obligations (continued)

General obligation debt outstanding at June 30, 2021 and 2020, consists of the following notes:

	<u>2021</u>	<u>2020</u>
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).	\$-0-	\$210,000
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).	-0-	210,000
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).	-0-	215,000
General obligation promissory notes, 2.00% to 2.50%, payable in annual installments of \$125,000 to \$330,000, plus interest, to April 1, 2021 (issued for \$2,500,000 on November 15, 2011 through BMO Harris Bank, N.A., to finance the construction of the Pike Creek Horticulture Building and various remodeling projects).	-0-	330,000
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).	-0-	285,000
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 BOSCO, Inc., to finance the Student Admissions Center remodeling project).	145,000	285,000

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(5) Long-Term Obligations (continued)

	<u>2021</u>	<u>2020</u>
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). Issue was refunded in April 2021.	\$-0-	\$1,775,000
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).	210,000	415,000
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).	160,000	315,000
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). Issue was refunded in April 2021.	-0-	480,000
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).	230,000	340,000
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). Issue was refunded in April 2021.	-0-	2,705,000

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(5) Long-Term Obligations (continued)

	<u>2021</u>	<u>2020</u>
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). Issue was refunded in April 2021.	\$-0-	\$550,000
General obligation promissory notes, 2.00% to 4.00%, payable in annual installments of \$125,000, plus interest, to April 1, 2023 (issued for \$1,250,000 on January 8, 2014 through R.W. Baird & Co., to finance various facility remodeling projects). Issue was refunded in April 2021.	-0-	375,000
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). Issue was refunded in April 2021.	-0-	540,000
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).	2,855,000	3,745,000
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).	610,000	800,000
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).	610,000	800,000
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).	515,000	685,000

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(5) Long-Term Obligations (continued)

	<u>2021</u>	<u>2020</u>
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).	\$515,000	\$675,000
General obligation promissory notes, 2.00% to 4.00%, payable in annual installments of \$435,000 to \$1,070,000, plus interest, to April 1, 2025 (issued for \$8,000,000 on July 9, 2015 through R.W. Baird & Co., to finance various facility remodeling projects and acquisition of equipment).	4,040,000	4,955,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of \$35,000 to \$185,000, plus interest, to April 1, 2025 (issued for \$1,500,000 on September 15, 2015 through R.W. Baird & Co., to finance the Elkhorn Manufacturing Lab and Racine Electrical Substation).	710,000	870,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of \$100,000 to \$270,000, plus interest, to April 1, 2025 (issued for \$2,000,000 on December 9, 2015 through R.W. Baird & Co., to finance the Kenosha Shooting Range and Police Academy Remodel).	1,020,000	1,250,000
General obligation promissory notes, 0.50% to 2.00%, payable in annual installments of \$215,000 to \$2,895,000, plus interest, to April 1, 2026 (issued for \$7,000,000 on July 6, 2016 through Hutchinson, Shockey, Erley & Co., to finance various facility remodeling projects and acquisition of equipment).	1,500,000	4,395,000
General obligation promissory notes, 2.00%, payable in annual installments of \$150,000 to \$190,000, plus interest, to April 1, 2026 (issued for \$1,500,000 on August 1, 2016 through R.W. Baird & Co., to finance the various facility remodeling projects).	880,000	1,040,000
General obligation promissory notes, 2.00%, payable in annual installments of \$150,000 to \$190,000, plus interest, to April 1, 2026 (issued for \$1,500,000 on September 6, 2016 through R.W. Baird & Co., to finance district general repairs).	880,000	1,040,000

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(5) Long-Term Obligations (continued)

	<u>2021</u>	<u>2020</u>
General obligation promissory notes, 2.00%, payable in annual installments of \$100,000 to \$125,000, plus interest, to April 1, 2026 (issued for \$1,000,000 on October 6, 2016 through R.W. Baird & Co., to finance various facility remodeling projects).	\$590,000	\$695,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of \$130,000 to \$770,000, plus interest, to April 1, 2027 (issued for \$1,500,000 on April 3, 2017 through R.W. Baird & Co., to finance various facility remodeling projects).	950,000	1,095,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of \$100,000 to \$375,000, plus interest, to April 1, 2027 (issued for \$1,500,000 on April 12, 2017 through R.W. Baird & Co., to finance various facility remodeling projects).	715,000	820,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of \$190,000 to \$1,050,000, plus interest, to April 1, 2027 (issued for \$7,000,000 on July 6, 2017 through KeyBanc Capital Markets., to finance various facility remodeling projects and acquisition of equipment).	4,565,000	5,065,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of \$140,000 to \$170,000, plus interest, to April 1, 2027 (issued for \$1,500,000 on August 1, 2017 through R.W. Baird & Co., to finance various facility remodeling projects).	945,000	1,090,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of \$145,000 to \$190,000, plus interest, to April 1, 2027 (issued for \$1,500,000 on February 8, 2018 through R.W. Baird & Co., to finance the Kenosha EVOC Track).	1,050,000	1,205,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of \$145,000 to \$190,000, plus interest, to April 1, 2027 (issued for \$1,500,000 on March 14, 2018 through R.W. Baird & Co., to finance various facility remodeling projects).	1,050,000	1,205,000

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(5) Long-Term Obligations (continued)

	<u>2021</u>	<u>2020</u>
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of \$125,000 to \$300,000, plus interest, to April 1, 2028 (issued for \$1,500,000 on May 10, 2018 through R.W. Baird & Co., to finance various facility remodeling projects).	\$1,255,000	\$1,255,000
General obligation promissory notes, 2.00% to 4.00%, payable in annual installments of \$300,000 to \$1,970,000, plus interest, to April 1, 2028 (issued for \$6,500,000 on July 5, 2018 through FTN Financial Capital Markets., to finance the Racine Building 2nd floor remodeling project and acquisition of equipment).	5,370,000	5,990,000
General obligation promissory notes, 3.00% to 4.00%, payable in annual installments of \$200,000 plus interest, to April 1, 2028 (issued for \$1,000,000 on August 1, 2018 through R.W. Baird & Co., to finance the various facility remodeling projects).	1,000,000	1,000,000
General obligation promissory notes, 3.00% to 4.00%, payable in annual installments of \$200,000 to \$235,000, plus interest, to April 1, 2028 (issued for \$1,500,000 on November 8, 2018 through R.W. Baird & Co., to finance the SC Johnson iMet center expansion).	1,500,000	1,500,000
General obligation promissory notes, 3.00% to 4.00%, payable in annual installments of \$200,000 to \$235,000, plus interest, to April 1, 2028 (issued for \$1,500,000 on March 13, 2019 through R.W. Baird & Co., to finance the Kenosha Academic Building 2nd floor remodel).	1,500,000	1,500,000
General obligation promissory notes, 3.00% to 4.00%, payable in annual installments of \$200,000 to \$400,000, plus interest, to April 1, 2029 (issued for \$1,000,000 on April 10, 2019 through R.W. Baird & Co., to finance various facility remodeling projects).	1,000,000	1,000,000
General obligation promissory notes, 3.00% to 4.00%, payable in annual installments of \$200,000 to \$500,000, plus interest, to April 1, 2029 (issued for \$1,500,000 on May 1, 2019 through R.W. Baird & Co., to finance the Kenosha Academic Building 2nd floor remodel).	1,000,000	1,000,000

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(5) Long-Term Obligations (continued)

	<u>2021</u>	<u>2020</u>
General obligation promissory notes, 3.00%, payable in annual installments of \$705,000 to \$930,000, plus interest, to April 1, 2029 (issued for \$6,500,000 on July 18, 2019 through Raymond James & Associates, to finance the acquisition of equipment and various facility remodeling projects).	\$6,500,000	\$6,500,000
General obligation promissory notes, 3.00%, payable in annual installments of \$200,000 to \$240,000, plus interest, to April 1, 2029 (issued for \$1,500,000 on August 1, 2019 through R.W. Baird & Co., to finance general repairs).	1,500,000	1,500,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of \$200,000 to \$235,000, plus interest, to April 1, 2029 (issued for \$1,500,000 on February 13, 2020 through R.W. Baird & Co., to finance the Kenosha Academic Building 2nd floor remodel).	1,500,000	1,500,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of \$200,000 to \$230,000, plus interest, to April 1, 2029 (issued for \$1,500,000 on March 11, 2020 through R.W. Baird & Co., to finance the EVOC Track expansion).	1,500,000	1,500,000
General obligation promissory notes, 3.00%, payable in annual installments of \$200,000 to \$240,000, plus interest, to April 1, 2029 (issued for \$1,500,000 on May 5, 2020 through R.W. Baird & Co., to finance the Kenosha Academic Building 2nd floor remodel).	1,300,000	1,500,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of \$200,000 to \$240,000, plus interest, to April 1, 2030 (issued for \$1,500,000 on June 10, 2020 through R.W. Baird & Co., to finance the Kenosha Academic Building 2nd floor remodel and general repairs).	1,300,000	1,500,000
General obligation promissory notes, 2.00%, payable in annual installments of \$340,000 to \$450,000, plus interest, to April 1, 2030 (issued for \$4,000,000 on August 5, 2020 through Baird, to finance the acquisition of equipment and various facility remodeling projects).	3,515,000	-0-

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(5) Long-Term Obligations (continued)

	<u>2021</u>	<u>2020</u>
General obligation promissory notes, 1.00% to 2.00%, payable in annual installments of \$230,000 to \$260,000, plus interest, to April 1, 2030 (issued for \$1,500,000 on September 15, 2020 through R.W. Baird & Co., to finance a remodel of the Racine Lake Building Dean and LSC offices along with repairs and signage).	\$975,000	\$-0-
General obligation promissory notes, 1.00% to 2.00%, payable in annual installments of \$225,000 to \$275,000, plus interest, to April 1, 2030 (issued for \$1,500,000 on January 6, 2021 through R.W. Baird & Co., to finance the Lincoln Building Expansion).	1,500,000	-0-
General obligation promissory notes, 1.00% to 2.00%, payable in annual installments of \$400,000 to \$495,000, plus interest, to April 1, 2030 (issued for \$4,000,000 on February 4, 2021 through R.W. Baird & Co., to finance the Lincoln Building remodel and the acquisition of equipment).	4,000,000	-0-
General obligation promissory notes, 1.00% to 2.00%, payable in annual installments of \$200,000 to \$2,425,000, plus interest, to April 1, 2030 (issued for \$5,490,000 on April 15, 2021 through R.W. Baird & Co., to finance the Elkhorn North Building Remodel and debt refundings).	5,490,000	-0-
General obligation promissory notes, 2.00%, payable in annual installments of \$130,000 to \$170,000, plus interest, to April 1, 2031 (issued for \$1,500,000 on May 12, 2021 through R.W. Baird & Co., to finance General repairs and maintenance).	1,500,000	-0-
General obligation promissory notes, 2.00%, payable in annual installments of \$100,000 plus interest, to April 1, 2031 (issued for \$1,000,000 on June 15, 2021 through R.W. Baird & Co., to finance the Elkhorn Culinary Lab remodel and general repairs).	1,000,000	-0-
Total General Long-Term Obligation Debt	<u>\$ 68,950,000</u>	<u>\$ 67,705,000</u>

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(5) Long-Term Obligations (continued)

Current Refunding

During April 2021, the District current refunded general obligation promissory note issues from 2012, 2013 and 2014. The District issued general obligation promissory notes in the amount of \$5,490,000 on April 15, 2021. The debt service requirement on the old debt balance totaled \$4,217,650. The debt service requirement on the new debt balance totaled \$4,097,997. The refunding resulted in a decrease in debt service of \$119,653, with an estimated economic gain on the refunding of \$117,779 when the change in debt service payments are discounted using an effective interest of 1.291893% through October 1, 2023.

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:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 12,820,000	\$ 1,806,161	\$ 14,626,161
2023	12,295,000	1,479,394	13,774,394
2024	9,610,000	1,157,881	10,767,881
2025	8,315,000	899,194	9,214,194
2026	6,990,000	666,994	7,656,994
2027-2031	18,920,000	956,024	19,876,024
	<u>\$68,950,000</u>	<u>\$6,965,648</u>	<u>\$75,915,648</u>

Chapter 67.03(1) of the Wisconsin State Statutes limits general obligation debt of the District to 5% of the equalized value of the taxable property located in the District. As of June 30, 2021, the 5% limitation was \$2,604,191,738 and the District's outstanding general obligation debt (net of resources available to pay principal and interest) was \$68,593,342. The 5% limit, as of June 30, 2020, was \$2,422,244,272 and the District's outstanding general obligation debt (net of resources available to pay principal and interest) was \$66,681,424.

Chapter 67.03(9) 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, 2021, the 2% limitation was \$1,041,676,695 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, 2020, was \$968,897,709 and the District's outstanding bonded indebtedness (net of resources available to pay principal and interest) was \$0.

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(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. ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

(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.

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(6) Retirement System (continued)

(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:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0

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. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. 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 years ending June 30, 2021 and 2020, respectively, the WRS recognized \$3,362,433 and \$3,323,018 in contributions from the District.

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(6) Retirement System (continued)

(d) Post-Retirement Adjustments (continued)

Contribution rates for the reporting periods are:

<u>Employee Category</u>	<u>December 31, 2020</u>		<u>December 31, 2019</u>	
	<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives and elected officials)	6.75%	6.75%	6.55%	6.55%
Protective with Social Security	6.75%	11.65%	6.55%	10.55%
Protective without Social Security	6.75%	16.25%	6.55%	14.95%

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

At June 30, 2021 and 2020, the District reported an asset of \$19,330,650 and an asset of \$10,010,177, respectively, for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019, rolled forward to December 31, 2020.

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, 2020, the District's proportion was .30963032%, which was a decrease of .0008151% from its proportion measured of .31044542% as of December 31, 2019.

For the years ended June 30, 2021 and 2020, the District recognized pension revenue of \$2,077,455 and pension expense of \$3,806,675, respectively.

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(6) Retirement System (continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 27,977,386	\$ 6,026,278
Net differences between projected and actual earnings on pension plan investments	-0-	36,291,720
Changes in assumptions	438,456	-0-
Changes in proportion and differences between employer contributions and proportionate share of contributions	20,407	11,440
Employer contributions subsequent to the measurement date	1,567,171	-0-
Total	\$ 30,003,420	\$ 42,329,438

At June 30, 2020, 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	\$ 19,001,605	\$ 9,509,030
Net differences between projected and actual earnings on pension plan investments	-0-	20,464,362
Changes in assumptions	780,058	-0-
Changes in proportion and differences between employer contributions and proportionate share of contributions	46,562	-0-
Employer contributions subsequent to the measurement date	1,694,069	-0-
Total	\$ 21,522,294	\$ 29,973,392

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(6) Retirement System (continued)

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

\$1,567,171 reported as deferred outflows related to pension resulting from the WRS employer's contributions subsequent to the measurement date at June 30, 2021, will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended June 30:	Expense
2021	\$ (3,566,440)
2022	(965,960)
2023	(6,575,568)
2024	(2,785,221)
	<u>\$ (13,893,189)</u>

\$1,694,069 reported as deferred outflows related to pension resulting from the WRS employer's contributions subsequent to the measurement date at June 30, 2020, will be recognized as a reduction of the net pension asset in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended June 30:	Expense
2021	\$ (2,999,616)
2022	(2,245,287)
2023	362,048
2024	(5,262,312)
	<u>\$ (10,145,167)</u>

(f) Actuarial Assumptions

The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(6) Retirement System (continued)

(f) Actuarial Assumptions (continued)

Actuarial Valuation Date:	December 31, 2019
Measurement Date of Net Pension Asset	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation:	3.0%
Seniority/Merit:	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*	1.9%

The total pension asset in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2018
Measurement Date of Net Pension Asset	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation:	3.0%
Seniority/Merit:	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*	1.9%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2018 using experience from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the total pension liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The total pension liability for December

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(6) Retirement System (continued)

(f) Actuarial Assumptions (continued)

31, 2020, is based upon a roll-forward of the liability calculated from the December 31, 2019, 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 Allocation Targets and Expected Returns						
As of December 31, 2020						
<u>Core Fund Asset Class</u>	Current Asset Allocation %		Long-Term Expected Nominal Rate of Return %		Long-Term Expected Real Rate of Return %	
Global Equities	51	%	7.2	%	4.7	%
Fixed Income	25		3.2		0.8	
Inflation Sensitive Assets	16		2.0		(0.4)	
Real Estate	8		5.6		3.1	
Private Equity/Debt	11		10.2		7.6	
Multi-Asset	4		5.8		3.3	
Total Core Fund	115	%	6.6	%	4.1	%
<u>Variable Fund Asset Class</u>						
U.S. Equities	70	%	6.6	%	4.1	%
International Equities	30		7.4		4.9	
Total Variable Fund	100	%	7.1	%	4.6	%
New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.4%						
Asset allocations are managed within established ranges, target percentages may differ from actual monthly allocations						

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(6) Retirement System (continued)

(f) Actuarial Assumptions (continued)

Asset Allocation Targets and Expected Returns						
As of December 31, 2019						
Core Fund Asset Class	Current Asset Allocation %		Long-Term Expected Nominal Rate of Return %		Long-Term Expected Real Rate of Return %	
Global Equities	49	%	8.0	%	5.1	%
Fixed Income	24.5		4.9		2.1	
Inflation Sensitive Assets	15.5		4.0		1.2	
Real Estate	9		6.3		3.5	
Private Equity/Debt	8		10.6		7.6	
Multi-Asset	4		6.9		4.0	
Total Core Fund	110	%	7.5	%	4.6	%
Variable Fund Asset Class						
U.S. Equities	70	%	7.5	%	4.6	%
International Equities	30		8.2		5.3	
Total Variable Fund	100	%	7.8	%	4.9	%
New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%						
Asset allocations are managed within established ranges, target percentages may differ from actual monthly allocations						

Single Discount Rate. A single discount rate of 7.00% 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 7.00% and a long term bond rate of 2.00%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% 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 municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(6) Retirement System (continued)

(f) Actuarial Assumptions (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 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

<u>June 30, 2021</u>	<u>1% Decrease to Discount Rate (6.0%)</u>	<u>Current Discount Rate (7.0%)</u>	<u>1% Increase to Discount Rate (8.0%)</u>
Proportionate share of the net pension liability (asset)	\$18,400,100	(\$19,330,650)	(\$47,043,605)
 <u>June 30, 2020</u>	 <u>1% Decrease to Discount Rate (6.0%)</u>	 <u>Current Discount Rate (7.0%)</u>	 <u>1% Increase to Discount Rate (8.0%)</u>
Proportionate share of the net pension liability (asset)	\$25,777,996	(\$10,010,177)	(\$36,765,953)

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://etf.wi.gov/publications/cafr.htm>.

The District reported a payable as of June 30, 2021 and 2020 in the amount of \$521,513 and \$503,713, respectively, for the outstanding amount of contributions to the pension plan.

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(7) Other Post-Employment Benefits (OPEB) – FY 2021

(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:

<u>Participant Count</u>	
Inactive employees or beneficiaries currently receiving benefit payments	468
Active employees	<u>357</u>
Total Participants	<u><u>825</u></u>

(b) Benefits Provided

The plan provides medical, dental, and life insurance benefits to eligible retirees and their spouses through the District’s group medical and life insurance plans, which covers both active and retired members.

The District provides health and dental benefits until the eligible retiree reaches age 65 if both eligibility was met and retirement notice was provided by June 30, 2020, and the retirement date provided was June 30, 2023, or earlier. Effective July 1, 2020, eligible retirees have a choice between three years of health and dental benefits or until Medicare eligible, whichever occurs first, or a Retiree Health Reimbursement Account (HRA).

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.

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(7) Other Post-Employment Benefits (OPEB) – FY 2021 (continued)

(c) Contributions

Employees	District Contributions
Teachers and Management	For participants retired before July 1, 2014, the District will contribute 85% of the medical and dental premiums. Early retirement benefits have been eliminated for employees hired on or after July 1, 2014.
Support Professionals	For participants retired before July 1, 2014, the District will contribute 85% of the medical and dental premiums. Early retirement benefits have been eliminated for employees hired on or after July 1, 2014.

* Life insurance is also provided to certain retirees, based on the plan description

* See plan descriptions for additional detailed eligibility requirements

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. Prior to July 1, 2012, the retiree’s contribution amount varied depending on the year they retired. Effective July 1, 2012, new retirees were required to pay the same insurance contribution rates as active employees. Retiree health insurance premiums are no longer frozen at the time of retirement.

Effective July 1, 2017, retirees 65 and over eligible for Medicare, are no longer covered under Gateway’s policy.

Individuals retiring on or after July 1, 2007, may retain their District group term life insurance and the District pays the full premium.

(d) Total OPEB Obligation

The District’s total OPEB liability was measured as of June 30, 2021, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total OPEB liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(7) Other Post-Employment Benefits (OPEB) – FY 2021 (continued)

(d) Total OPEB Obligation (continued)

Inflation:	3.0 percent
Salary Increases:	3.0 percent
Investment Rate of Return:	2.18 percent
Healthcare cost trend rates:	9.00 percent graded down to 5.0 percent for the years beginning July 1, 2030 and later.

Mortality rates are the RP-2014 Total Dataset Mortality, adjusted to 2006 using Scale MP-2014; projected on a generational basis using Scale MP-2020.

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2020 - June 30, 2021.

The long-term expected rate of return on OPEB plan investments was valued at 2.18%.

Discount rate. The discount rate used to measure the total OPEB liability was 2.18% and is based off the S&P municipal bond 20-year high-grade rate index. No assets have been accumulated in an irrevocable trust.

	Increase (Decrease)
	Total OPEB Liability
Balance at July 1, 2020	\$ 21,401,378
Changes for the year:	
Service cost	680,003
Interest	563,270
Differences between expected and actual experience	288,870
Changes in Assumptions	1,259,947
Benefit payments	(1,228,216)
Net changes	1,563,874
Balance at June 30, 2021	\$ 22,965,252

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(7) Other Post-Employment Benefits (OPEB) – FY 2021 (continued)

(e) Changes in the Total OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.18 percent) or 1-percentage-point higher (3.18 percent) than the current rate:

	1% Decrease to Discount Rate (1.18%)	Current Discount Rate (2.18%)	1% Increase to Discount Rate (3.18%)
Total OPEB Liability	\$ 25,064,674	\$ 22,965,252	\$ 21,201,676

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (8.0 percent decreasing to 4.0 percent) or 1-percentage-point higher (10.0 percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

	1% Decrease (8.0% decreasing to 4.00%)	Healthcare Cost Trend Rates (9.0% decreasing to 5.00%)	1% Increase (10.0% decreasing to 6.00%)
Total OPEB liability	\$ 21,769,700	\$ 22,965,252	\$ 24,313,583

(f) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the District recognized OPEB expense of \$1,535,503. At June 30, 2021, the District reported deferred outflows of resources of \$2,497,053 and deferred inflows of resources of \$1,047,833 related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 624,041	\$ 906,579
Changes in assumptions	1,873,012	141,254
Total	\$ 2,497,053	\$ 1,047,833

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(7) **Other Post-Employment Benefits (OPEB) – FY 2021 (continued)**

(f) **OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)**

Amounts reported as deferred outflows of resources will be recognized as OPEB expense as follows:

Year ended June 30:	Expense
2022	\$ 705,955
2023	417,192
2024	68,176
2025	170,228
2026	87,669
	<u>\$ 1,449,220</u>

(g) **Payable to the OPEB Plan**

At June 30, 2021, the District reported a payable of \$0 for the outstanding amount of contributions to the Plan required for the year ended June 30, 2021.

(7) **Other Post-Employment Benefits (OPEB) – FY 2020**

(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:

<u>Participant Count</u>	
Inactive employees or beneficiaries currently receiving benefit payments	464
Active employees	<u>378</u>
Total Participants	<u><u>842</u></u>

(b) **Benefits Provided**

The plan provides medical, dental, and life insurance benefits to eligible retirees and their spouses through the District’s group medical and life insurance plans, which covers both active and retired members.

The District provides health and dental benefits until the eligible retiree reaches the age 65.

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(7) Other Post-Employment Benefits (OPEB) – FY 2020 (continued)

(b) Benefits Provided (continued)

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.

(c) Contributions

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. Prior to July 1, 2012, the retiree's contribution amount varied depending on the year they retired. Effective July 1, 2012, new retirees were required to pay the same insurance contribution rates as active employees. Retiree health insurance premiums are no longer frozen at the time of retirement.

Effective July 1, 2017, retirees 65 and over eligible for Medicare, are no longer covered under Gateway's policy.

Individuals retiring on or after July 1, 2007, may retain their District group term life insurance and the District pays the full premium.

(d) Total OPEB Obligation

The District's total OPEB liability was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total OPEB liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	3.0 percent
Salary Increases:	3.0 percent
Investment Rate of Return:	2.66 percent
Healthcare cost trend rates:	9.00 percent graded down to 5.0 percent for the years beginning July 1, 2029 and later.

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(7) Other Post-Employment Benefits (OPEB) – FY 2020 (continued)

(d) Total OPEB Obligation (continued)

Mortality rates are the RP-2014 Total Dataset Mortality, adjusted to 2006 using Scale MP-2014; projected on a generational basis using Scale MP-2019.

The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2019 - June 30, 2020.

The long-term expected rate of return on OPEB plan investments was valued at 2.66%.

Discount rate. The discount rate used to measure the total OPEB liability was 2.66% and is based off the S&P municipal bond 20-year high-grade rate index. No assets have been accumulated in an irrevocable trust.

	Increase (Decrease)
	Total OPEB Liability
Balance at July 1, 2019	\$ 24,998,105
Changes for the year:	
Service cost	687,697
Interest	688,907
Changes in Plan Provisions	(2,207,505)
Differences between expected and actual experience	(1,422,676)
Changes in Assumptions	(224,346)
Contributions - employer	-
Net investment income	-
Benefit payments	(1,118,804)
Administrative expense	-
Net changes	<u>(3,596,727)</u>
Balance at June 30, 2020	<u>\$ 21,401,378</u>

(e) Changes in the Total OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.66 percent) or 1-percentage-point higher (3.66 percent) than the current rate:

	1% Decrease to Discount Rate (1.66%)	Current Discount Rate (2.66%)	1% Increase to Discount Rate (3.66%)
Total OPEB Liability	<u>\$ 23,290,663</u>	<u>\$ 21,401,378</u>	<u>\$ 19,803,765</u>

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(7) Other Post-Employment Benefits (OPEB) – FY 2020 (continued)

(e) Changes in the Total OPEB Liability (continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (8.0 percent decreasing to 4.0 percent) or 1-percentage-point higher (10.0 percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

	1% Decrease (8.0% decreasing to 4.00%)	Healthcare Cost Trend Rates (9.0% decreasing to 5.00%)	1% Increase (10.0% decreasing to 6.00%)
Total OPEB liability	\$ 20,236,020	\$ 21,401,378	\$ 22,716,855

(f) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the District recognized OPEB expense of (\$1,135,906). At June 30, 2020, the District reported deferred outflows of resources of \$1,963,630 and deferred inflows of resources of \$1,357,272 related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 656,577	\$ 1,174,472
Changes in assumptions	1,307,053	182,800
Total	\$ 1,963,630	\$ 1,357,272

Amounts reported as deferred outflows of resources will be recognized as OPEB expense as follows:

Year ended June 30:	Expense
2021	\$ 413,726
2022	413,726
2023	124,963
2024	(224,054)
2025	(122,003)
	\$ 606,358

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(7) Other Post-Employment Benefits (OPEB) – FY 2020 (continued)

(g) Payable to the OPEB Plan

At June 30, 2020, the District reported a payable of \$0 for the outstanding amount of contributions to the Plan required for the year ended June 30, 2020.

(8) Restatement of Net Position

Net position as of July 1, 2020, has been restated as a result of the implementation of the Government Accounting Standards Board (GASB) Statement No. 84 – *Fiduciary Activities*, which required the District to record the fiduciary activities separate from the District's government-wide financial statements. The details of this restatement are as follows:

	District's Net Position	District's Liabilities
June 30, 2019, Previously Reported	\$ 48,787,062	\$111,816,440
Prior Period Adjustment for GASB 84, <i>Fiduciary Activities</i>	410,815	(410,815)
Net Position - July 1, 2019, Restated	\$ 49,197,877	\$111,405,625

(9) 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 and Risk Management Services (DMI)

In July 2004, all sixteen WTCS technical colleges created Districts Mutual Insurance Company (DMI). Districts Mutual Insurance and Risk Management Services 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 a blanket limit of \$500,225,000; general liability, auto, and educators' legal liability at \$5,000,000 per occurrence; and workers' compensation at the statutorily required limits.

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

DMI operations are governed by a five-member board of directors. Member colleges do not exercise any control over the activities of DMI beyond election of the board of directors at the annual meeting. The board has the authority to adopt its own budget, set policy matters, and control the financial affairs of the company. For the fiscal years 2021 and 2020, the District paid a premium of \$748,218 and \$620,077, respectively.

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(9) Risk Management (continued)

Districts Mutual Insurance and Risk Management Services (continued)

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 and Risk Management Services, 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 Arthur J. Gallagher Risk Management Services, Inc. for its participating members:

- Crime: \$750,000 coverage for employee dishonesty, forgery, computer fraud and funds transfer fraud; \$750,000 coverage for theft, robbery, burglary, disappearance and destruction of money and securities; \$25,000 coverage for investigation expenses, \$15,000 deductible for employee dishonesty, forgery and fraud.

The Trust financial statements can be obtained through Lakeshore Technical College District, 1290 North Avenue, Cleveland, WI 53015.

The District has purchased the following additional insurance through:

Wenk Aviation Insurance

- Aircraft liability: \$3,000,000 limit each occurrence including passengers and property damage and medical services expense coverage of \$5,000 per person; aircraft physical damage as indicated in the policy of \$170,000, \$170,000 and \$715,000 with \$250 not in motion deductible and in motion deductibles based on physical damage value of \$1,000, \$1,000 and \$5,000; hangar keeper's liability coverage at \$250,000 per aircraft/\$250,000 per occurrence; \$5,000 deductible/negligent instruction liability at \$1,000,000 per occurrence.

Arthur J. Gallagher Risk Management Services, Inc.

- Multimedia liability: \$5,000,000 limit each claim; \$10,000 deductible each claim.
- Storage Tank Pollution Liability: \$1,000,000 aggregate; \$1,000,000 limit each confirmed release; \$5,000 deductible.

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(9) **Risk Management (continued)**

Supplemental Insurance (continued)

- Veterinary Services Professional Liability: \$3,000,000 aggregate; \$1,000,000 limit each claim; \$1,000 deductible.

(10) **Operating Leases**

The District leases equipment, classroom, office, and aviation facilities under non-cancelable operating leases. 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 an initial term of twenty years and fluctuating annual lease payments that are currently \$180,300. 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 fluctuate and are currently \$149,450.

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. As of August 2020, the District extended the lease agreement to 2030 with increasing annual lease payments that are currently \$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.

As of June 2021, the District extended the Lakeview Advanced Technology Center lease agreement with Kenosha Unified School District to 2022 at an annual rate of \$70,861.

As of January 1, 2017, the District renegotiated the terms of the Horizon Center for Transportation Technology lease agreement with the City of Kenosha to include additional space for the construction and operation of an emergency vehicle operation course (EVOC). The term for the Horizon Center portion of the lease is twenty-five years with increasing annual lease payments that are currently \$27,770. The term for the EVOC portion of the lease automatically renews annually for twenty-five years (both the District and City of Kenosha have lease termination options) with increasing annual lease payments that are currently \$67,682.

As of December, 2019, the District extended the lease agreement with Koenen for space used by the barbershop/cosmetology program to 2021 at an annual rate of \$20,040.

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(10) Operating Leases (continued)

<u>Year Ending June 30</u>	<u>Amount</u>
2022	\$ 990,234
2023	793,794
2024	719,483
2025	320,195
2026	244,634
2027 - 2031	1,037,615
2032 - 2036	661,615
2037 - 2041	661,615
2042	<u>66,161</u>
Total required minimum lease payments	<u><u>\$ 5,495,346</u></u>

Rental expenses for all operating leases aggregated \$974,758 and \$804,706 for the years ended June 30, 2021 and 2020, 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. The Walworth County Education Consortium Alternative High School lease was extended to 2024. As of June 30, 2021 and June 30, 2020, the cost of the lease assets is \$1,089,035 for both years and the depreciation is \$682,297 and \$646,480, 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. The initial term of the lease was extended to 2023 during the 2017-18 fiscal year.

Effective with the 2016-17 fiscal year, the District is leasing tower space to Verizon Wireless and Magnum Communications. The initial term of the Verizon Wireless lease is five years and the Magnum Communications lease was extended to 2026.

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

<u>Year Ending June 30</u>	<u>Amount</u>
2022	\$ 185,889
2023	91,848
2024	83,242
2025	81,671
2026	<u>5,019</u>
Total future minimum lease revenue	<u><u>\$ 447,669</u></u>

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(10) Operating Leases (continued)

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, 2021 and 2020, was \$141,281 and \$150,417, respectively.

(11) 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:

	<u>2021</u>	<u>2020</u>
Salaries and wages	\$ 53,212,679	\$ 54,804,167
Fringe benefits	20,828,635	19,080,068
Travel, memberships, professional dev.	687,190	972,707
Supplies and minor equipment	4,660,225	6,776,792
Contract services	6,558,304	5,902,941
Bank/Agency credit/collection fees	118,500	112,938
Rentals	974,758	804,706
Repairs and maintenance	446,405	552,967
Insurance	940,320	764,806
Utilities	2,062,456	1,615,597
Depreciation	10,791,025	10,116,853
Student aid	12,736,637	13,518,512
Student debt write-off	(266,376)	359,037
Total Operating Expenses	<u>\$ 113,750,758</u>	<u>\$ 115,382,091</u>

(12) 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 performed the duties of fiscal agent for the consortium through December 31, 2015. As of January 1, 2016, that responsibility was shifted to WiLS, a third party fiscal agent. Since 1997 and as of June 30, 2013, eight additional technical colleges have joined. Since 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 DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(12) Joint Venture (continued)

Gateway Technical College's share of the operating costs, for the years ended June 30, 2021 and 2020, was \$49,603 and \$63,120, respectively. The net assets for the joint venture decreased by \$242,727 for the fiscal year. WISPALS has no joint venture debt outstanding.

The WISPALS financial statements can be obtained through WiLS, 1360 Regent Street, Madison, WI 53715.

(13) Commitments and Contingent Liabilities

Child Care Center - In April 2003, the District entered into a ground lease agreement with the Gateway Technical College Foundation Inc., (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, 2021, the District has commitments outstanding for construction projects of approximately \$4,671,866. As of June 30, 2020, the commitments for construction projects were \$4,184,054.

(14) 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 and the statement of revenues, expenses and changes in net position.

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(14) Component Unit (continued)

1. Cash and Investments

The Foundation invests funds with Johnson Trust. Investments at June 30, 2021 and 2020, are as follows:

<u>June 30, 2021</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gains</u>
Equity	\$ 6,053,780	\$ 8,495,954	\$ 2,442,174
Fixed Income	3,594,027	3,681,061	87,034
Complements	2,102,153	2,184,620	82,467
Total Investments	<u>\$ 11,749,960</u>	<u>14,361,635</u>	<u>\$ 2,611,675</u>
Cash & Cash Equivalents		<u>1,176,579</u>	
Total Cash and Investments		<u>\$ 15,538,214</u>	

<u>June 30, 2020</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gains (Losses)</u>
Equity	\$ 5,684,861	\$ 6,682,840	\$ 997,979
Fixed Income	3,699,583	3,525,642	(173,941)
Total Investments	<u>\$ 9,384,444</u>	<u>10,208,482</u>	<u>\$ 824,038</u>
Cash & Cash Equivalents		<u>1,766,845</u>	
Total Cash and Investments		<u>\$ 11,975,327</u>	

Investment income reported in the statement of revenues, expenses and changes in net position totaled \$2,634,983 and \$379,922, respectively for the years ended June 30, 2021 and 2020, and consisted of the following:

	<u>2021</u>	<u>2020</u>
Market appreciation	\$ 2,705,919	\$ 439,153
Interest and dividend income	441	1,334
Investment fees	<u>(71,377)</u>	<u>(60,565)</u>
Investment return	<u>\$ 2,634,983</u>	<u>\$ 379,922</u>

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(14) Component Unit (continued)

2. Capital Assets

	Balance June 30, 2020	Additions	Deductions	Balance June 30, 2021
Capital assets, not being depreciated:				
Land	\$ 163,291	\$ -	\$ -	\$ 163,291
Construction in Progress	-	96,384	-	96,384
Capital assets, being depreciated:				
Buildings	1,266,176	-	-	1,266,176
	<u>1,429,467</u>	<u>96,384</u>	<u>-</u>	<u>1,525,851</u>
Less accumulated depreciation for:				
Buildings	854,610	59,416	-	914,026
	<u>854,610</u>	<u>59,416</u>	<u>-</u>	<u>914,026</u>
Net capital assets	<u>\$ 574,857</u>	<u>\$ 155,800</u>	<u>\$ -</u>	<u>\$ 611,825</u>

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
Capital assets, not being depreciated:				
Land	\$ 163,291	\$ -	\$ -	\$ 163,291
Capital assets, being depreciated:				
Buildings	1,237,661	28,515	-	1,266,176
	<u>1,400,952</u>	<u>28,515</u>	<u>-</u>	<u>1,429,467</u>
Less accumulated depreciation for:				
Buildings	795,194	59,416	-	854,610
	<u>795,194</u>	<u>59,416</u>	<u>-</u>	<u>854,610</u>
Net capital assets	<u>\$ 605,758</u>	<u>\$ 87,931</u>	<u>\$ -</u>	<u>\$ 574,857</u>

3. Long-Term Debt

Long-term debt outstanding at 2021 and 2020 consists of the following issues:

	2021	2020
\$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.	\$ -	\$ 4,816
Less amount due within one year	-	4,816
Total long-term debt	<u>\$ -</u>	<u>\$ -</u>

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(14) 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 as of June 30, 2021:

Year Ending June 30,	Amount
2022	\$ 167,528
2023	143,302
2024	51,240
2025	39,974
2026	33,600
Thereafter	134,400
Total	\$ 570,044

5. Without Donor Restrictions, With Donor Restrictions, and Restricted Net Assets

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

	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2021	\$ 1,230,758	\$19,873,989	\$21,104,747
June 30, 2020	\$ 809,546	\$11,733,308	\$12,542,854

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(14) Component Unit (continued)

6. Promises to Give

The Organization had promises to give in the year ended as follows:

Promises to give expected to be collected for the year ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Less than One Year	\$ 1,387,500	\$ 37,793
More than One Year and Less than Five Years	<u>3,725,000</u>	<u>-</u>
	5,112,500	37,793
Less Discount (1.25 rate) on Promises to Give	<u>(46,563)</u>	<u>-</u>
Net Promises to Give	5,065,937	37,793
Less Amounts Representing Current Portions	1,387,500	37,793
Promises to Give, Net, More than One Year	<u><u>\$ 3,678,437</u></u>	<u><u>\$ -</u></u>

Of the amounts in Promises to Give as of June 30, 2021 and 2020, \$425,000 and \$36,233, represent amounts given by donors for the long-term purpose of being held permanently with only the earnings to be spent, respectively.

(15) Subsequent Events

The District Board authorized various expenditure budget revisions for the General Fund, Special Revenue Fund–Aidable, Special Revenue Fund–Non Aidable, Capital Projects Fund, and Debt Service 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, 2021, the District issued \$5,500,000 in General Obligation Promissory Notes:

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

(15) Subsequent Events (continued)

<u>Date</u>	<u>Interest Rate</u>	<u>Amount</u>	<u>Purpose</u>
8/5/2021	1.25%-2%	\$ 4,000,000	Proceeds to be used for \$2,500,000 in equipment and \$1,500,000 for Racine facility remodeling projects.
9/15/2021	2%	1,500,000	Proceeds to be used for Racine facility remodeling projects.
		<u>\$ 5,500,000</u>	

(16) Select Upcoming Accounting Pronouncements

The following are the most significant standards that are being evaluated for their impact on the District's financial statements when adopted:

In June 2017, the GASB issued GASB Statement No. 87, *Leases*. The Statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement is effective for reporting periods beginning after June 15, 2021.

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. The Statement establishes that a SBITA results in a right-to-use subscription asset and a corresponding subscription liability. This statement is effective for reporting periods beginning after June 15, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

GATEWAY TECHNICAL COLLEGE

Schedule of Changes in Total OPEB Liability and Related Ratios
Last 10 Fiscal Years

	2021	2020	2019
Total OPEB Liability			
Service cost	\$ 680,003	\$ 687,697	\$ 645,276
Interest	563,270	688,907	699,366
Benefit payments	(1,228,216)	(1,118,804)	(1,218,587)
Changes of benefit terms	-	(2,207,505)	-
Differences between expected and actual experience	288,870	(1,422,676)	(24,123)
Changes in assumptions	1,259,947	(224,346)	1,024,998
Net change in total OPEB liability	<u>1,563,874</u>	<u>(3,596,727)</u>	<u>1,126,930</u>
Total OPEB liability - beginning	<u>21,401,378</u>	<u>24,998,105</u>	<u>23,871,175</u>
Total OPEB liability - ending	<u>\$ 22,965,252</u>	<u>\$ 21,401,378</u>	<u>\$ 24,998,105</u>
Covered-employee payroll	\$ 44,016,382	\$ 44,184,940	\$ 43,187,900
District's total OPEB liability as a percentage of covered-employee payroll	52.17%	48.44%	57.88%

* The amounts presented for each fiscal year were determined as of the prior fiscal year end. Amounts for prior years were not available.

The notes to the required supplementary information are an integral part of this schedule.

GATEWAY TECHNICAL COLLEGE

Schedule of Employer Contributions
Other Postemployment Benefits
Last 10 Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution (ADC)	\$ 1,933,374	\$ 2,139,746	\$ 2,026,533
Contributions in relation to the ADC	1,228,216	1,118,804	1,218,587
Contribution deficiency (excess)	<u>\$ 705,158</u>	<u>\$ 1,020,942</u>	<u>\$ 807,946</u>
Covered-employee payroll	\$ 44,016,382	\$ 44,184,940	\$ 43,187,900
Contributions as a percentage of covered-employee payroll	2.79%	2.53%	2.82%

Key Methods and Assumption Used to Calculate ADC

Actuarial cost method	Entry Age Normal	Projected Unit Credit	Projected Unit Credit
Asset valuation method	Market Value	Market Value	Market Value
Amortization method	30 year Level Dollar	30 year Level Dollar	30 year Level Dollar
Discount rate	2.18%	2.79%	2.98%
Inflation	3.00%	3.00%	3.00%

* The amounts presented for each fiscal year were determined as of the prior fiscal year end. Amounts for prior years were not available.

The notes to the required supplementary information are an integral part of this schedule.

GATEWAY TECHNICAL COLLEGE DISTRICT

Schedules of Wisconsin Retirement System Pension Plan Information
June 30, 2021

Schedule of Proportionate Share of the Net Pension Liability (Asset)
Last 10 Fiscal Years*

Plan Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll Plan Year	Proportionate Share of the Net Position Liability(Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/2015	0.3276965%	\$ 5,325,004	\$ 46,039,216	11.57%	98.20%
12/31/2016	0.3244030%	2,673,855	46,491,250	5.75%	99.12%
12/31/2017	0.3191383%	(9,475,595)	46,347,544	20.44%	102.93%
12/31/2018	0.3141638%	11,176,963	47,548,247	23.51%	96.45%
12/31/2019	0.3104454%	(10,010,177)	49,566,851	20.20%	102.96%
12/31/2020	0.3096303%	(19,330,650)	51,693,784	37.39%	105.26%

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

Schedule of Contributions
Last 10 Fiscal Years*

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll Fiscal Year	Contributions as a Percentage of Covered Payroll
6/30/2016	\$ 3,097,538	\$ 3,097,538	\$ -	\$ 46,235,719	6.70%
6/30/2017	3,095,524	3,095,524	-	46,205,511	6.70%
6/30/2018	3,174,648	3,174,648	-	47,033,912	6.75%
6/30/2019	3,216,986	3,216,986	-	48,567,201	6.62%
6/30/2020	3,323,018	3,323,018	-	49,966,764	6.65%
6/30/2021	3,362,433	3,362,433	-	49,813,819	6.75%

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

The notes to the required supplementary information are an integral part of this schedule.

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Required Supplementary Information
June 30, 2021

Note A - Governmental Accounting Standards Board Statement No. 75

The District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* for the fiscal year ended June 30, 2018. Information for prior years is not available.

Single-employer defined postemployment benefit plan:

Demographic assumptions have been updated based upon the most recent experience study. The following are changes in assumptions over the last ten fiscal years:

	<u>Discount Rate</u>
6/30/2021	2.18%
6/30/2020	2.66%
6/30/2019	2.79%

No assets have been accumulated in an irrevocable trust. The plan's discount rate applied to all periods is based off the S&P municipal bond 20-year high grade rate index.

Note B - Wisconsin Retirement System

There were no changes in benefit terms for any participating employer in WRS. The following are changes in assumptions over the last ten fiscal years:

6/30/2021	No significant change in assumptions were noted from the prior year
6/30/2020	No significant change in assumptions were noted from the prior year
6/30/2019	No significant change in assumptions were noted from the prior year
6/30/2018	<u>LT Expected Rate of Return</u> : Decreased from 7.2% to 7% <u>Discount Rate</u> : Decreased from 7.2% to 7% <u>Inflation</u> : Decreased from 3.2% to 3% <u>Seniority/Merit</u> : Decreased from 0.2%-5.6% to 0.1%-5.6% <u>Mortality Table</u> : Changed from 2012 to 2018 <u>Post-Retirement Adj</u> : Decreased from 2.1% to 1.9%
6/30/2017	No significant change in assumptions were noted from the prior year
6/30/2016	No significant change in assumptions were noted from the prior year
6/30/2015	No significant change in assumptions were noted from the prior year

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 District. 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 District 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, 2021

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Local government - tax levy	\$ 21,296,436	\$ 22,325,233	\$ 22,357,066	\$ 31,833
Intergovernmental revenue:				
State	39,992,958	39,916,926	39,956,438	39,512
Federal	20,000	20,000	16,126	(3,874)
Tuition and fees:				
Statutory program fees	13,123,383	13,523,383	13,945,650	422,267
Material fees	702,026	702,026	709,121	7,095
Other student fees	1,689,117	1,689,117	1,564,318	(124,799)
Miscellaneous - institutional revenue	<u>6,420,803</u>	<u>6,420,803</u>	<u>4,667,178</u>	<u>(1,753,625)</u>
 Total revenues	 <u>83,244,723</u>	 <u>84,597,488</u>	 <u>83,215,897</u>	 <u>(1,381,591)</u>
<u>Expenditures</u>				
Instruction	55,207,842	55,837,865	54,514,071	1,323,794
Instructional resources	1,197,520	1,203,135	1,068,438	134,697
Student services	12,063,118	12,115,141	10,120,937	1,994,204
General institutional	8,093,417	8,525,498	8,508,445	17,053
Physical plant	<u>7,682,826</u>	<u>7,915,849</u>	<u>7,903,921</u>	<u>11,928</u>
 Total expenditures	 <u>84,244,723</u>	 <u>85,597,488</u>	 <u>82,115,812</u>	 <u>3,481,676</u>
 Net change in fund balance	 (1,000,000)	 (1,000,000)	 1,100,085	 2,100,085
<u>Fund balance</u>				
Beginning of year	<u>29,031,056</u>	<u>29,031,056</u>	<u>29,031,056</u>	<u>-</u>
 End of year	 <u>\$ 28,031,056</u>	 <u>\$ 28,031,056</u>	 <u>\$ 30,131,141</u>	 <u>\$ 2,100,085</u>

SPECIAL REVENUE FUNDS

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

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

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Special Revenue Fund - Operating Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the year ended June 30, 2021

	<u>Budget Amounts</u>		Actual on a Budgetary Basis	Variance with Final Budget- Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Local government - tax levy	\$ 2,049,205	\$ 2,049,205	\$ 2,049,205	\$ -
Intergovernmental revenue:				
State	2,462,884	2,462,884	1,865,351	(597,533)
Federal	2,190,369	3,988,369	5,492,695	1,504,326
Miscellaneous - institutional revenue	<u>132,500</u>	<u>132,500</u>	<u>901,856</u>	<u>769,356</u>
Total revenues	<u>6,834,958</u>	<u>8,632,958</u>	<u>10,309,107</u>	<u>1,676,149</u>
<u>Expenditures</u>				
Instruction	3,686,938	3,841,938	3,837,956	3,982
Student services	2,105,635	2,268,635	2,261,591	7,044
General institutional	651,885	1,096,885	1,094,275	2,610
Physical plant	-	1,035,000	1,032,308	2,692
Public services	<u>390,500</u>	<u>390,500</u>	<u>361,291</u>	<u>29,209</u>
Total expenditures	<u>6,834,958</u>	<u>8,632,958</u>	<u>8,587,421</u>	<u>45,537</u>
<u>Other financing uses</u>				
Transfers out	<u>-</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Net change in fund balance	-	(50,000)	1,671,686	1,721,686
<u>Fund balance</u>				
Beginning of year	<u>2,208,896</u>	<u>2,208,896</u>	<u>2,208,896</u>	<u>-</u>
End of year	<u>\$ 2,208,896</u>	<u>\$ 2,158,896</u>	<u>\$ 3,880,582</u>	<u>\$ 1,721,686</u>

GATEWAY TECHNICAL COLLEGE DISTRICT

Special Revenue Fund - Non-Aidable Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the year ended June 30, 2021

	<u>Budget Amounts</u>		Actual on a Budgetary Basis	Variance with Final Budget- Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Intergovernmental revenue:				
State	\$ 2,145,500	\$ 2,145,500	\$ 1,747,188	\$ (398,312)
Federal	24,656,000	24,656,000	18,899,172	(5,756,828)
Tuition and fees - other student fees	902,000	902,000	866,713	(35,287)
Miscellaneous - institutional revenue	<u>2,880,100</u>	<u>2,880,100</u>	<u>1,555,035</u>	<u>(1,325,065)</u>
Total revenues	<u>30,583,600</u>	<u>30,583,600</u>	<u>23,068,108</u>	<u>(7,515,492)</u>
<u>Expenditures</u>				
Student services	30,539,600	30,539,600	22,688,441	7,851,159
General institutional	<u>44,000</u>	<u>44,000</u>	<u>500</u>	<u>43,500</u>
Total expenditures	<u>30,583,600</u>	<u>30,583,600</u>	<u>22,688,941</u>	<u>7,894,659</u>
<u>Other financing uses</u>				
Transfers in	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Net change in fund balance	-	50,000	429,167	379,167
<u>Fund balance</u>				
Beginning of year	<u>597,119</u>	<u>597,119</u>	<u>597,119</u>	<u>-</u>
End of year	<u>\$ 597,119</u>	<u>\$ 647,119</u>	<u>\$ 1,026,286</u>	<u>\$ 379,167</u>

CAPITAL PROJECTS FUND

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Capital Projects Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the year ended June 30, 2021

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Over (Under)
	Original	Final		
<u>Revenues</u>				
Intergovernmental revenue:				
State	\$ 100,000	\$ 100,000	\$ 106,145	\$ 6,145
Federal	-	1,500,000	1,390,278	(109,722)
Miscellaneous - institutional revenue	350,000	350,000	96,820	(253,180)
 Total revenues	 450,000	 1,950,000	 1,593,243	 (356,757)
<u>Expenditures</u>				
Instruction	2,535,000	3,135,000	2,896,640	238,360
Instructional resources	15,000	15,000	-	15,000
Student services	25,000	25,000	-	25,000
General institutional	2,500,000	3,605,000	3,602,209	2,791
Physical plant	10,350,000	10,350,000	9,759,694	590,306
Public services	25,000	25,000	-	25,000
 Total expenditures	 15,450,000	 17,155,000	 16,258,543	 896,457
<u>Other financing sources</u>				
Long-term debt issued	15,000,000	15,000,000	15,000,000	-
Operating transfers out	-	(85,039)	(85,039)	-
 Total other financing sources	 15,000,000	 14,914,961	 14,914,961	 -
 Net change in fund balance	 -	 (290,039)	 249,661	 539,700
<u>Fund balance</u>				
Beginning of year	2,775,076	2,775,076	2,775,076	-
End of year	\$ 2,775,076	\$ 2,485,037	\$ 3,024,737	\$ 539,700

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, 2021

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Over (Under)
	Original	Final		
<u>Revenues</u>				
Local government - tax levy	\$ 14,810,000	\$ 14,810,000	\$ 14,810,000	\$ -
Miscellaneous - institutional revenue	50,000	50,000	8,661	(41,339)
Total revenues	<u>14,860,000</u>	<u>14,860,000</u>	<u>14,818,661</u>	<u>(41,339)</u>
<u>Expenditures</u>				
Physical plant				
Principal retirement	13,615,000	13,615,000	13,700,000	(85,000)
Interest	2,058,530	2,058,530	1,978,997	79,533
Financing costs	426,470	426,470	350,875	75,595
Total expenditures	<u>16,100,000</u>	<u>16,100,000</u>	<u>16,029,872</u>	<u>70,128</u>
<u>Other financing sources</u>				
Proceeds of debt premium	640,000	640,000	769,016	129,016
Proceeds of refunding bonds	-	-	3,990,000	3,990,000
Transfers in	-	85,039	85,039	-
Repayment of debt	-	-	(4,051,464)	(4,051,464)
Net change in fund balance	(600,000)	(514,961)	(418,620)	157,805
<u>Fund balance</u>				
Beginning of year	4,007,041	4,007,041	4,007,041	-
End of year	<u>\$ 3,407,041</u>	<u>\$ 3,492,080</u>	<u>\$ 3,588,421</u>	<u>\$ 157,805</u>

ENTERPRISE FUNDS

Enterprise funds are used to account for operations (other than for the educational operations) that are financed and operated in a manner similar to a private business enterprise, where the intent of the District 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, 2021

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>Operating Revenues</u>				
Local government - tax levy	\$ 45,000	\$ 45,000	\$ 45,000	\$ -
Tuition and fees - other student fees	200,000	200,000	209,444	9,444
Miscellaneous - institutional revenue	<u>455,000</u>	<u>455,000</u>	<u>266,025</u>	<u>(188,975)</u>
 Total revenues	 <u>700,000</u>	 <u>700,000</u>	 <u>520,469</u>	 <u>(179,531)</u>
<u>Operating Expenses</u>				
Auxiliary services	<u>700,000</u>	<u>700,000</u>	<u>551,113</u>	<u>148,887</u>
 Change in net position	 -	 -	 (30,644)	 (30,644)
<u>Net Position</u>				
Beginning of year	<u>1,080,141</u>	<u>1,080,141</u>	<u>1,080,141</u>	<u>-</u>
 End of year	 <u>\$ 1,080,141</u>	 <u>\$ 1,080,141</u>	 <u>\$ 1,049,497</u>	 <u>\$ (30,644)</u>

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Schedule to Reconcile the Budgetary (Non-GAAP) Combined Balance Sheet - All Fund Types to the Statements of Net Position

June 30, 2021

ASSETS	General Fund		Special Revenue Funds		Capital Projects Fund		Debt Service Fund		Enterprise Fund		Total	Reconciling Items	Statement of Net Position
	Fund		Operating	Non-Aidable	Projects Fund		Service Fund						
ASSETS													
Cash and cash equivalents	\$ 29,709,891	\$ -	\$ -	\$ -	\$ 9,020,499	\$ -	\$ 3,588,421	\$ -	\$ -	\$ -	\$ 42,318,811	\$ -	\$ 42,318,811
Receivables:													
Property taxes	10,134,964	-	-	-	-	-	-	-	-	-	10,134,964	-	10,134,964
Accounts, net of reserve of \$172,000	2,222,696	31,181	-	-	-	-	-	-	831	-	2,254,708	-	2,254,708
Federal and state aid	205,348	3,636,027	-	706,069	-	-	-	-	-	-	4,547,444	-	4,547,444
Due from other funds	-	1,494,808	-	503,043	-	-	-	-	1,077,045	-	3,074,896	(3,074,896)	-
Prepaid expenditures	586,645	12,273	-	-	57,943	-	-	-	-	656,861	-	-	656,861
Capital assets	-	-	-	-	-	-	-	-	-	-	-	-	210,981,885
Less: accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-	(111,046,485)
Net pension asset	-	-	-	-	-	-	-	-	-	-	19,330,650	-	19,330,650
Total Assets	42,859,544	5,174,289	1,209,112	1,209,112	9,078,442	1,077,876	3,588,421	1,077,876	1,049,497	62,987,684	116,191,154	179,178,838	179,178,838
DEFERRED OUTFLOWS OF RESOURCES													
Deferred outflows related to OPEB	-	-	-	-	-	-	-	-	-	-	-	2,497,053	2,497,053
Deferred outflows related to pensions	-	-	-	-	-	-	-	-	-	-	30,003,420	-	30,003,420
Total deferred outflows of resources	-	-	-	-	-	-	-	-	-	-	32,500,473	-	32,500,473
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 42,859,544	\$ 5,174,289	\$ 1,209,112	\$ 1,209,112	\$ 9,078,442	\$ 1,077,876	\$ 3,588,421	\$ 1,077,876	\$ 1,049,497	\$ 62,987,684	\$ 148,691,627	\$ 211,679,311	\$ 211,679,311
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND EQUITY													
Liabilities													
Accounts payable	\$ 4,285,341	\$ (4,204)	\$ 56	\$ -	\$ -	\$ 25,647	\$ -	\$ -	\$ -	\$ -	\$ 4,306,840	\$ -	\$ 4,306,840
Accrued payroll and benefits	2,134,061	105,374	8,892	-	-	2,732	-	-	-	-	2,251,059	-	2,251,059
Accrued vacation	791,989	-	-	-	-	-	-	-	-	791,989	-	-	791,989
Accrued interest payable	-	-	-	-	-	-	-	-	-	-	451,414	-	451,414
Due to other funds	2,901,018	-	173,878	-	-	-	-	-	-	3,074,896	(3,074,896)	-	-
Unearned revenues	2,491,271	198,729	-	-	-	-	-	-	-	2,690,000	(1,515,823)	-	1,174,177
Other post-employment benefits liability	-	-	-	-	-	-	-	-	-	-	22,965,252	-	22,965,252
Long-term liabilities	-	-	-	-	-	-	-	-	-	-	71,916,728	-	71,916,728
Total liabilities	12,603,680	299,899	182,826	182,826	-	28,379	-	-	1,049,497	13,114,784	90,742,675	103,857,459	103,857,459
Deferred Inflows of Resources													
Deferred inflows related to OPEB	-	-	-	-	-	-	-	-	-	-	-	1,047,833	1,047,833
Deferred inflows related to pensions	-	-	-	-	-	-	-	-	-	-	42,329,438	-	42,329,438
Total deferred inflows of resources	-	-	-	-	-	-	-	-	-	-	43,377,271	-	43,377,271
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	\$ 12,603,680	\$ 299,899	\$ 182,826	\$ 182,826	\$ -	\$ 28,379	\$ -	\$ -	\$ 1,049,497	\$ 13,114,784	\$ 134,119,946	\$ 147,234,730	\$ 147,234,730
Fund balances / net position													
Net investment in capital assets	-	-	-	-	-	-	-	-	-	-	-	35,945,315	35,945,315
Net position	-	-	-	-	-	-	-	-	1,049,497	1,049,497	1,049,497	21,944,486	22,993,983
Fund balances:													
Reserved for prepaid expenditures	586,645	12,273	-	-	-	-	-	-	-	598,918	(598,918)	-	-
Reserved for pension asset	-	-	-	-	-	-	-	-	-	19,330,650	-	-	19,330,650
Reserved for student organizations	-	-	1,659,008	-	-	-	-	-	-	1,659,008	-	-	1,659,008
Reserved for student financial assistance (deficit)	-	-	(632,722)	-	-	-	-	-	-	(632,722)	632,722	-	-
Reserved for capital projects	-	-	-	-	3,024,737	-	-	-	-	3,024,737	(3,024,737)	-	-
Reserved for debt service	-	-	-	-	-	-	3,588,421	-	-	3,588,421	(451,414)	-	3,137,007
Reserved for OPEB - Other post employment benefits	2,370,000	-	-	-	-	-	-	-	-	2,370,000	(2,370,000)	-	-
Unreserved - Designated for:													
State aid fluctuations	709,268	-	-	-	-	-	-	-	-	709,268	-	-	709,268
Subsequent year	5,936,275	2,385,618	-	-	-	-	-	-	-	8,321,893	-	-	8,321,893
Operations	20,528,953	1,482,691	-	-	-	-	-	-	-	22,011,644	(49,664,187)	-	(27,652,543)
Total fund balances / net position	30,131,141	3,880,582	1,026,286	1,026,286	3,024,737	1,049,497	3,588,421	1,049,497	6,053,705	42,700,664	21,743,917	64,444,581	64,444,581
Reserve for encumbrances	124,723	993,808	-	-	-	-	-	-	-	7,172,236	(7,172,236)	-	-
Total Liabilities, Deferred Inflows of Resources, and Fund Equity	\$ 42,859,544	\$ 5,174,289	\$ 1,209,112	\$ 1,209,112	\$ 9,078,442	\$ 1,077,876	\$ 3,588,421	\$ 1,077,876	\$ 1,049,497	\$ 62,987,684	\$ 148,691,627	\$ 211,679,311	\$ 211,679,311

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, 2021

	General Fund	Special Revenue Funds Operating	Non-Aidable	Capital Projects Fund	Debt Service Fund	Enterprise Funds	Total	Reconciling Items	Statement of Revenues, Expenses and Changes in Net Position
Revenues	\$ 22,357,066	\$ 2,049,205	\$ -	\$ -	\$ 14,810,000	\$ 45,000	\$ 39,261,271	\$ -	\$ 39,261,271
Local government - tax levy									
Intergovernmental revenue:									
State	39,956,438	1,865,351	1,747,188	106,145	-	-	43,675,122	-	43,675,122 (1)
Federal	16,126	5,492,695	18,899,172	1,390,278	-	-	25,798,271	-	25,798,271 (2)
Tuition and fees:									
Statutory program fees	13,945,650	-	-	-	-	-	13,945,650	(5,197,307)	8,748,343
Material fees	709,121	-	-	-	-	-	709,121	(276,322)	432,799
Other student fees	1,584,318	-	866,713	-	-	209,444	2,640,475	(609,590)	2,030,885
Miscellaneous - institutional revenue	4,667,178	901,856	1,555,035	96,820	8,661	266,025	7,495,575	(1,298,950)	6,196,625 (3)
Total revenues	83,215,897	10,309,107	23,068,108	1,593,243	14,818,661	520,469	133,525,485	(7,382,169)	126,143,316
Expenditures									
Instruction	54,514,071	3,837,956	-	2,896,640	-	-	61,248,667	(5,913,644)	55,335,023
Instructional resources	1,068,438	-	-	-	-	-	1,068,438	(45,611)	1,022,827
Student services	10,120,937	2,261,591	22,688,441	-	-	-	35,070,969	(21,285,664)	13,785,305
General institutional	8,508,445	1,094,275	500	3,602,209	-	-	13,205,429	(2,150,012)	11,055,417
Physical plant	7,903,921	1,032,308	-	9,759,694	-	-	18,695,923	(10,551,051)	8,144,872
Student aid	-	-	-	-	-	-	-	12,736,637	12,736,637
Public services	-	361,291	-	-	-	-	361,291	(267,566)	334,535
Depreciation	-	-	-	-	-	-	-	10,791,025	10,791,025
Auxiliary services	-	-	-	-	-	551,113	551,113	(5,996)	545,117
Debt Service:									
Principal	-	-	-	-	13,700,000	-	13,700,000	(13,700,000)	-
Interest and debt issuance costs	-	-	-	-	2,329,872	-	2,329,872	(526,834)	1,803,038
Total expenditures	82,115,812	8,587,421	22,688,941	16,258,543	16,029,872	551,113	146,231,702	(30,677,906)	115,553,796
Revenues over (under) expenditures	1,100,085	1,721,686	379,167	(14,665,300)	(1,211,211)	(30,644)	(12,706,217)	23,295,737	10,589,520
Other financing sources (uses)									
Long-term debt issued	-	-	-	15,000,000	-	-	15,000,000	(15,000,000)	-
Proceeds of refunding bonds	-	-	-	-	3,990,000	-	3,990,000	(3,990,000)	-
Repayment of debt	-	-	-	(4,051,464)	-	-	(4,051,464)	4,045,000	(6,464)
Debt premium	-	-	-	769,016	-	-	769,016	(769,016)	-
Loss on disposal of capital assets	-	-	-	-	-	-	-	(7,858)	(7,858)
Transfers in	-	-	50,000	-	85,039	-	135,039	(135,039)	-
Transfers out	-	(50,000)	-	(85,039)	-	-	(135,039)	135,039	-
Total other financing sources (uses)	-	(50,000)	50,000	14,914,961	792,591	-	15,707,552	(15,721,874)	(14,322)
Net change in fund balances	1,100,085	1,671,686	429,167	249,661	(418,620)	(30,644)	3,001,335	7,573,863	10,575,198
Fund balances/net position									
Beginning of year	29,031,056	2,208,896	597,119	2,775,076	4,007,041	1,080,141	39,699,329	13,759,239	53,458,568
Prior-period adjustment	-	-	-	-	-	-	-	410,815	410,815
Beginning of year, restated	29,031,056	2,208,896	597,119	2,775,076	4,007,041	1,080,141	39,699,329	14,170,054	53,869,383 (4)
End of year	\$ 30,131,141	\$ 3,880,582	\$ 1,026,286	\$ 3,024,737	\$ 3,588,421	\$ 1,049,497	\$ 42,700,664	\$ 21,743,917	\$ 64,444,581

GATEWAY TECHNICAL COLLEGE DISTRICT

Schedule to Reconcile the Budgetary (Non-GAAP) Basis Financial Statements
to the Statements of Revenues, Expenses and Changes in Net Position (Continued)
June 30, 2021

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

Operating	\$ 3,732,051
Non-operating - State Appropriations	39,836,926
Non-operating - Capital Grants	<u>106,145</u>
 Total	 <u>\$ 43,675,122</u>

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

Operating	\$ 16,354,334
Non-operating	8,053,659
Non-operating - Capital Grants	<u>1,390,278</u>
 Total	 <u>\$ 25,798,271</u>

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

Contract revenue	\$ 4,118,837
Auxiliary enterprise revenues	266,025
Miscellaneous revenue	1,693,975
Investment income	37,351
Contributions	70,437
Donated capital assets	<u>10,000</u>
 Total	 <u>\$ 6,196,625</u>

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

	<u>2021</u>	<u>2020</u>
Budgetary basis fund equity	\$ 42,700,664	\$ 39,699,329
Capital assets capitalized - cost	210,981,885	198,561,509
Accumulated depreciation on general fixed assets	(111,046,485)	(100,291,118)
General obligation debt	(68,950,000)	(67,705,000)
Other post employment benefits	(22,965,252)	(21,401,378)
Deferred outflows related to OPEB	2,497,053	1,963,630
Deferred inflows related to OPEB	(1,047,833)	(1,357,272)
Net pension asset	19,330,650	10,010,177
Deferred outflows related to pension	30,003,420	21,522,294
Deferred inflows related to pension	(42,329,438)	(29,973,392)
Accrued interest on long-term debt	(451,414)	(475,703)
Summer school tuition and fees	1,587,563	1,350,514
Unamortized debt premium	(2,780,350)	(2,513,877)
Unearned revenue for govt-wide basis	(258,118)	(329,858)
Encumbrances	<u>7,172,236</u>	<u>4,809,528</u>
 Net position per basic financial statements	 <u>\$ 64,444,581</u>	 <u>\$ 53,869,383</u>



Statistical Section

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STATISTICAL SECTION

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

Contents

Financial Trends

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

Revenue Capacity

These schedules contain information to assist the reader in assessing one of the District's most significant local revenue sources, 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.

GATEWAY TECHNICAL COLLEGE DISTRICT

**Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Net Investment in Capital Assets	\$ 35,945,315	\$ 34,187,240	\$ 46,129,842	\$ 38,096,687	\$ 33,578,192	\$ 29,405,384	\$ 28,043,849	\$ 22,835,246	\$ 20,982,819	\$ 18,916,039
Restricted	24,126,665	14,719,181	1,773,899	1,422,826	1,747,878	1,871,265	10,228,591	2,345,544	2,017,609	2,392,284
Unrestricted	4,372,601	4,962,962	883,321	8,821,739	32,450,095	37,704,933	30,835,816	27,835,368	26,771,698	22,754,631
Total Net Position	\$ 64,444,581	\$ 53,869,383	\$ 48,787,062	\$ 48,341,252	\$ 67,776,165	\$ 68,981,582	\$ 69,108,256	\$ 53,016,158	\$ 49,772,126	\$ 44,062,954

GATEWAY TECHNICAL COLLEGE DISTRICT

**Changes in Net Position
Last Ten Fiscal Years**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Operating Revenues										
Student tuition and program fees, net of scholarship allowances	\$ 11,212,027	\$ 9,889,474	\$ 10,831,143	\$ 10,688,633	\$ 10,236,726	\$ 10,893,182	\$ 8,358,987	\$ 9,242,102	\$ 9,361,252	\$ 10,409,936
Federal grants ⁽¹⁾	16,354,334	13,767,204	13,702,153	25,492,038	23,463,690	28,229,715	32,707,370	36,656,284	42,989,817	42,666,119
State grants	3,732,051	3,493,792	3,934,751	3,136,499	3,550,591	4,473,934	4,228,572	3,271,663	3,521,173	3,520,742
Local grants	-	-	-	92,447	74,948	99,930	102,347	-	-	-
Contract revenue	4,118,837	4,689,288	5,334,506	4,500,392	3,203,987	3,169,078	2,648,419	2,149,357	2,177,349	2,256,918
Auxiliary enterprise revenues	266,025	299,343	292,977	286,708	276,482	297,187	267,355	257,997	288,855	256,823
Miscellaneous - institutional revenue	1,693,975	1,476,176	1,166,144	1,273,257	1,391,155	1,317,622	1,424,325	1,442,389	1,658,302	1,203,156
Total operating revenues	37,377,249	33,615,277	35,261,674	45,469,974	42,197,579	48,480,648	49,737,375	53,019,792	59,996,748	60,313,694
Operating Expenses										
Instruction	55,335,023	57,201,437	60,245,160	58,960,476	55,694,295	57,310,939	55,474,683	55,803,389	56,214,432	60,869,404
Instructional resources	1,022,827	1,124,875	1,268,595	1,290,041	1,285,524	1,291,616	1,254,306	1,181,202	1,137,133	1,426,902
Student services	13,785,305	15,544,161	14,593,819	15,027,450	15,133,896	14,134,379	13,332,974	11,529,142	10,747,472	10,087,038
General institutional	11,055,417	10,499,436	11,377,155	11,174,034	9,892,887	9,924,868	8,767,271	8,384,731	8,183,287	8,373,179
Physical plant	8,144,872	6,341,421	9,065,927	8,078,510	8,208,117	7,737,633	7,887,141	7,509,972	7,465,411	7,718,475
Student aid	12,736,637	13,518,512	16,074,582	17,297,573	14,857,458	19,033,629	20,997,405	24,333,329	29,874,262	30,725,417
Public services	334,535	399,054	407,167	345,341	345,972	333,587	374,190	357,437	357,714	344,410
Auxiliary services	545,117	636,343	427,679	463,117	422,896	483,319	509,387	440,292	507,723	574,483
Depreciation	10,791,025	10,116,853	9,193,288	8,174,908	7,366,157	6,802,725	5,976,124	4,997,183	4,543,691	4,307,822
Total operating expenses	113,750,758	115,382,091	122,653,371	120,811,451	113,207,202	117,052,695	114,573,481	114,536,677	119,031,125	124,427,130
Operating loss	(76,373,509)	(81,766,814)	(87,391,697)	(75,341,477)	(71,009,623)	(68,572,047)	(64,836,106)	(61,516,885)	(59,034,377)	(64,113,436)
Non-Operating Revenues (Expenses)										
Property taxes	39,261,271	36,778,620	34,852,092	33,180,261	31,938,159	30,422,589	28,771,203	60,150,673	59,395,806	59,003,731
State appropriations	39,836,926	39,939,154	39,333,811	38,669,011	39,350,827	38,923,246	38,467,085	5,499,903	5,485,937	6,081,694
Federal nonoperating grants ⁽¹⁾	8,053,659	9,701,777	9,941,945	-	-	-	-	-	-	-
Gain (loss) on sale of capital assets	(7,858)	-	15,000	(24,135)	(27,216)	(115,602)	(61,308)	35,400	(2,245)	(13,933)
Investment income	37,351	273,222	454,788	198,420	92,351	60,764	46,692	40,747	38,735	33,320
Interest expense and debt issuance costs	(1,809,502)	(1,777,066)	(1,718,436)	(1,609,316)	(1,640,096)	(1,569,534)	(1,556,932)	(1,449,331)	(1,518,828)	(1,263,110)
Total non-operating revenues (expenses)	85,371,847	84,915,707	82,879,200	70,414,241	69,714,025	67,721,463	65,666,740	64,277,392	63,399,405	63,841,702
Capital Contributions										
State and federal capital appropriations	1,496,423	1,061,052	4,484,674	106,828	90,181	472,336	184,384	297,698	193,935	35,183
Contributions	70,437	171,819	356,700	269,696	-	184,000	208,750	164,827	1,421,800	35,679
Donated capital assets	10,000	289,742	116,933	152,564	-	67,574	306,990	21,000	11,367	-
Total capital contributions	1,576,860	1,522,613	4,958,307	529,088	90,181	723,910	700,124	483,525	1,627,102	70,862
Cumulative effect of change in accounting principle ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	-	410,815	-	(15,036,765)	-	-	14,561,340	-	(282,958)	-
Increase/(Decrease) in Net Position	\$ 10,575,198	\$ 5,082,321	\$ 445,810	\$ (19,434,913)	\$ (1,205,417)	\$ (126,674)	\$ 16,092,098	\$ 3,244,032	\$ 5,709,172	\$ (200,872)

(1) Reclassified FY20 and FY19 Pell grant revenue as nonoperating revenue per GASB and WTCS guidelines.
(2) The District implemented GASB 68 and 71 beginning with fiscal year ended June 30, 2015.
(3) The District implemented GASB 65 beginning with fiscal year ended June 30, 2013.
(4) The District implemented GASB 75 beginning with fiscal year ended June 30, 2018.
(5) The District implemented GASB 84 beginning with fiscal year ended June 30, 2021.

GATEWAY TECHNICAL COLLEGE

**Expenses by Use
Last Ten Fiscal Years
(Accrual Basis of Accounting)**

Expense Classifications	2021		2020		2019		2018		2017		2016		2015		2014		2013		2012	
	\$	% of Total	\$	% of Total	\$	% of Total	\$	% of Total	\$	% of Total	\$	% of Total	\$	% of Total	\$	% of Total	\$	% of Total	\$	% of Total
Salaries and wages	53,212,679	46.0%	54,804,167	46.8%	52,831,152	42.5%	51,945,888	42.4%	50,750,747	44.2%	51,344,768	43.2%	50,731,715	43.7%	49,927,226	43.1%	48,806,522	40.5%	49,060,461	39.0%
Fringe benefits	20,828,635	18.0%	19,080,068	16.3%	18,590,626	14.9%	18,398,827	15.0%	18,528,651	16.1%	18,801,734	15.8%	18,895,006	16.3%	18,360,563	15.8%	17,409,046	14.4%	23,133,387	18.4%
Travel, memberships and subscriptions	687,190	0.6%	972,707	0.8%	1,428,835	1.1%	1,495,105	1.2%	1,173,732	1.0%	1,354,686	1.1%	1,464,452	1.3%	1,290,745	1.1%	1,165,200	1.0%	957,520	0.8%
Supplies and minor equipment	4,660,225	4.0%	6,776,792	5.8%	14,328,358	11.5%	13,149,991	10.7%	11,736,282	10.2%	11,638,941	9.8%	7,983,678	6.9%	7,550,554	6.5%	8,935,173	7.4%	8,724,938	6.9%
Contract services	6,558,304	5.7%	5,902,941	5.0%	6,028,748	4.8%	6,155,993	5.0%	5,028,221	4.4%	4,108,271	3.5%	4,236,256	3.6%	4,043,245	3.5%	3,669,705	3.0%	3,207,743	2.6%
Bank/Agency credit/collection fees	118,500	0.1%	112,938	0.1%	118,492	0.1%	117,082	0.1%	125,840	0.1%	113,000	0.1%	100,306	0.1%	110,854	0.1%	89,929	0.1%	87,761	0.1%
Rentals	974,758	0.8%	804,706	0.7%	713,315	0.6%	689,104	0.6%	621,270	0.5%	702,054	0.6%	732,774	0.6%	734,061	0.6%	826,787	0.7%	988,089	0.8%
Repairs and maintenance	446,405	0.4%	552,967	0.5%	653,633	0.5%	698,571	0.6%	666,439	0.6%	746,178	0.6%	818,435	0.7%	565,631	0.5%	829,905	0.7%	709,408	0.6%
Insurance	940,320	0.8%	794,806	0.7%	662,315	0.5%	594,561	0.5%	619,665	0.5%	618,252	0.5%	540,802	0.5%	581,160	0.5%	524,070	0.4%	574,587	0.5%
Utilities	2,062,456	1.8%	1,615,597	1.4%	1,735,647	1.4%	1,734,754	1.4%	1,638,070	1.4%	1,608,012	1.4%	1,669,042	1.4%	1,859,746	1.6%	1,621,648	1.3%	1,618,643	1.3%
Depreciation	10,791,025	9.3%	10,116,853	8.6%	9,193,288	7.4%	8,174,908	6.7%	7,366,157	6.4%	6,802,725	5.7%	5,976,124	5.1%	4,997,183	4.3%	4,543,691	3.8%	4,307,822	3.4%
Student aid	12,736,637	11.0%	13,518,512	11.5%	16,074,582	12.9%	17,297,573	14.1%	14,857,458	12.9%	19,033,456	16.0%	20,997,578	18.1%	24,333,329	21.0%	29,874,262	24.8%	30,725,417	24.4%
Student debt writeoff	(266,376)	-0.2%	359,037	0.3%	294,380	0.2%	358,994	0.3%	94,670	0.1%	180,618	0.2%	427,313	0.4%	182,380	0.2%	735,187	0.6%	361,354	0.3%
Total operating expenses	113,750,758	98.4%	115,382,091	98.5%	122,653,371	98.6%	120,811,451	98.7%	113,207,202	98.5%	117,052,695	98.6%	114,573,481	98.6%	114,536,677	98.8%	119,031,125	98.7%	124,427,130	99.0%
Interest expense & debt issuance costs ⁽¹⁾	1,809,502	1.6%	1,777,066	1.5%	1,718,436	1.4%	1,609,316	1.3%	1,640,096	1.4%	1,569,534	1.3%	1,566,932	1.3%	1,449,331	1.2%	1,518,828	1.3%	1,263,110	1.0%
(Gain)/Loss on disposal of assets	7,858	0.0%	-	0.0%	(15,000)	0.0%	24,135	0.0%	27,216	0.0%	115,602	0.1%	61,308	0.1%	(35,400)	0.0%	2,245	0.0%	13,933	0.0%
Total non-operating expenses	1,817,360	1.6%	1,777,066	1.5%	1,703,436	1.4%	1,633,451	1.3%	1,667,312	1.5%	1,685,136	1.4%	1,618,240	1.4%	1,413,931	1.2%	1,521,073	1.3%	1,277,043	1.0%
Total Expenses ⁽²⁾⁽³⁾	\$ 115,568,118	100.0%	\$ 117,159,157	100.0%	\$ 124,356,807	100.0%	\$ 122,444,902	100.0%	\$ 114,874,514	100.0%	\$ 118,737,831	100.0%	\$ 116,191,721	100.0%	\$ 115,950,608	100.0%	\$ 120,552,198	100.0%	\$ 125,704,173	100.0%

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

(2) The District implemented GASB 74/75 beginning with the fiscal year ended June 30, 2018.

(3) The District implemented GASB 84 beginning with fiscal year ended June 30, 2021.

GATEWAY TECHNICAL COLLEGE DISTRICT

**Equalized Value and Tax Levy Distribution by Municipality
Fiscal Year 2021**

<u>County</u>	<u>Municipality</u>	<u>Taxable Equalized Valuation</u>	<u>Percent of Total</u>	<u>Total Tax Levy</u>
Kenosha	Town of:			
	Brighton	\$ 242,275,100	0.493271 %	\$ 193,507
	Paris	264,372,900	0.538262	211,157
	Randall	605,325,300	1.232440	483,479
	Somers	92,841,300	0.189024	74,153
	Wheatland	388,415,900	0.790813	310,231
	Village of:			
	Bristol	703,696,300	1.432722	562,049
	Genoa City	346,200	0.000705	277
	Paddock Lake	275,008,100	0.559915	219,652
	Pleasant Prairie	3,318,821,100	6.757105	2,650,774
	Salem Lakes	1,574,284,000	3.205235	1,257,396
	Somers	839,520,400	1.709260	670,533
	Twin Lakes	938,824,800	1.911443	749,848
	City of Kenosha	6,886,825,700	14.021546	5,500,574
Racine	Town of:			
	Burlington	794,714,500	1.618035	634,746
	Dover	440,117,500	0.896077	351,526
	Norway	426,065,450	0.867467	340,303
	Raymond	569,377,600	1.159250	454,767
	Waterford	821,864,400	1.673312	656,431
	Yorkville	619,816,300	1.261943	495,053
	Village of:			
	Caledonia	2,483,233,300	5.055852	1,983,382
	Elmwood Park	44,220,900	0.090034	35,320
	Mount Pleasant	3,215,887,900	6.547533	2,568,560
	North Bay	42,162,600	0.085843	33,676
	Rochester	405,241,500	0.825070	323,670
	Sturtevant	610,365,600	1.242702	487,505
	Union Grove	365,506,700	0.744170	291,934
	Waterford	515,622,500	1.049805	411,833
	Wind Point	282,098,400	0.574351	225,315
City of:				
Burlington	1,043,587,800	2.124740	833,524	
Racine	3,882,667,200	7.905093	3,101,123	

GATEWAY TECHNICAL COLLEGE DISTRICT

**Equalized Value and Tax Levy Distribution by Municipality (continued)
Fiscal Year 2021**

<u>County</u>	<u>Municipality</u>	<u>Taxable Equalized Valuation</u>	<u>Percent of Total</u>	<u>Total Tax Levy</u>
Walworth	Town of:			
	Bloomfield	\$ 127,703,900	0.260005 %	\$ 101,998
	Darien	227,940,400	0.464086	182,058
	Delavan	1,093,408,300	2.226174	873,316
	East Troy	873,212,700	1.777857	697,443
	Geneva	1,005,873,100	2.047953	803,400
	La Fayette	318,482,000	0.648428	254,375
	La Grange	844,090,700	1.718565	674,183
	Linn	2,109,195,900	4.294313	1,684,635
	Lyons	498,394,600	1.014729	398,073
	Richmond	274,352,000	0.558579	219,128
	Sharon	92,037,800	0.187389	73,511
	Spring Prairie	301,180,400	0.613202	240,556
	Sugar Creek	438,649,900	0.893089	350,354
	Troy	317,154,200	0.645724	253,314
	Walworth	267,465,800	0.544559	213,627
	Whitewater	348,710,500	0.709973	278,518
	Village of:			
	Bloomfield	426,746,100	0.868853	340,846
	Darien	122,040,700	0.248474	97,475
	East Troy	376,499,900	0.766552	300,714
	Fontana	1,258,728,800	2.562766	1,005,359
	Genoa City	222,358,600	0.452721	177,600
	Mukwonago	26,874,400	0.054716	21,465
	Sharon	80,504,600	0.163907	64,300
	Walworth	248,300,900	0.505539	198,320
	Williams Bay	877,475,100	1.786535	700,848
	City of:			
	Burlington	551,900	0.001124	441
	Delavan	669,859,300	1.363830	535,023
	Elkhorn	879,051,300	1.789744	702,107
	Lake Geneva	1,511,702,700	3.077820	1,207,411
	Whitewater	<u>584,370,300</u>	<u>1.189775</u>	<u>466,742</u>
	Totals	<u>\$ 49,116,024,050</u>	<u>100 %</u>	<u>\$ 39,229,438</u>

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

GATEWAY TECHNICAL COLLEGE DISTRICT

**Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year		Collected within the Fiscal Year of the Levy		Collections in Subsequent Year	Total Collections to Date	
	Amount	Percentage of Levy	Amount	Percentage of Levy		Amount	Percentage of Levy
					\$		
2012	58,895,000	70.91	41,764,575	70.91	17,130,425	58,895,000	100.00
2013	59,436,000	71.45	42,469,295	71.45	16,966,705	59,436,000	100.00
2014	60,043,000	71.90	43,169,400	71.90	16,873,600	60,043,000	100.00
2015	28,778,925	72.11	20,751,423	72.11	8,027,502	28,778,925	100.00
2016	30,224,031	72.21	21,823,887	72.21	8,400,144	30,224,031	100.00
2017	31,603,276	73.36	23,184,470	73.36	8,418,806	31,603,276	100.00
2018	33,214,919	75.01	24,913,647	75.01	8,301,272	33,214,919	100.00
2019	34,780,642	73.64	25,613,018	73.64	9,167,624	34,780,642	100.00
2020	36,765,641	72.38	26,610,748	72.38	10,154,893	36,765,641	100.00
2021	39,229,438	74.16	29,094,476	74.16	-	29,094,476	74.16

Tax Levies, Rates, and Collections:

Personal property taxes, special assessments, special charges, and special taxes must be paid to the town, city or village treasurer in full by January 31. Municipalities also have the option of adopting payment plans which allow taxpayers to pay their real property taxes in installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. On or before January 15 and February 15 and on the 15th day of each month following a month in which an installment payment is due, the town, city or village treasurer settles with other taxing jurisdictions for all collections through the preceding month. On or before August 20, the county treasurer must settle in full with all the underlying taxing districts for all real property taxes and special taxes. Any county board may authorize its county treasurer to also settle in full with the underlying districts for all special assessments and special charges. The county may then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. Since in practice all delinquent real estate taxes are withheld from the county's share of the taxes and all delinquent personal property taxes are withheld from the shares of taxes of the respective city, and towns, the District receives 100 percent of the taxes it levies.

Source: Prepared by District staff.

GATEWAY TECHNICAL COLLEGE DISTRICT

**Principal Taxing Districts and Counties
2020 Equalized Valuation and Tax Levy**

<u>Municipality</u>	<u>County</u>	<u>Equalized Value</u>	<u>Tax Levy</u>	<u>Percentage of Total Tax Levy</u>
City of Kenosha	Kenosha	\$ 6,886,825,700	\$ 5,500,574	14.02 %
City of Racine	Racine	3,882,667,200	3,101,123	7.91
Village of Pleasant Prairie	Kenosha	3,318,821,100	2,650,774	6.76
Village of Mount Pleasant	Racine	3,215,887,900	2,568,560	6.55
Village of Caledonia	Racine	2,483,233,300	1,983,382	5.06
Town of Linn	Walworth	2,109,195,900	1,684,635	4.29
Village of Salem Lakes	Kenosha	1,574,284,000	1,257,396	3.21
City of Lake Geneva	Walworth	1,511,702,700	1,207,411	3.08
Village of Fontana	Walworth	1,258,728,800	1,005,359	2.56
Town of Delavan	Walworth	<u>1,093,408,300</u>	<u>873,316</u>	<u>2.23</u>
Total Principal Taxing Districts		<u>\$ 27,334,754,900</u>	<u>\$ 21,832,530</u>	<u>55.65 %</u>
County:				
Racine		\$ 16,562,550,150	\$ 13,228,667	33.72 %
Kenosha		16,130,557,100	12,883,630	32.84
Walworth		<u>16,422,916,800</u>	<u>13,117,141</u>	<u>33.44</u>
		<u>\$ 49,116,024,050</u>	<u>\$ 39,229,438</u>	<u>100.00 %</u>

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Principal Property Taxpayers by County
Current Year and Nine Years Ago

County	Name of Business	Type of Business	Year Ended June 30, 2021			Year Ended June 30, 2012			
			2020 Equalized Valuation	Rank	Percent of District Equalized Valuation	2011 Equalized Valuation	Rank	Percent of District Equalized Valuation	
Racine (1)	FEWI Development Corporation	Commercial	\$ 260,622,200	1	0.53 %	\$ -	-	-	
	S.C. Johnson & Son, Inc.	Manufacturing	103,152,003	2	0.21	121,811,821	1	0.30 %	
	Bcore Corridor	Commercial	96,967,800	3	0.20	-	-	-	
	All Saints Health Care	Healthcare	43,933,384	4	0.09	41,833,844	5	0.10	
	Wheaton Franciscan Healthcare United, Natural Foods	Food Distributor	34,410,100	5	0.07	-	-	-	
	Case Equipment Corporation	Commercial	32,971,200	6	0.07	-	-	-	
	Emerson Electric Corporation	Commercial	32,904,511	7	0.07	-	-	-	
	Seda North America Inc.	Packaging Manufacturer	31,636,573	8	0.06	-	-	-	
	Johnson Bank	Financial Services	30,571,800	9	0.06	-	-	-	
	Racine Joint Venture (Regency Mall)	Retail	25,000,000	10	0.05	-	-	-	
	Centerpoint Properties Trust(2)	Commercial	-	-	-	113,927,474	2	0.28	
	Continental 81 Fund LLC	Retail-Wal-Mart Stores	-	-	-	60,746,846	3	0.15	
	CNH Global(3)	Manufacturing	-	-	-	57,011,842	4	0.14	
	Aurora Medical Center	Health Care Services	-	-	-	32,091,891	6	0.08	
	Inland Southeast Mount Pleasant	Village Center Strip Mall	-	-	-	31,003,131	7	0.08	
	Bombardier Motor Corp	Manufacturing	-	-	-	30,168,543	8	0.07	
	High Ridge Improvements	DLC Management Corp	-	-	-	20,111,361	9	0.05	
	Racine County Total			\$ 692,169,571		1.41 %	\$ 525,067,487		1.28 %
	Kenosha (1)	Pleasant Prairie Premium Outlets LLC	Shopping Mall	\$ 220,000,200	1	0.45 %	\$ 63,096,061	4	0.15 %
Uline, Inc. (Route 165 LLC)		Commercial	164,823,100	2	0.34	96,486,527	1	0.23	
KTR/Amazon		Retail Distribution	134,801,700	3	0.27	-	-	-	
Route 142 LLC/Uline		Shipping Supply Distribution	109,047,600	4	0.22	-	-	-	
Aurora Health Care		Health Care	75,915,900	5	0.15	-	-	-	
OhioCubco (Meijer Distribution, Inc.)		Retail	75,780,000	6	0.15	32,356,040	8	0.08	
CV II Lakeview LLC		Commercial	56,377,300	7	0.12	43,359,538	6	0.11	
Associated Wholesale Grocers		Food Products Supplier	56,739,900	8	0.12	-	-	-	
Continental		Multi-Family Housing	50,187,400	9	0.10	-	-	-	
Chicagoland DC 2008 LLC		Food Products Supplier	49,381,200	10	0.10	65,545,277	3	0.16	
Centerpoint Properties Trust(2)		Commercial	-	-	-	70,334,100	2	0.17	
Affiliated Foods Midwest Coop.		Manufacturing	-	-	-	52,909,781	5	0.13	
Southport Plaza Ltd. Partners		Commercial	-	-	-	38,391,555	7	0.09	
Edward Rose Assoc. Apartments		Property Management	-	-	-	26,793,047	9	0.07	
Inland Diversified Pleasant Prairie		Commercial	-	-	-	26,753,226	10	0.07	
Kenosha County Total				\$ 995,054,300		2.03 %	\$ 516,025,152		1.26 %
Walworth		DLK Enterprises, Inc.	Farm/Real Estate	\$ 39,425,900	1	0.08 %	\$ 28,424,157	2	0.07 %
	Grand Geneva, LLC	Resort	34,172,600	2	0.07	28,823,718	1	0.07	
	Art Mortgage Borrower Propco	Mortgage	33,177,100	3	0.07	-	-	-	
	Kikkoman Foods, Inc.	Factory	23,604,700	4	0.05	22,289,819	3	0.05	
	Honey Creek of East Troy, LLP	Real Estate	19,218,200	5	0.04	11,750,495	7	0.03	
	Stag Industrial Holdings, LLC	Industrial	18,958,800	6	0.04	-	-	-	
	Store SPE Millis Fleet II 2017-7, LLC	Retail	17,976,900	7	0.04	-	-	-	
	Delavan Lake Lawn, LLC	Resort/Airport	16,599,800	8	0.03	-	-	-	
	Super Products, LLC	Commercial	14,181,800	9	0.03	-	-	-	
	Fettig Industries, Inc.	Manufacturing	12,129,000	10	0.02	7,808,904	10	0.02	
	Lake Geneva Investors, LLC	Investor	-	-	-	17,301,163	4	0.04	
	Wal-Mart	Retail Store	-	-	-	14,335,002	5	0.03	
	Lake Geneva Shopping Center	Retail	-	-	-	13,864,449	6	0.03	
	Lowe's Home Center	Retail	-	-	-	11,719,223	8	0.03	
	Delavan Resort	Resort	-	-	-	9,848,520	9	0.02	
	Walworth County Total			\$ 229,444,800		0.47 %	\$ 166,165,450		0.40 %
	Grand Total			\$ 1,916,668,671		3.90 %	\$ 1,207,258,089		2.94 %
Total District Equalized Valuation			\$ 49,116,024,050			\$ 41,111,928,678			

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 2012-2021**

County	Year	Gateway District Direct Rates			School Districts		County Tax	Other Taxes ⁽⁴⁾	Total Property Tax	State Tax Relief	Net Total
		Operational ⁽²⁾	Debt Service	Direct Rate	Elementary/Secondary	Local Tax ⁽³⁾					
Racine	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)	21.76
	2016	0.52	0.27	0.79	10.59	7.78	3.67	1.26	24.09	(1.87)	22.22
	2017	0.52	0.28	0.80	10.25	7.84	3.68	0.92	23.49	(1.82)	21.67
	2018	0.52	0.29	0.81	10.10	7.66	3.60	0.84	23.01	(1.94)	21.07
	2019	0.51	0.30	0.80	10.03	7.46	3.54	0.55	22.38	(1.87)	20.51
	2020	0.50	0.30	0.80	9.66	7.06	3.41	0.60	21.53	(1.77)	19.76
	2021	0.50	0.30	0.80	9.22	6.74	3.19	0.99	20.94	(1.65)	19.29
Kenosha	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
	2016	0.52	0.27	0.79	10.54	6.77	4.82	2.27	25.19	(1.99)	23.20
	2017	0.52	0.28	0.80	9.86	6.58	4.70	2.44	24.38	(1.86)	22.52
	2018	0.52	0.29	0.81	9.67	6.39	4.59	2.38	23.84	(1.89)	21.95
	2019	0.51	0.30	0.80	9.12	6.19	4.39	2.25	22.75	(1.79)	20.96
	2020	0.50	0.30	0.80	8.49	5.91	4.17	2.18	21.55	(1.66)	19.89
	2021	0.50	0.30	0.80	8.55	5.76	4.03	2.18	21.32	(1.55)	19.77
Walworth	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
	2016	0.52	0.27	0.79	9.80	3.56	4.60	0.80	19.55	(1.84)	17.71
	2017	0.52	0.28	0.80	9.60	3.63	4.53	0.66	19.22	(1.79)	17.43
	2018	0.52	0.29	0.81	9.33	3.63	4.28	0.42	18.47	(1.91)	16.56
	2019	0.51	0.30	0.80	9.05	3.57	3.97	0.41	17.80	(1.78)	16.02
	2020	0.50	0.30	0.80	8.91	3.62	3.82	0.49	17.64	(1.70)	15.94
	2021	0.50	0.30	0.80	8.43	3.57	3.63	0.53	16.96	(1.59)	15.37

(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 2011-2020
(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
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%			
2015	30,316,996	7,013,667	1,066,217	86,108	145,026	603,999	815,903	40,047,916	38,022,996	0.79489
% of Total	75.7%	17.5%	2.7%	0.2%	0.4%	1.5%	2.0%			
2016	30,744,587	7,349,541	1,096,275	86,435	148,738	597,158	941,681	40,964,415	39,366,011	0.80281
% of Total	75.1%	17.9%	2.7%	0.2%	0.4%	1.5%	2.3%			
2017	31,396,251	7,622,884	1,070,556	86,863	158,974	598,748	931,441	41,865,717	40,911,627	0.81457
% of Total	75.0%	18.2%	2.6%	0.2%	0.4%	1.4%	2.2%			
2018	33,041,882	8,109,403	1,195,938	87,484	162,043	606,923	582,725	43,786,398	43,241,827	0.80433
% of Total	75.5%	18.5%	2.7%	0.2%	0.4%	1.4%	1.3%			
2019	35,009,135	8,648,596	1,196,368	86,939	164,678	619,171	582,861	46,307,748	46,065,079	0.79812
% of Total	75.6%	18.7%	2.6%	0.2%	0.4%	1.3%	1.3%			
2020	36,140,263	9,463,899	1,206,070	88,488	174,188	637,621	573,036	48,283,565	49,116,024	0.79871
% of Total	74.9%	19.6%	2.5%	0.2%	0.4%	1.3%	1.2%			

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 97% 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 2012-2021**

	Population ⁽¹⁾	Equalized Value- TID In ⁽²⁾	General Obligation Notes and Bonds	Premiums on Notes and Bonds	Net Debt ⁽³⁾		
					Amount	Ratio to Equalized Valuation	Per Capita
2012	464,739	\$ 42,914,418,528	\$ 39,735,000	\$ 531,293	\$ 40,266,293	0.09	\$ 86,643
2013	464,688	40,025,114,214	44,580,000	762,385	45,342,385	0	97,576
2014	465,556	38,398,101,253	48,155,000	1,004,388	49,159,388	0	105,593
2015	465,446	39,011,536,747	53,170,000	1,229,874	54,399,874	0	116,877
2016	465,545	39,949,946,311	56,325,000	1,585,443	57,910,443	0	124,393
2017	465,792	41,244,887,120	61,110,000	1,662,384	62,772,384	0	134,765
2018	468,435	42,993,548,858	63,630,000	1,753,743	65,383,743	0	139,579
2019	470,620	45,272,714,289	65,690,000	2,080,972	67,770,972	0	144,004
2020	470,532	48,444,885,444	67,705,000	2,513,877	70,218,877	0	149,233
2021	470,366	52,083,834,750	68,950,000	2,780,350	71,730,350	0	152,499

(1) Wisconsin Department of Administration, Demographic Services Center (2021 is a preliminary estimate)

(2) The equalized value includes the TID in.

(3) 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.

GATEWAY TECHNICAL COLLEGE DISTRICT

**Legal Debt Margin Information⁽¹⁾
Last Ten Fiscal Years**

Calculation of Legal Debt Margin for Fiscal Year 2021

2021 Equalized Valuation - TID In	\$ 52,083,834,750
	x 5%
Total debt limit - 5% of total equalized valuation	<u>2,604,191,738</u>
Debt applicable to limit:	
Total gross indebtedness (includes general obligation notes and bonds)	\$ 68,950,000
Less Net Position Restricted for Debt Service (GAAP basis)	<u>(356,658)</u>
Total amount of debt applicable to debt limit	<u>68,593,342</u>
Legal debt margin	<u>\$ 2,535,598,396</u>

Legal Debt Margin, Last Ten Fiscal Years

Fiscal Year	Equalized Valuation TID In	Legal Debt Limit 5%	Debt Applicable to Limit (Dollars in Thousands)				Legal Debt Margin	Total Net Debt Applicable to Debt Limit
			General Obligation Bonds	General Obligation Notes	Less Net Position Available	Total Net Debt Applicable to Limit		
			2012	\$ 42,914,419	\$ 2,145,721	\$ -		
2013	40,025,114	2,001,256	-	44,580	625	43,955	1,957,301	2
2014	38,398,101	1,919,905	-	48,155	638	47,517	1,872,388	2
2015	39,011,537	1,950,577	-	53,170	701	52,469	1,898,108	3
2016	39,949,946	1,997,497	-	56,325	613	55,712	1,941,785	3
2017	41,244,887	2,062,244	-	61,110	852	60,258	2,001,986	3
2018	42,993,549	2,149,677	-	63,630	716	62,914	2,086,763	3
2019	45,272,714	2,263,636	-	65,690	948	64,742	2,198,894	3
2020	48,444,885	2,422,244	-	67,705	1,024	66,681	2,355,563	3
2021	52,083,835	2,604,192	-	68,950	357	68,593	2,535,599	3

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

Source: Prepared by District staff.

GATEWAY TECHNICAL COLLEGE DISTRICT

**Computation of Direct and Overlapping Debt
For the Year ended June 30, 2020**

	Jurisdiction ⁽¹⁾	Net Debt Outstanding	Applicable to Gateway Technical College District	
			Percentage ⁽²⁾	Amount
District:				
	Gateway Technical College District General Obligation Debt	\$ 68,950,000	100%	\$ 68,950,000
	Debt Premium	2,780,350	100%	2,780,350
	Total Direct Debt	<u>71,730,350</u>		<u>71,730,350</u>
Towns:				
	Racine County ⁽³⁾	1,066,322	Varies	756,012
	Kenosha County	1,134,559	100%	1,134,559
	Walworth County	22,589,580	100%	22,589,580
	Town Total	<u>24,790,461</u>		<u>24,480,151</u>
Villages:				
	Racine County	134,694,248	100%	134,694,248
	Kenosha County	132,504,822	100%	132,504,822
	Walworth County	107,720,984	100%	107,720,984
	Village Total	<u>374,920,054</u>		<u>374,920,054</u>
Cities:				
	Racine County	108,838,241	100%	108,838,241
	Kenosha County	190,592,213	100%	190,592,213
	Walworth County	80,126,236	100%	80,126,236
	City Total	<u>379,556,690</u>		<u>379,556,690</u>
Counties:				
	Racine County	172,585,000	96.60%	166,717,110
	Kenosha County	138,990,000	100%	138,990,000
	Walworth County	-	100%	-
	County Total	<u>311,575,000</u>		<u>305,707,110</u>
School Districts:				
	Racine County	198,372,170	96.60%	191,627,516
	Kenosha County	183,617,743	100%	183,617,743
	Walworth County	171,359,308	100%	171,359,308
	School District Total	<u>553,349,221</u>		<u>546,604,567</u>
	Sanitary Districts Total	<u>20,392,045</u>	100%	<u>20,392,045</u>
	Total Direct and Overlapping debt	<u>\$ 1,736,313,821</u>		<u>\$ 1,723,390,967</u>

Source: Survey of each governmental unit-June 2021. (Sanitary district number from R.W. Baird & Co. report.)

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

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

(3) All towns are 100%, except the Town of Norway, which is 41.68% in the Gateway District.

GATEWAY TECHNICAL COLLEGE DISTRICT

**Demographic Statistics for Kenosha, Racine, and Walworth Counties
Historical Comparisons
2012-2021**

<u>Year</u>	<u>District Population (1)</u>	<u>Number of Housing Units (1)</u>	<u>Total Personal Income (2)</u>	<u>Per Capita Income (3)</u>	<u>Unemployment Rate (4)</u>	<u>Public and Private School Enrollment (5)</u>
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	18,957,535	40,564	7.0%	85,616
2015	465,446	205,314	19,815,475	42,435	5.6%	85,222
2016	465,545	205,900	20,399,596	43,723	4.8%	83,633
2017	465,792	207,179	21,480,919	46,009	4.2%	83,876
2018	468,435	202,983	22,903,378	48,882	3.3%	81,806
2019	470,620	209,546	23,539,068	50,212	3.8%	80,882
2020	470,366	211,002	(6)	(6)	4.6%	79,099
2021	473,629	(6)	(6)	(6)	(6)	84,212

- (1) Wisconsin Department of Administration, Demographic Services Center (2021 is preliminary estimate)
- (2) U.S. Department of Commerce Bureau of Economic Analysis
- (3) U.S. Department of Commerce Bureau of Economic Analysis (amounts in thousands)
- (4) Wisconsin Department of Workforce Development, Office of Economic Advisors
- (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, 2021			Year Ended June 30, 2012			
			Number of Employees	Rank	Percent of District Population	Number of Employees	Rank	Percent of District Population	
Racine	All Saints Health Care	Hospital and Medical Center	2,600	1	0.55 %	2,691	2	0.58 %	
	S.C. Johnson & Son, Inc.	Manufacturing	2,500	2	0.53	1,496	4	0.32	
	Racine Unified School District	Education	2,000	3	0.42	2,674	3	0.58	
	CNH Global ⁽¹⁾	Manufacturing	1,700	4	0.36	4,510	1	0.97	
	In-Sink-Erator Division	Manufacturing	920	5	0.19	1,000	9	0.22	
	Racine County	Government	880	6	0.19	836	10	0.18	
	Cree, Inc.	Manufacturing	850	7	0.18	-	-	-	
	The District ⁽²⁾	Vocational Education	771	8	0.16	-	-	-	
	City of Racine	Government	723	9	0.15	1,255	5	0.27	
	Andis Company	Manufacturing	650	10	0.14	-	-	-	
	Wheaton Franciscan Healthcare	Hospital	-	-	0.00	1,079	6	-	
	Gateway Technical College	Education	-	-	0.00	1,042	7	-	
	Regency Mall	Retail	-	-	-	1000+	8	N/A	
		Racine County Subtotal		13,594		2.87		3.78	
		(1) Formerly known as J.I. Case Corporation.							
		(2) Gateway Technical College. Includes full-time and part-time employees.							
	Kenosha	KTR/Amazon	Commercial	3,750	1	0.79 %	-	-	-
		Uline, Inc. (Route 165 LLC)	Commercial	3,000	2	0.63	-	-	-
		Kenosha Unified School District No. 1	Education	3,000	3	0.63	2,624	1	0.56
Froedtert South, Inc. (fka UHS, Inc.)		Health Care Services	2,400	4	0.51	-	-	-	
Aurora Medical Center		Health Care Services	1,500	5	0.32	1,188	4	0.26	
Kenosha County		Government	1,326	6	0.28	1,212	3	0.26	
City of Kenosha		Government	730	7	0.15	733	6	0.16	
Snap-On Tools Corporation		Manufacturing	650	8	0.14	1,056	5	0.23	
University of Wisconsin-Parkside		Education	600	9	0.13	650	7	0.14	
Good Food Groups		Food Processing	500	10	0.11	-	-	-	
Kenosha Memorial Hospital		Health care services	-	-	-	2,253	2	0.48	
Jockey International		Manufacturer, clothing	-	-	-	370	8	0.08	
Ocean Spray Cranberries		Manufacturer	-	-	-	303	9	0.07	
Albany-Chicago Co.		Aluminum Die Casting	-	-	-	300	10	0.06	
		Kenosha County Subtotal		17,456		3.69		2.30	
Walworth		University of Wisconsin-Whitewater	Education	1,509	1	0.32 %	1000+	1	N/A
		Walworth County	Government	953	2	0.20	500-999	2	N/A
	Pentair, Inc./Sta-Rite Industries, Inc.	Manufacturing	900	3	0.19	-	-	-	
	Aurora Burlington Clinic/Memorial Hospital	Medical Clinic/Hospital	882	4	0.19	500-999	6	N/A	
	Birds Eyes Foods LLC	Manufacturer - Fruits and Vegetables	700	5	0.15	-	-	-	
	Generac Power Systems, Inc.	Manufacturer of Generators	600	6	0.13	-	-	-	
	Mercy Walworth Hospital & Medical Center	Health Care Services	600	7	0.13	-	-	-	
	Abbey Resort	Resort	490	8	0.10	-	-	-	
	Lake Geneva School District	Education	431	9	0.09	-	-	-	
	Aurora Health Care of Southern Lakes	Medical/Surgical/Hospital	338	10	0.07	-	-	-	
	Pentair, Inc.	Water/Fluid Power Pumps	-	-	0.00	500-999	4	N/A	
	Grand Geneva, LLC	Resort	-	-	-	500-999	3	N/A	
	Wal-Mart	Retail	-	-	-	500-999	5	N/A	
	Miniature Precision Components	Automotive Parts	-	-	-	250-499	7	N/A	
	Elkhorn Area School District	Education	-	-	-	250-499	8	N/A	
	School District of Delavan-Darien	Education	-	-	-	250-499	9	N/A	
	Live Nation Worldwide Inc.	Event Promoter	-	-	-	250-499	10	N/A	
	Walworth County Subtotal⁽¹⁾		7,403		1.56		1.34		
	(1) Based on median of ranges.								
	Total		38,453		8.12		7.43		

Source: Robert W. Baird reports

GATEWAY TECHNICAL COLLEGE DISTRICT

**Employment Trends by Equal Employment Opportunity Categories
Historical Comparisons
2011-2020**

<u>Category</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019⁽¹⁾</u>	<u>2020</u>
Administrative/Managerial:	60	71	79	82	80	80	80	86	71	72
Female percent	65	68	48	45	65	65	64	63	55	60
Minority percent	8	11	16	17	23	19	21	17	24	24
Faculty:	268	265	252	253	249	245	238	241	253	259
Female percent	58	59	49	48	59	58	58	58	58	58
Minority percent	11	12	12	12	15	16	16	13	17	17
Professional/Noninstructional:	32	35	33	30	29	31	32	27	108	105
Female percent	78	80	64	53	72	71	72	70	74	72
Minority percent	22	31	30	30	45	39	41	37	34	36
Secretarial/Clerical:	98	91	89	81	75	72	75	72	91	93
Female percent	97	93	80	77	95	94	93	94	92	90
Minority percent	22	20	28	23	28	29	28	28	29	32
Technical/Paraprofessional:	103	120	122	148	136	132	129	139	57	52
Female percent	55	57	42	56	45	59	57	58	35	33
Minority percent	22	22	20	27	31	33	33	30	24	27
Service/Maintenance:	38	40	40	40	39	35	39	39	44	45
Female percent	11	18	10	10	10	11	10	13	14	18
Minority percent	32	35	33	30	36	37	41	33	32	4
Total:	599	622	615	634	608	595	593	604	624	626
Female percent	63	63	50	48	58	62	62	62	60	60
Minority percent	17	17	16	18	24	24	24	24	24	25

(1) The District updated employee classifications. 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⁾

Fiscal Year Ended June 30	Aidable				Non-Aidable		Unduplicated Total
	Associate Degree	Technical Diploma	Vocational Adult	Non-Post- Secondary (ABE)	Community Service Program		
2012	12,823	4,787	7,069	5,976	-		23,703
2013	11,320	2,357	5,952	5,284	-		21,130
2014	10,704	2,409	5,902	4,863	-		20,142
2015	9,718	2,136	5,409	4,110	-		18,336
2016	9,280	2,054	5,316	3,818	-		17,636
2017	8,857	2,039	4,469	3,231	-		16,260
2018	8,847	2,063	4,508	2,647	9		16,146
2019	8,583	2,217	3,876	2,613	-		15,393
2020	8,093	2,186	4,308	2,433	-		15,173
2021	7,590	1,959	2,665	1,685	-		12,255

Full-Time Equivalents ⁽²⁾

Fiscal Year Ended June 30	Aidable				Non-Aidable		Total
	Associate Degree	Technical Diploma	Vocational Adult	Non-Post- Secondary (ABE)	Community Service Program		
2012	5,075	455	139	548	-		6,217
2013	4,751	467	124	471	-		5,813
2014	4,313	498	128	479	-		5,418
2015	3,930	464	117	408	-		4,919
2016	3,815	451	125	392	-		4,783
2017	3,644	446	103	344	-		4,537
2018	3,658	504	111	290	-		4,563
2019	3,547	526	113	292	-		4,478
2020	3,458	537	109	279	-		4,383
2021	3,193	459	71	181	-		3,904

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 (CLI620A)

(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. (CLI620A)

GATEWAY TECHNICAL COLLEGE DISTRICT

**Per Credit Course Fee History
Last Ten Fiscal Years**

Year	<u>Postsecondary/Vocational Adult⁽¹⁾</u>				<u>Non-Aidable⁽²⁾</u>	
	Resident		Out-of-State		Avocational	Percent
	Program	Percent	Program	Percent	Programs	Change
	Fees	Change	Fees ⁽³⁾	Change		
2012	\$ 111.85	5.5	\$ 55.95	5.6	\$ 150.15	5.0
2013	116.90	4.5	58.45	4.5	150.15	-
2014	122.20	4.5	61.10	4.5	150.15	-
2015	125.85	3.0	62.95	3.0	154.00	2.6
2016	128.40	2.0	64.20	2.0	162.00	5.2
2017	130.35	1.5	65.18	1.5	162.00	-
2018	132.20	1.4	66.10	1.4	162.00	-
2019	134.20	1.5	67.10	1.5	134.20	(17.2)
2020	136.50	1.7	68.25	1.7	136.50	1.7
2021	138.90	1.8	69.45	1.8	138.90	1.8

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 20 material fee categories ranging from \$3.50 per credit to \$70 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 charged for any non-exempt enrollment is \$4.50, 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, student organizations and student clubs. The fee was set at 5.5% 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**

<u>Year</u>	<u>Number of Graduates</u>	<u>Number of Respondents</u>	<u>Total Number in Labor Force</u>	<u>Percent Employed</u>	<u>Percent Employed in Related Occupation</u>	<u>Percent Employed in District</u>	<u>Average Hourly Salary⁽²⁾</u>	<u>Percent Satisfied with Training</u>
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
2015	1,855	1,522	1,103	87	69	73	17.93	98
2016	1,772	1,469	1,034	91	73	76	18.72	98
2017	1,725	1,386	928	89	72	77	17.61	99
2018	1,645	1,259	799	92	82	75	19.00	98
2019	1,693	900	296	89	75	56	20.25	94
2020	2,216	1,504	810	88	71	70	25.07	95

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	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Racine	Racine Campus	10,080	10,080	10,080	10,880	10,880	10,880	10,880	10,880	10,880	10,880
	Lincoln Building ⁽¹⁾	81,127	81,127	81,127	81,127	81,127	81,127	81,127	81,127	81,127	81,127
	Lake Building	87,605	87,605	87,605	87,605	87,605	87,605	87,605	87,605	87,605	87,605
	Tech Building	68,786	68,786	68,786	68,786	68,786	68,786	68,786	68,786	68,786	68,786
	Racine Building	3,270	3,270	3,270	3,270	3,270	3,270	3,270	3,270	3,270	3,270
	Connecting Passages	250,868	250,868	250,868	251,668	251,668	251,668	251,668	251,668	251,668	251,668
	Racine Campus Sub-Total	89,149	89,149	89,149	53,370	53,370	53,370	53,370	53,370	53,370	53,370
	iMET (formerly CATI)	2,400	2,400	2,400	2,400	-	-	-	-	-	-
	The Cut-Barber/Cos (Lease)	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440
	Burn Building-Town of Dover (Land lease)	343,857	343,857	308,078	308,878	306,478	306,478	306,478	306,478	306,478	306,478
Racine County Subtotal	17,772	17,772	17,772	17,772	17,772	17,772	17,772	17,772	17,772	17,772	
Kenosha	Kenosha Campus	29,954	29,954	29,954	29,954	29,954	29,954	29,954	29,954	29,954	29,954
	Administration Building	28,352	28,352	28,352	28,352	28,352	28,352	28,352	28,352	28,352	28,352
	Conference Building	18,085	18,085	18,085	18,085	18,085	18,085	18,085	18,085	18,085	18,085
	Inspire Center ⁽²⁾	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000
	Child Care (ECP)	15,648	15,648	15,648	15,648	15,648	15,648	15,648	15,648	15,648	15,648
	Academic Building	45,187	45,187	45,187	45,187	45,187	45,187	45,187	45,187	45,187	45,187
	Horticultural Buildings ⁽³⁾	17,130	17,130	17,130	17,130	17,130	17,130	17,130	17,130	17,130	17,130
	Science Building	4,550	4,550	4,550	4,550	4,550	4,550	4,550	4,550	4,550	4,550
	Student Commons	13,160	13,160	13,160	13,500	-	-	-	-	-	-
	Storage Buildings	62,640	62,640	62,640	62,880	62,880	62,880	62,880	62,880	62,880	62,880
	Protective Services	344,478	344,478	344,478	345,058	331,558	331,558	331,558	318,158	310,273	308,858
	Technical Building	1,844	1,844	1,844	1,844	1,844	1,844	1,844	1,844	1,844	1,844
	Kenosha Campus Subtotal	38,755	38,755	38,755	38,755	38,755	38,755	38,755	38,755	38,755	38,755
Leased Facilities:	Center for Sustainable Living	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
	Horizon Center (Aviation - Land Lease)	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000
	Horizon Center Storage Bldg	462	462	462	462	462	462	462	462	462	462
	Lakeview Technology Center	-	-	-	-	-	-	-	-	-	-
	Kenosha County Job Center	1,237	1,237	1,237	1,237	1,237	1,237	1,237	1,237	1,237	1,237
	Gateway Medical Park - East	402,576	402,576	402,576	403,156	389,656	390,220	384,212	372,422	366,419	366,419
	Launch Box "1 Stop Center"	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600
	SIM House	44,372	44,372	44,372	44,372	44,372	44,372	40,772	39,072	39,072	39,072
	Kenosha County Subtotal	49,341	49,341	49,341	49,341	49,341	49,341	49,341	49,341	49,341	49,341
	Walworth	6,468	6,468	6,468	6,468	6,468	6,468	6,468	6,468	6,468	6,468
Walworth	Elkhorn Campus	1,673	1,673	1,673	1,673	1,673	1,673	1,673	1,673	1,673	1,673
	Alternative High School	109,454	109,454	109,454	109,454	109,454	109,454	105,854	104,154	104,154	104,154
	North Building	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600
	South Building	49,341	49,341	49,341	49,341	49,341	49,341	49,341	49,341	49,341	49,341
	Veterinary Science (priv Job Center)	6,468	6,468	6,468	6,468	6,468	6,468	6,468	6,468	6,468	6,468
	Garage Building	1,673	1,673	1,673	1,673	1,673	1,673	1,673	1,673	1,673	1,673
	Elkhorn Campus Subtotal	162,660	162,660	162,660	162,660	162,660	162,660	161,621	157,360	157,360	157,360
	Burlington Campus (Leased)	22,394	22,394	22,394	19,694	19,694	19,694	22,255	19,694	19,694	19,694
	380 Building	28,892	28,892	28,892	33,512	33,512	33,512	33,512	33,512	33,512	33,512
	496 Building	160,740	160,740	160,740	162,660	162,660	162,660	162,660	157,360	157,360	157,360
Walworth County Subtotal	907,173	907,173	871,394	874,694	858,794	859,358	852,311	836,260	830,257	812,302	
Total District Square Footage	344,478	344,478	344,478	345,058	331,558	331,558	318,158	310,273	308,858	308,858	

Source: Effective FY 2019, numbers were revised using information from the Strategic Facility Planning Guide prepared by District staff. Effective FY 2010, numbers were revised using information from Gallagher Bassett Services, Inc report. Prior years were not restated and are based on Strategic 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) Renamed from Bioscience to Inspire.

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

GATEWAY TECHNICAL COLLEGE DISTRICT
2021 FISCAL YEAR - INSURANCE SUMMARY (UNAUDITED)

Type of Coverage	Insurance Company	Policy Period	Details of Coverage *	Limits of Coverage	Annual Premium		
Property Coverage	DMI	7/1/20 - 6/30/21	Covers all real and personal property, all risk; \$25,000 Deductible		\$ 113,479		
			Blanket Property Limit (Per Occurrence)	\$ 500,225,000			
			Certified Terrorism	\$ 500,225,000			
			Non-Certified Terrorism	\$ 500,225,000			
			Accounts Receivable	\$ 25,225,000			
			Fine Arts	\$ 15,225,000			
			Valuable Papers and Records	\$ 25,225,000			
			Extra Expenses	\$ 25,225,000			
			Electronic Data Processing Equipment	\$ 25,225,000			
			Miscellaneous Unnamed Locations	\$ 25,000,000			
			Newly Acquired Property (180 days reporting)	\$ 25,000,000			
			Building Ordinance including Demolition & ICC & Increased Time to Rebuild	\$ 25,225,000			
			Debris Removal - the greater of 25% of the loss or	\$ 25,000,000			
			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	\$ 30,000,000			
			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)	\$ 300,000,000			
			Mobile Equipment	\$ 1,225,000			
			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	\$ 250,000			
			Protection of Property	\$ 475,000			
			Radioactive Contamination	\$ 250,000			
			Royalties	\$ 250,000			
			Equipment Breakdown	DMI	7/1/20 - 6/30/21	Comprehensive coverage; \$25,000 deductible	\$ 100,000,000
Property Damage	Included						
Business Income	Included						
Civil Authority	Included						
Extra Expense	Included						
Off-Premises Equipment Breakdown	\$ 25,000						
Service Interruption	\$ 1,000,000						
Cotigent 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)	Policy Limit						
Broad Comprehensive Coverage (Including Production Machines, Computer Equipment)	Included						
Repair or Replacement	Yes						
Green Upgrade	\$ 25,000						
Workers' Compensation	DMI	7/1/20 - 6/30/21	Workers' Compensation - Wisconsin Benefits	Statutory	\$ 476,713		
			- Bodily injury by accident, each accident	\$ 100,000			
			Employer's Liability				
			- Bodily injury by disease, policy limit	\$ 500,000			
			- Bodily injury by disease, each employee	\$ 100,000			
WI Work Study Workers' Compensation Students in Practicum	DMI	7/1/20 - 6/30/21	- Bodily injury by accident, each accident	\$ 100,000	\$ 1,000		
			- Bodily injury by disease, policy limit	\$ 500,000			
			- Bodily injury by disease, each employee	\$ 100,000			
General Liability (Includes Professional, Automobile, Educators Legal Liability, Medical Professional (Counselors) Liability)	DMI	7/1/20 - 6/30/21	Each occurrence limit	\$ 5,000,000	\$ 83,523		
			Damage to Premises Rented to You	\$ 500,000			
			Limited Above Ground Pollution Liability				
			- Each Claim and Policy Aggregate	\$ 1,000,000			
			Under/Uninsured motorists	\$ 350,000			
			Garagekeepers Coverage (ACV up to...)	\$ 500,000			
			- Comprehensive deductible (each customer auto/each event)	\$500 / \$2,500			
			- Collision deductible (each customer auto)	\$ 500			
			Policy Deductible	\$ 5,000			
			Automobile Physical Damage Deductible	\$ 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				

GATEWAY TECHNICAL COLLEGE DISTRICT
2021 FISCAL YEAR - INSURANCE SUMMARY (UNAUDITED)

Type of Coverage	Insurance Company	Policy Period	Details of Coverage *	Limits of Coverage	Annual Premium			
Active Threat / Deadly Weapon	DMI	7/1/20 - 6/30/21	Liability & Claim Expense		\$ 5,956			
			- Per Occurrence	\$ 1,000,000				
			- Aggregate	\$ 16,000,000				
			Mental Anguish - 25% of the Overall Limit					
			Counseling Services					
			- Per Occurrence	\$ 250,000				
			- Aggregate	\$ 1,000,000				
			Property Damage - per Occurrence / Aggregate	\$ 500,000				
			Deductible Per Occurrence	\$ 10,000				
			Terrorism & Sabotage	DMI	7/1/20 - 6/30/21	Policy Deductible	\$ 20,000	\$ 3,076
Overall Limit of Liability - For Any One (1) Occurrence and in the Aggregate, Damage and Financial Loss Combined During the Period of Insurance	\$ 100,000,000							
Brand Rehabilitation: 10% of the Overall Limit of Liability or (Whichever the Lesser) Extension may be Limited	\$ 500,000							
Claims Preparation: 10% of the Overall Limit of Liability or (Whichever the Lesser)	\$ 100,000							
Contingent Financial Loss	\$ 5,000,000							
Damage to Property at Any Unspecified Third Party Site (Other than sites included in the Referral Region and Zip Code list) Limit is per Damage / Financial Loss Combined	\$ 500,000							
Damage to Property while in Transit - per Damage / Financial Loss Combined	\$ 500,000							
Denial of Access	\$ 5,000,000							
Seepage Contamination and Pollution / Clean up	\$ 5,000,000							
Utilities	\$ 5,000,000							
Attraction	\$ 5,000,000							
Contract Works	\$ 5,000,000							
Extinguishment Expenses	\$ 500,000							
Threat	\$ 5,000,000							
Excess Damage - Any One Occurrence for Damage & Financial Loss Combined as per the Associated Policy	\$ 20,000							
Cyber Liability	DMI	7/1/20 - 6/30/21				Policy Aggregate Limit of Liability	\$ 10,000,000	\$ 57,148
						Coverage for Privacy Breach and Response Services	\$ 1,000,000	
			Computer Expert Services, Legal Services, Public Relations and Crisis Management Expense	\$ 1,000,000				
			Per Claim Deductible	\$ 25,000				
			Deductible for Computer Expert Services, Legal Services, Public Relations and Crisis Management Expense	\$ 10,000				

TOTAL ANNUAL INSURANCE PREMIUMS PAID TO DISTRICTS MUTUAL INSURANCE: \$ 748,218

* Details of Coverage Section - Not all Inclusive. For a full review of all coverages available the Policy must be specifically referenced. Deductible is specified by endorsement.

INSURANCE COVERAGES PURCHASED THROUGH WISCONSIN TECHNICAL COLLEGE INSURANCE TRUST

Crime/Employee Dishonesty	AIG	7/1/20 - 6/30/21	Employee Theft	\$ 750,000	\$ 3,736			
			Forgery or Alteration	\$ 750,000				
			ERISA Fidelity	\$ 750,000				
			Inside Premises - Money Theft and Securities	\$ 750,000				
			Inside Premises - Robbery Safe Burglary - Other Property	\$ 750,000				
			Outside Premises	\$ 750,000				
			Computer Fraud	\$ 750,000				
			Funds Transfer Fraud	\$ 750,000				
			Money Orders and Counterfeit Money	\$ 750,000				
			Credit, Debit or Charge Card Forgery	\$ 750,000				
			Impersonation Fraud	\$ 100,000				
			Computer Fraud Insuring Agreement - Cost, Fees or Other Expenses	\$ 25,000				
			Employee Theft Insuring Agreement - Cost, Fees or Other	\$ 25,000				
			Deductible is Specified by Endorsement for Each College Location	\$ 15,000				
			Business Travel Accident (for Local Boards of Director Members)	CIGNA	7/1/20 - 6/30/21	Benefits for Scheduled Losses	\$ 100,000	\$ 253
						- Aggregate	\$ 1,000,000	
- Loss of Life								
- Other Covered Losses as Scheduled								

TOTAL ANNUAL INSURANCE PREMIUMS PAID TO WISCONSIN TECHNICAL COLLEGE INSURANCE TRUST: \$ 3,989

GATEWAY TECHNICAL COLLEGE DISTRICT
 2021 FISCAL YEAR - INSURANCE SUMMARY (UNAUDITED)

Type of Coverage	Insurance Company	Policy Period	Details of Coverage *	Limits of Coverage	Annual Premium
Insurance Coverages Purchased through Arthur J. Gallagher Risk Management Services, Inc.					
Multimedia Liability *** WGTD 91.1 FM (Year 1 of 3 year policy)	Arthur J. Gallagher Executive Risk Indemnity Policy No. 8177-2134	7/1/20 - 6/30/21	Errors and Omissions		\$ 4,380
			Maximum Limit of liability for each claim	\$ 5,000,000	
			Retentions each and every claim	\$ 10,000	
Storage Tank Pollution Insured Site: 4940 - 88th Avenue, Kenosha, WI 53144	Arthur J. Gallagher	7/1/20 - 6/30/21	Policy Aggregate Limit:	\$ 1,000,000	\$ 530
			Each Confirmed Release Limit:	\$ 1,000,000	
			Defense Expense Aggregate Limit:	\$ 250,000	
			Deductible/Self-Insured Retention Per Incident:	\$ 5,000	
Veterinary Services - E&O Professional (Includes Professional Services: Veterinary Tech Student Practicums in a Clinical Setting Including Clinical Supervision by a Licensed	Arthur J. Gallagher	7/1/20 - 6/30/21	Each occurrence limit	\$ 1,000,000	\$ 2,745
			Aggregate	\$ 3,000,000	
			Deductible each claim:	\$ 1,000	
TOTAL ANNUAL INSURANCE PREMIUMS PAID TO ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES INC.:					\$ 7,655

Aviation Insurance Coverages Purchased through Wenk Insurance Agency					
Aviation Insurance Wenk Aviation Insurance Agencies Coverages & Premiums renewed with Old Republic Insurance through Old Republic Aerospace Policy AVC 00103720		7/1/20 - 6/30/21	Liability Coverage		\$ 49,200
			Single Limit Including Passengers and Property Damage	\$ 3,000,000	
			Medical Payments at Each Seat	\$ 5,000	
			Aircraft Physical Damage Coverages as indicated in policy	\$ 170,000, 170,000 and 715,000	
			Deductibles: Not in motion (all aircraft)	\$ 250	
			Deductibles: In motion (respectively by aircraft physical damage val	\$ 1,000, 1,000 and 5,000	
			Hangarkeepers (Per Aircraft; Per Occurrence)	\$ 250,000	
			Deductible	\$ 5,000	
			Products	\$ 1,000,000	
			Premises Medical Payments (Each Person / Aggregate)	\$ 5,000 / \$25,000	
			Liability for Negligent Instruction (Per Occurrence)	\$ 1,000,000	
TOTAL ANNUAL INSURANCE PREMIUMS PAID TO WENK INSURANCE AGENCY:					\$ 49,200

TOTAL ANNUAL PREMIUMS: \$ 809,062

CAMPUS/CENTER LOCATIONS

2021-2022 Gateway Technical College Associate Degree Programs

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

Length of Program (full time)

ASSOCIATE DEGREES	Elkhorn Campus	Burlington Center	HERO Center	Kenosha Campus	Horizon Center	Lakeview Center	Racine Campus	SC Johnson iMET Center	Online		
	Accounting (10-101-1)	■			■					■	
Administrative Professional (10-106-6)	■			■					■		2 Years
Advanced Manufacturing Technology (10-664-2)	■			■	■						2 Years
Aeronautics – Pilot Training (10-402-1)	■			■							2 Years
Arboriculture/Urban Forestry Technician (10-001-5)	■			■							2 Years
Architectural – Structural Engineering Technician (10-614-6)	■			■							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
Criminal Justice Studies (10-504-5)	■			■			■				2 Years
Culinary Arts (10-316-1)	■			■			■				2 Years
* Dental Hygiene (10-508-1)	■			■			■				2 Years
(Shared program with Milwaukee Area Technical College)											
Diesel Equipment Technology (10-412-1)	■			■							2 Years
Construction Equipment Repair (Concentration Area)											
Early Childhood Education (10-307-1)	■			■			■		■		2 Years
Electrical Engineering Technology (10-662-1)	■			■				■			2 Years
Biomedical Engineering Technology (Concentration Area)											
Electronics (10-605-1)	■		■	■							2 Years
Fire Medic (10-531-2)	■			■							2 Years
Foundations of Teacher Education (10-522-2)	■			■							2 Years
* Funeral Service (10-528-1)	■			■							2 Years
(Shared program with Milwaukee Area Technical College)											
Graphic Communications (10-204-3)	■			■							2 Years
Greenhouse Operations (10-001-6)	■			■							2 Years
+ Health Information Technology (10-530-1)	■			■							2 Years
Hospitality Management (10-109-2)	■			■							2 Years
Tourism & Attractions (Concentration Area)											
Human Service Associate (10-520-3)	■			■							2 Years
+ Individualized Technical Studies (10-825-1)	■			■							2 Years
Information Technology – Computer Support Specialist (10-154-3)	■			■							2 Years
Information Technology – Cybersecurity Specialist (10-151-2)	■			■							2 Years
Information Technology – Data Analytics Specialist (10-156-3)	■			■				■			2 Years
Information Technology – Network Specialist (10-150-2)	■			■							2 Years
Information Technology – Software Developer (10-152-1)	■			■							2 Years
Information Technology – Web Software Developer (10-152-4)	■			■							2 Years
Interior Design (10-304-1)	■			■							2 Years
Landscape Horticulture (10-001-4)	■			■							2 Years
Leadership Development (10-196-1)	■			■							2 Years
Marketing (10-104-3)	■			■							2 Years
Mechanical Design Technology (10-606-1)	■			■							2 Years
+ 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
Small Business Entrepreneurship (10-145-1)	■			■							2 Years
Supply Chain Management (10-182-1)	■			■							2 Years
+ Surgical Technology (10-512-1)	■			■							2 Years
Technical Studies – Journeyworker (10-499-5)	■			■							2 Years
Veterinary Technician (10-091-1)	■			■							2 Years

CAMPUS/CENTER LOCATIONS

	Elkhorn Campus	Burlington Center	HERO Center	Kenosha Campus	Horizon Center	Lakeview Center	Racine Campus	SC Johnson IMET Center	Online
TECHNICAL DIPLOMAS	■		■	■			■		■
	■			■					
	■	■		■	■				
	■			■					
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2021-2022 Gateway Technical College Technical Diploma Programs

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

Length of Program
(full time)

Advanced EMT (30-531-6)	20 Weeks
Accounting Assistant (31-101-1)	1 Year
Automotive Maintenance Technician (31-404-3)	1 Year
Barber Technologist (30-502-5)	1 Year
Building Trades-Carpentry (31-475-1)	1 Year
Business Services Manager (31-102-5)	1 Year
CNC Production Technician (31-444-2)	1 Year
CNC Programmer (31-444-3)	1 Year
Construction Management Technician (31-455-1)	1 Year
Cosmetology (31-502-1)	1 Year
Criminal Justice – Law Enforcement 720 Academy (30-504-2)	18 Weeks
Culinary Assistant (31-316-1)	1 Year
Dental Assistant (31-508-1)	1 Year
Diesel Equipment Mechanic (31-412-1)	1 Year
Electromechanical Maintenance Technician (31-620-3)	1 Year
Electronics Technician Fundamentals (30-605-1)	1 Year
Emergency Medical Technician (30-531-3)	20 Weeks
EMT-Paramedic (31-531-1)	1 Year
Facilities Maintenance (31-443-2)	1 Year
Firefighter Technician (31-503-1)	1 Year
Foundations of Lodging and Hospitality Management (30-109-3)	1 Year
Horticulture Technician (31-001-1)	1 Year
IT – Computer Support Technician (31-154-6)	1 Year
IT – Web Programmer (31-152-6)	1 Year
+ Medical Assistant (31-509-1)	1 Year
Motorcycle, Marine and Outdoor Power Products (31-461-2)	1 Year
Nursing Assistant – Limited Term (30-543-1)	15 Weeks
Office Assistant (31-106-1)	1 Year
* Ophthalmic Medical Assistant (31-516-4)	15 Weeks
(Shared Program with Lakeshore Technical College)	
Truck Driving (30-458-1)	1 Year
Welding (31-442-1)	1 Year
Robotics (Concentration Area)	
Welding/Maintenance and Fabrication (30-442-2)	18 Weeks

CAMPUS/CENTER LOCATIONS

	Elkhorn Campus	Burlington Center	HERO Center	Kenosha Campus	Horizon Center	Lakeview Center	Racine Campus	SC Johnson IMET Center	Online
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2021-2022 Gateway Technical College Advanced Technical Certificates

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

Urban Farming (10-810-20)



Administration Center

3520 - 30th Avenue
Kenosha, WI 53144-1690

Burlington Center

496 McCanna Pkwy.
Burlington, WI 53105-3623

SC Johnson iMET Center

2320 Renaissance Blvd.
Sturtevant, WI 53177-1763

Elkhorn Campus

400 County Road H
Elkhorn, WI 53121-2046

HERO Center

380 McCanna Pkwy
Burlington, WI 53105-3622

**Horizon Center for
Transportation Technology**

4940 - 88th Avenue
(Highway H)
Kenosha, WI 53144-7467

Inspire Center

3520 - 30th Avenue
Kenosha, WI 53144-1690

Kenosha Campus

3520 - 30th Avenue
Kenosha, WI 53144-1690

**LakeView Advanced
Technology Center**

9449 - 88th Avenue
Pleasant Prairie, WI 53158-2216

Racine Campus

1001 South Main Street
Racine, WI 53403-1582

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