



***2020 Comprehensive Annual Financial Report***  
***(with Independent Auditors' Report)***

**For the Fiscal Years Ended June 30, 2020 and 2019**

**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.

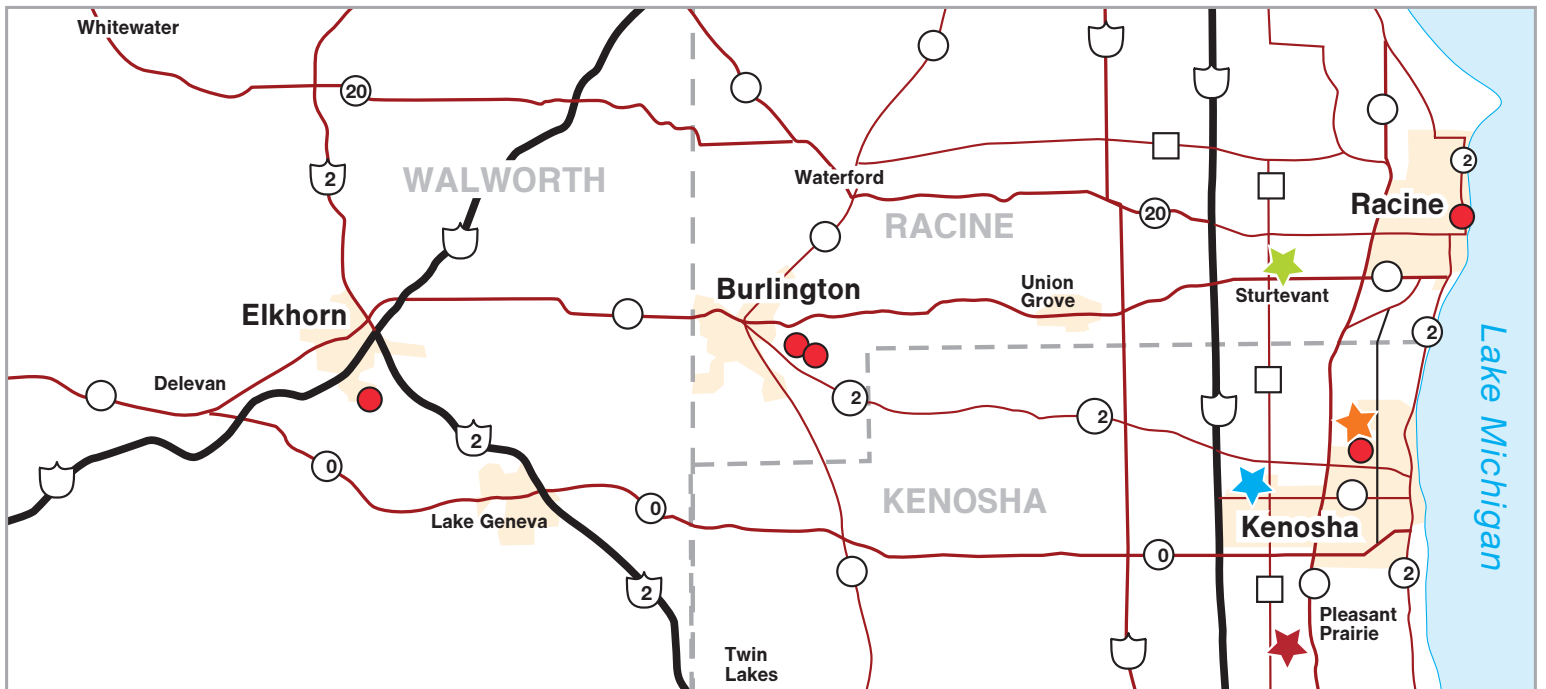
As a recipient of federal financial assistance for education activities, Gateway is required by Title IX of the Education Amendments of 1972 to ensure that all of its education programs and activities do not discriminate on the basis of sex/gender. Sex includes sex, sex stereotypes, gender identity, 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](http://gtc.edu/safety) or sending an email.

Josh Vollendorf, MSE, PHR  
Director of Compliance/Title IX Coordinator  
Kenosha Campus, Administration Center  
3520 30th Ave, Kenosha, WI 53144  
[vollendorfj@gtc.edu](mailto:vollendorfj@gtc.edu) / 262-564-3062



Gateway Technical College

# Gateway Technical College





---

## **GATEWAY TECHNICAL COLLEGE DISTRICT**

Racine/Kenosha/Elkhorn, Wisconsin

Comprehensive Annual Financial Report  
For the Fiscal Years Ended June 30, 2020 and 2019  
(With Independent Auditors' Report)

### **Official Issuing Report:**

Sharon Johnson, CPA  
CFO/VP of Finance & Administration

### **Report Prepared By:**

Christopher Ziarko, CPA, Controller  
Sharon Johnson, CPA, CFO/VP of Finance & Administration  
Jason Nygard, MBA, Director of Budgets & Purchasing

### **Assisted By:**

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

GATEWAY TECHNICAL COLLEGE DISTRICT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 For the Fiscal Years Ended June 30, 2020 and 2019

**TABLE OF CONTENTS**

INTRODUCTORY SECTION	<u>Page</u>
Letter of Transmittal	1
District Board and Principal Officials	12
Organizational Chart	14
Certificate of Excellence in Financial Reporting	15
 <b><u>FINANCIAL SECTION</u></b> 	
Independent Auditors' Report	16
Management's Discussion and Analysis	18
Basic Financial Statements:	
Statements of Net Position	31
Statements of Revenues, Expenses and Changes in Net Position	32
Statements of Cash Flows	33
Notes to Financial Statements	35
Required Supplementary Information	
Schedule of Changes in Total OPEB Liability and Related Ratios - Other Post-Employment Benefits	85
Schedule of Employer Contributions – Other Post-Employment Benefits	86
Schedule of Proportionate Share of Net Pension Liability (Asset) – Wisconsin Retirement System	87
Schedule of Contributions – Wisconsin Retirement System	87
Notes to Required Supplementary Information	88
Supplementary Information:	
General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)	91
Special Revenue Fund - Operating Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)	93
Special Revenue Fund – Non-Aidable Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)	94

GATEWAY TECHNICAL COLLEGE DISTRICT

**CONTENTS**, continued

**FINANCIAL SECTION**, continued

	<u>Page</u>
Supplementary Information (Continued)	
Capital Projects Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)	96
Debt Service Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)	98
Enterprise Fund Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual (Non-GAAP Budgetary Basis)	100
Schedule to Reconcile the Budgetary (Non-GAAP) Combined Balance Sheet – All Fund Types to the Statements of Net Position – June 30, 2020	102
Schedule to Reconcile the Budgetary (Non-GAAP) Basis Financial Statements To the Statements of Revenues, Expenses and Changes in Net Position - Year Ended June 30, 2020	103

**STATISTICAL SECTION**, (unaudited)

Financial Trends	
Net Position by Component	106
Changes in Net Position	107
Expenses by Use	108
Revenue Capacity	
Equalized Value and Tax Levy Distribution by Municipality	109
Property Tax Levies and Collections	111
Principal Taxing Districts and Counties	112
Principal Property Taxpayers by County	113

GATEWAY TECHNICAL COLLEGE DISTRICT

**CONTENTS**, continued

**STATISTICAL SECTION**, continued

	<u>Page</u>
Revenue Capacity (continued)	
Property Tax Rates – All Overlapping Governments	114
Distribution of Real Property of Merged Equalized Values	115
Debt Capacity	
Ratio of Net Debt to Equalized Value and Net Debt Per Capita	116
Legal Debt Margin Information	117
Computation of Direct and Overlapping Debt	118
Demographic and Economic Information	
Demographics Statistics for Kenosha, Racine, and Walworth Counties	119
Principal Employers	120
Employment Trends by Equal Employment Opportunity Categories	121
Operating Information	
Enrollment Statistics	122
Per Credit Course Fee History	123
Program Graduate Follow-up Statistics	124
Square Footage of District Facilities	125
Insurance Coverage Summary	126
2020-21 Degree and Diploma Programs	129





Introductory Section

This page is intentionally left blank.



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

**BURLINGTON CENTER**

496 McCanna Pkwy.  
Burlington, WI 53105-3623  
262.767.5200

**ELKHORN CAMPUS**

400 County Road H  
Elkhorn, WI 53121-2046  
262.741.8200

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

380 McCanna Pkwy.  
Burlington, WI 53105-3622  
262.767.5204

**HORIZON CENTER FOR  
TRANSPORTATION  
TECHNOLOGY**

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

**SC JOHNSON  
iMET (INTEGRATED  
MANUFACTURING  
& ENGINEERING  
TECHNOLOGY) CENTER**

Renaissance Business Park  
2320 Renaissance Blvd.  
Sturtevant, WI 53177-1763  
262.898.7500

**INSPIRE CENTER**

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

**KENOSHA CAMPUS**

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

**LAKEVIEW ADVANCED  
TECHNOLOGY CENTER**

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

**RACINE CAMPUS**

1001 South Main Street  
Racine, WI 53403-1582  
262.619.6200

**WGTD HD**

Your Gateway to Public Radio  
wgttd.org  
262.564.3800

800.247.7122

EQUAL OPPORTUNITY  
EMPLOYER AND EDUCATOR

EMPLEADOR Y EDUCADOR  
QUE OFRECE IGUALDAD DE OPORTUNIDADES

www.gtc.edu

November 10, 2020

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

The Comprehensive Annual Financial Report (CAFR) of Gateway Technical College District (the District or Gateway) for the fiscal years ended June 30, 2020 and June 30, 2019 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 20,000 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 accreditation was reaffirmed by the Higher Learning Commission, a U.S. Department of Education-recognized agency that accredits degree-granting post-secondary institutions in a 19-state region that includes Wisconsin. HLC accreditation is a major achievement that demonstrates Gateway's excellence, high academic standards and responsiveness to student and community needs.

Gateway received the Military Friendly School award again. 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 has been slowed by effects of the COVID-19 pandemic. The U.S. Bureau of Labor Statistics' unemployment and employment estimates showed Wisconsin's not-seasonally adjusted June 2020 unemployment rate at 8.9 percent, lower than the national rate of 11.2 percent. For the same time period, the unemployment rate in Kenosha County was 10.0 percent, Racine County 9.4 percent and Walworth County 8.4 percent. Those rates compare to

June 2019 numbers of 4.1 percent in Kenosha County, 4.1 percent in Racine County, and 3.5 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**

The commitment to excellence and innovation is a guiding force for Gateway Technical College faculty, staff, and administration. The following is a representative list of some of the major initiatives and accomplishments for the 2019-20 fiscal year:

- A ribbon-cutting ceremony for the newly remodeled and expanded SC Johnson iMET Center was held, attended by local, state, national and international government, business and education officials.
- The college adapted its educational and service delivery to meet the needs of students and the community during the COVID-19 pandemic. The college already offered 30 percent of its course offerings online prior to the pandemic, making the transition to online offerings less stressful and more innovative because many of the initial online education practices were already in place.
- Gateway expanded the number of students it promises to help make college a reality through Promise 2 Finish, a new program aimed at those 24 and older who've had some college experience and are looking to return to complete their education. Promise 2 Finish helps qualifying students who live in the Gateway Technical College District by filling the

gap between financial aid and tuition costs. At its core, it will help those who left college to return – and gain the life-changing opportunities of a degree.

- Gateway Technical College's Dean of Learning Success was named to lead the college's newly formed Office of Diversity, Equity and Inclusion. The Office of Diversity, Equity and Inclusion will work with all areas of the college to implement equity-minded strategies to improve student success outcomes and retain quality faculty and staff.
- Gateway recognized 1,576 prospective candidates for graduation from all semesters of the fiscal year during the May commencement ceremony.

### **Leadership of a Model College**

In fiscal year 2019-20, Gateway demonstrated its leadership in the community and on a national level in a variety of ways including the following:

- A seminar held by Gateway gave area high school instructors the training to become Snap-on certified technicians, which will help them provide training to their students to successfully enter their chosen career or college program. This is an annual event provided by the college.
- Gateway modeled Dr. Martin Luther King Jr.'s tenets of peace and equality by holding its 26<sup>th</sup> annual Dr. Martin Luther King Jr. celebration. The theme was "Hindsight is 20/20: Envision the Future."
- Gateway Technical College's Executive Vice President/Provost was named to Madison 365's Black Power 2019 list, Wisconsin's most influential black leaders list. The media outlet Madison 365, operated by the 365 Media Foundation, has published the list to "highlight the beauty of the diversity across our state."
- The WGTD Radio Theater, in its 156th season of live original radio theater broadcasts, was recognized with statewide and national awards. WGTD was the only radio theater in the country to receive five awards from the national HEAR Now organization. Alongside their national awards, the WGTD Radio Theater also won two state awards from the Wisconsin Broadcasters Association. WGTD is a radio station on Gateway's Kenosha Campus, supported in part by Gateway.
- Gateway was honored with the statewide Disability Justice Award for 2019 for its work to create an "accessible, welcoming educational environment for students," the group said as it announced the recognition. Disability Justice is a nonprofit civil rights organization which advocates for the civil rights of people with disabilities that may be visible, invisible, temporary or long-term.
- Gateway's Fab Lab brought its equipment off-site during the COVID-19 pandemic to produce nearly 10,000 pieces of personal protective equipment to donate to area medical and emergency services agencies.

### **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. That knowledge was demonstrated through participation in many service learning projects in the 2019-20 fiscal year. Since 2011, Gateway's service

learning efforts have added value through experiences, products and projects totaling \$1.3 million in fiscal value to the community working with 99 community partners.

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

- As part of an internationally connected Biz Squad class, Gateway students partnered with students from Morocco to collaborate on ideas to approach the marketing needs of the Dementia Friendly Community Initiative of Walworth County.
- The focus of this year's Dr. Martin Luther King Jr. Day of Service was supporting local foster families. Almost 140 volunteers collectively served 310 hours crafting over 50 blankets, 400 scarves, 500 hygiene kits, and 600 financial literacy kits and sorting almost 1,100 books to be delivered to local foster families.
- Accounting students volunteered as tax preparers for the United Way of Kenosha County's and Racine County's Volunteer Income Tax Assistance (VITA) program.
- Gateway's Phi Theta Kappa Honor Society (PTK) Chapter Alpha Xi Iota held a mask drive and asked members of the community to partner with Gateway staff and students to donate cloth masks at one of Gateway's main campuses. The drive was an effort to help students to remain safe during the pandemic, and for those who might be unable to obtain a mask.
- Several Arboriculture/Urban Forestry Technician students participated in the local effort of Saluting Branches' national work to fell, remove or prune trees at veteran's cemeteries as a way to honor current and fallen service members.

### **Community Partnerships**

Gateway believes that community partnerships serve to strengthen both the quality of education we provide to our students and the value that the college adds to our communities. Business and community partners provide industry insight which helps Gateway tailor programs to meet real-world career needs, become a forum for best practices to better help students succeed and to provide ways for them to continue their education. In addition, partnering with local high schools provides students with dual-credit opportunities and prepares them to be career and college ready.

The following are examples of Gateway's community partnerships:

- SC Johnson donated funds to Gateway to help build and equip a high-end mechatronics science lab. The newly named SC Johnson Waxdale Mechatronics Lab will provide students in many academic programs access to cutting-edge equipment and developmental training in this ever-growing field.
- Gateway and the Wisconsin Technical College System named longtime college business partner and champion Trane Corporation as a recipient of the WTCS Futuremaker Partner award. The award recognizes the unique and dynamic partnerships forged between Wisconsin's technical colleges and their employer partners.
- Gateway donated personal protective healthcare equipment from its Allied Health and Emergency Medical Services programs to area healthcare facilities and emergency medical services agencies which found themselves short of the items as they grappled with the COVID-19 outbreak.



- Gateway worked with area high schools to connect students with their future education and work careers, resulting in hundreds of high school students visiting the college in 2019-20 to learn more about academic programs and college.

### **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. Activities and accomplishments for the 2020 fiscal year include the following:

- Gateway once again held its Celebrate Earth Day, featuring fun, hands-on activities for those of all ages to learn how to be stewards of the environment. The college held its event online because of the COVID-19 pandemic and featured a number of different activities and informational presentations.
- The college’s Green Scholars program provides students the opportunity to learn about sustainability, get involved in green and sustainable efforts and earn recognition when they graduate. Four students were recognized for this honor at our commencement ceremony.
- Gateway held several workshops for the public in its Center for Sustainable Living focused on green and sustainable living. Examples included workshops on birds, gardens, green cleaning products and bees.

### **Facilities**

Quality facilities and equipment help to provide the Gateway Experience in which students and the community engage. Fiscal year 2019-20 projects added resources and training opportunities to help students in their academic and career endeavors.

- Gateway announced it will completely remodel the Lincoln Building on its Racine Campus and turn it into a training center for its Nursing program. The renovation will help meet the increased need for trained nurses in Racine.
- Gateway Technical College dedicated the atrium on its Kenosha Campus as the Arthur F. Mahone Jr. Student Atrium honoring the legacy of the late welding instructor and community leader.

### **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:

- Gateway held its very popular fine dining events, shifting from the dinner format to a lunch format. The event has been a staple of the program and with the dining public, many of

whom have attended for more than a decade. It features meals prepared by students in their final semester of the program.

- Area high school Class of 2020 graduates also earned Gateway credentials. A total of 324 Gateway credentials were earned by 313 high school students.
- Gateway Technical College's student chapter of the Association of Information Technology Professionals continued to hold its very popular community computer repair clinics. There they hone their computer and interpersonal skills while helping with computer issues such as checking for viruses, diagnosing internet access issues and updating PC operating systems.
- Gateway recognized 10 Global Scholars at its graduation event. Global Scholars are chosen every year to represent Gateway abroad.
- Gateway Technical College held its annual Student Design Show for public viewing in an online format, featuring creative and innovative design work by Graphic Communications students. It is juried by local industry professionals.

### **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. Some of the advancements in technology initiatives in fiscal year 2019-20 include:

- Gateway's information technology team worked hard and provided innovative ways to help students and staff work remotely and online. This became even more important as staff and students were forced into a virtual environment as a result of the COVID-19 pandemic.
- WiFi coverage was expanded into the parking lots at several facilities to accommodate students who might not have internet at home to give them access for their college needs.
- The college provided computers and other devices to students who may otherwise have no access to this equipment to enable them to succeed in their classes.
- Gateway Technical College held a monthly public lunch and learn series focusing on how advanced technology and Industry 4.0 affects our world at the newly remodeled SC Johnson iMET Center.

### **Special Funding/Grants**

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

- Gateway Technical College was one of 10 community colleges from across the country chosen through a competitive proposal process to receive a \$50,000 Metallica Scholars Initiative grant funded by Metallica's All Within My Hands Foundation. This is the second time the college has received a grant from this foundation. This grant focuses on computer numeric control (CNC) training.
- The SC Johnson Company donated \$539,660 to the Gateway Technical College Foundation to provide support for students to earn a workforce certificate. The program

was set up as a rapid response solution to offset the impact COVID-19 has had on the local workforce.

- The Gene Haas Foundation contributed \$40,000 to the Gateway Technical College Foundation to support student scholarships and career-related competitions.
- Four construction and industrial trades apprentices at Gateway Technical College received Tools of the Trade \$1,500 Apprentice Scholarships from Ascendium.
- Gateway Technical College Foundation, at its annual award ceremony, awarded 256 scholarships totaling nearly \$210,000 and benefiting 225 students by helping them fulfill their career and educational goals. The Foundation saw a significant increase in the amount awarded this year – \$50,000 – in part from several scholarships through donors such as the Kopper Family Foundation and Gene Haas Foundation.

### **New Programs/Academic Initiatives**

Gateway strives to be flexible in its course and service delivery to help students achieve their goals. The 2019-20 year certainly exemplified flexibility with the addition of new offerings as well as the continued positive impact of established programs.

- Gateway Technical became one of two technical colleges in Wisconsin to offer esports, providing a way for students to engage in structured video gaming competitions and meet and interact with others who also enjoy this popular activity. College officials made the announcement during the college's Board of Trustees meeting in December 2019.

### **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 Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. In order to be awarded such certificates, a college unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards, principles, and applicable legal requirements. The Certificate is valid for a period of one year only. We believe our current report continues to conform to the program's requirements and we will be submitting this report to GFOA for their review.

#### **Acknowledgment**

The preparation of this report was accomplished by the Finance Department with the cooperative efforts of the Marketing and Communications Department, Human Resources, Institutional Effectiveness, and with the professional services of 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,

A handwritten signature in black ink, appearing to read "Bryan Albrecht". The signature is fluid and cursive, with the first name "Bryan" written in a larger, more prominent script than the last name "Albrecht".

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

A handwritten signature in black ink, appearing to read "Sharon Johnson". The signature is cursive and somewhat stylized, with the first name "Sharon" written in a larger script than the last name "Johnson".

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

GATEWAY TECHNICAL COLLEGE

DISTRICT BOARD AND PRINCIPAL OFFICIALS  
As of June 30, 2020

**District Board**

Chairperson	Bethany Ormseth	Employer Member
Vice Chairperson	R. Scott Pierce	School District Member
Secretary	Pamela Zenner-Richards	Additional Member
Treasurer	Ronald J. Frederick	Elected Official
Member	Jesse Adams	Employer Member
Member	Ram Bhatia	Additional Member
Member	William Duncan	Additional Member
Member	Zaida Hernandez-Irisson	Employee 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
Senior Vice President of Operations	William R. Whyte
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



## 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](http://www.gtc.edu/board).



**Jesse Adams**  
Walworth County



**Ram Bhatia**  
Racine County



**William Duncan**  
Walworth County



**Ronald J. Frederick**  
Kenosha County



**Zaida Hernandez-Irison**  
Racine County



**Bethany Ormseth**  
Kenosha County



**R. Scott Pierce**  
Kenosha County

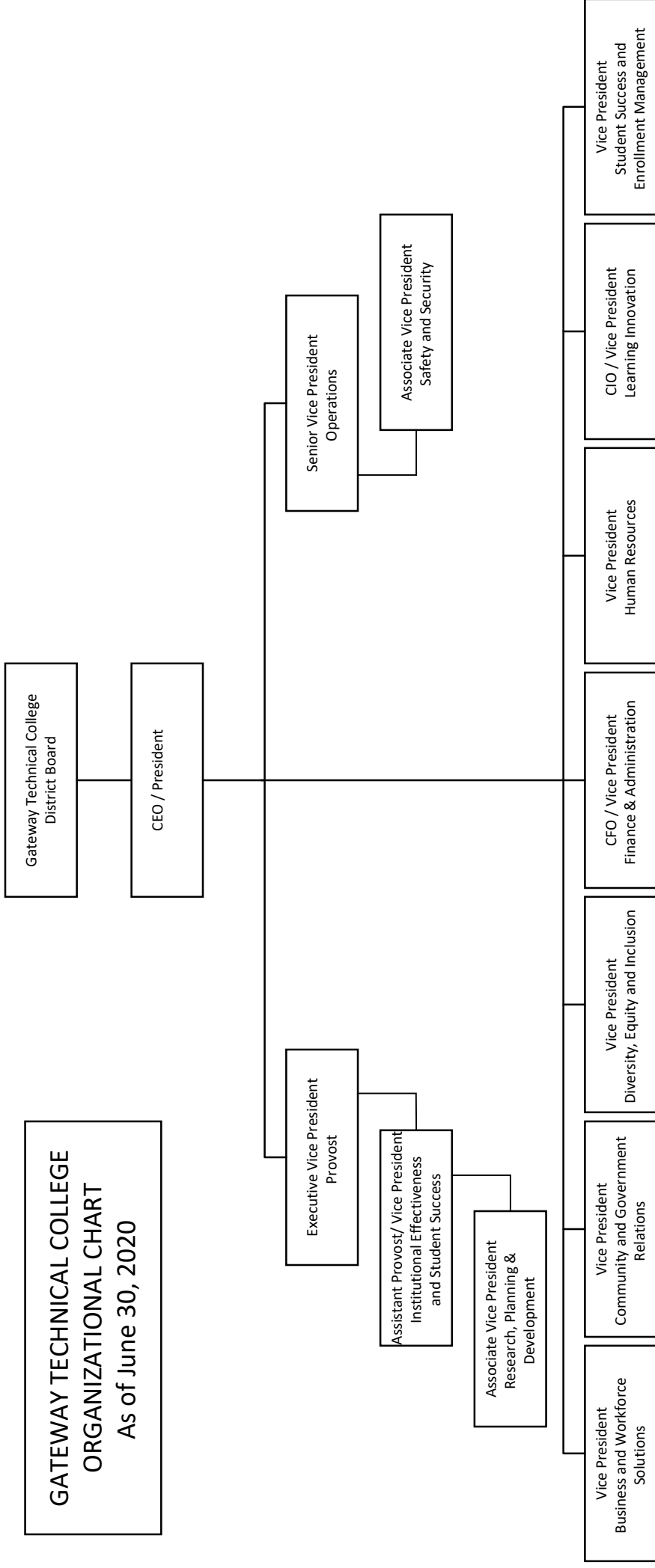


**Roger Zacharias**  
Kenosha County



**Pamela Zenner-Richards**  
Racine County

**GATEWAY TECHNICAL COLLEGE  
ORGANIZATIONAL CHART  
As of June 30, 2020**







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, 2019

*Christopher P. Morill*

Executive Director/CEO



**Financial Section**

This page is intentionally left blank.



## 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, 2020 and 2019, 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, 2020 and 2019, 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.

**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 on pages 19-31 and 87-90 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 10, 2020, 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**

Sheboygan, Wisconsin  
November 10, 2020

---

## **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, 2020.

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

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

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

### **Statements of Net Position**

The Statement of Net Position includes all assets, deferred 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>2020</u>	<u>2019</u>	<u>Incr (Decr)</u> <u>2020-2019</u>	<u>2018</u>	<u>Incr (Decr)</u> <u>2019-2018</u>
<b><u>Assets</u></b>					
Cash and other current assets	\$ 53,918	\$ 49,653	\$ 4,265	\$ 51,946	\$ (2,293)
Capital assets, net of accumulated depreciation	<u>108,280</u>	<u>95,072</u>	<u>13,208</u>	<u>94,739</u>	<u>333</u>
<b>Total Assets</b>	<u>162,198</u>	<u>144,725</u>	<u>17,473</u>	<u>146,685</u>	<u>(1,960)</u>
<b><u>Deferred Outflows</u></b>					
Deferred outflows related to pension and OPEB	<u>23,486</u>	<u>31,270</u>	<u>(7,784)</u>	<u>17,957</u>	<u>13,313</u>
<b><u>Liabilities</u></b>					
Current	23,318	20,825	2,493	18,803	2,022
Non-Current	<u>77,669</u>	<u>90,991</u>	<u>(13,322)</u>	<u>78,827</u>	<u>12,164</u>
<b>Total Liabilities</b>	<u>100,987</u>	<u>111,816</u>	<u>(10,829)</u>	<u>97,630</u>	<u>14,186</u>
<b><u>Deferred Inflows</u></b>					
Deferred inflows related to pension and OPEB	<u>31,330</u>	<u>15,392</u>	<u>15,938</u>	<u>18,671</u>	<u>(3,279)</u>
<b><u>Net Position</u></b>					
Net investment in capital assets	47,918	46,130	1,788	38,096	8,034
Restricted	1,693	1,774	(81)	1,423	351
Unrestricted	<u>3,756</u>	<u>883</u>	<u>2,873</u>	<u>8,822</u>	<u>(7,939)</u>
<b>Total Net Position</b>	<u>\$ 53,367</u>	<u>\$ 48,787</u>	<u>\$ 4,580</u>	<u>\$ 48,341</u>	<u>\$ 446</u>

Total assets increased \$17.5 million or 12.1% in FY 2020 and decreased \$2.0 million or 1.3% in FY 2019. Total liabilities decreased by \$10.8 million or 9.7% in FY 2020 as compared to an increase of \$14.2 million or 14.5% in FY 2019. Overall, the total net position increased by \$4.6 million or 9.4% in FY 2020 while FY 2019 experienced a \$.4 million or .9% increase for the fiscal year.

**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 footnote #'s 6 and 7 in the notes to the financial statements).
- Overall current liabilities increased 2.5% in FY 2020 compared to an increase of 10.8% 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 13.3% or \$11.8 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 footnote #'s 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).

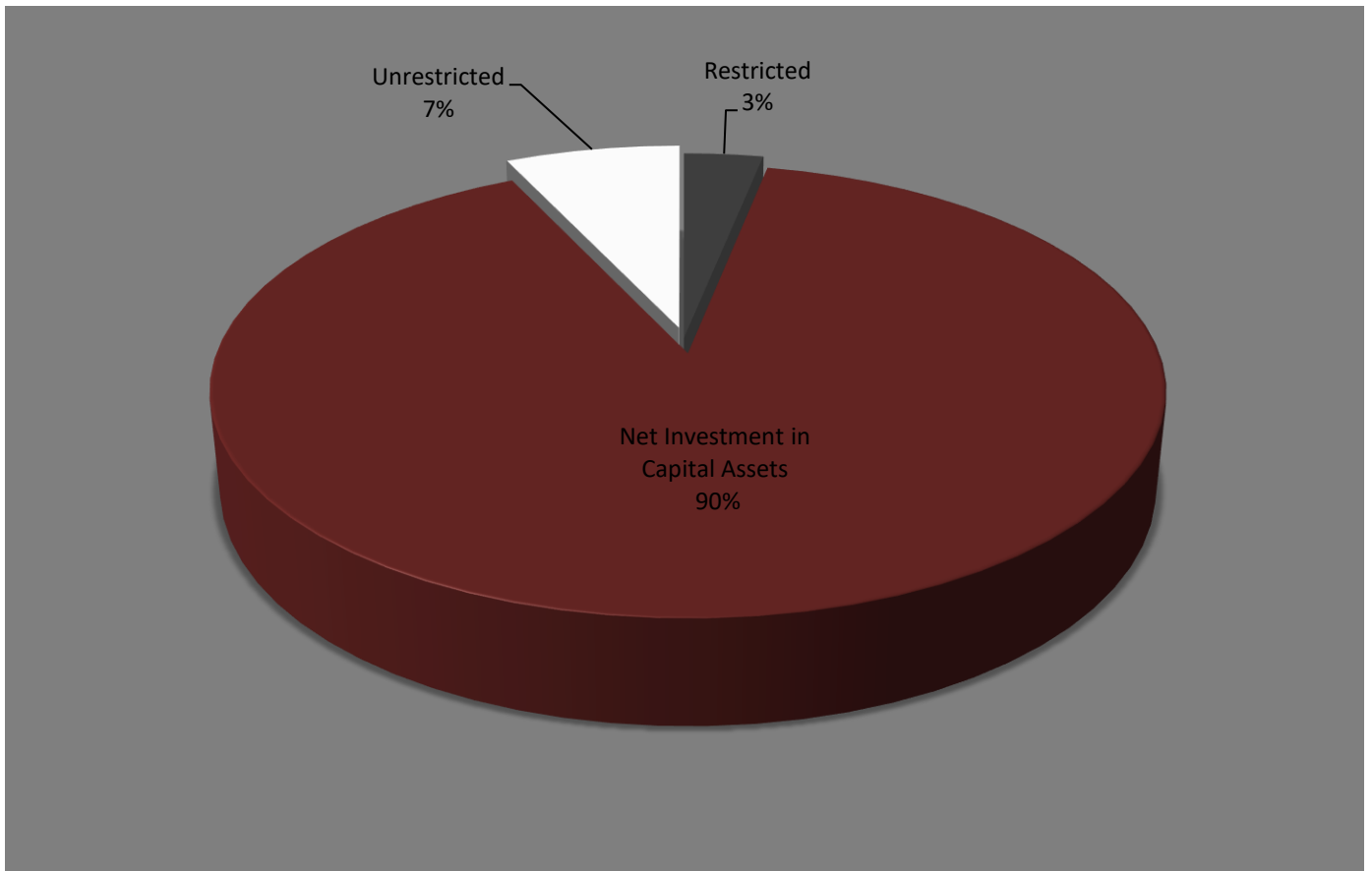
**Fiscal Year 2019 Compared to Fiscal Year 2018**

- In FY 2019 cash and cash equivalents experienced a decrease of \$3.1 million or 8.0% due to an increase of cash used to fund capital projects as compared to \$.2 million or .5% increase in FY 2018.
- Non-Current assets increased by \$.3 million due to an increase in Capital assets, net of accumulated depreciation of \$9.8 million or 11.5% which is offset by the recording of a pension liability in 2019 eliminating the of the pension asset recorded in FY18 of \$9.5 million.
- Other assets increased by \$.8 million or 6.9% due mainly to an increase in the property tax receivable at year end.
- Deferred outflows, which includes amounts related to the District's Wisconsin Retirement System and OPEB liability, increased \$13.3 million in FY 2019 as compared to a decrease of \$11.9 million in FY 2018. The increase is due to the change in deferred outflows related to the District's pension liability in FY 2019. In addition, the District implemented GASB Statement No. 75 during FY 2018. (Additional information can be found in footnote #'s 6 and 7 in the notes to the financial statements).
- Overall current liabilities increased 10.8% in FY 2019 compared to an increase of 13.5% in FY 2018. The increase in FY 2019 is due mainly to an increase general obligation debt and OPEB benefits payable at year end.

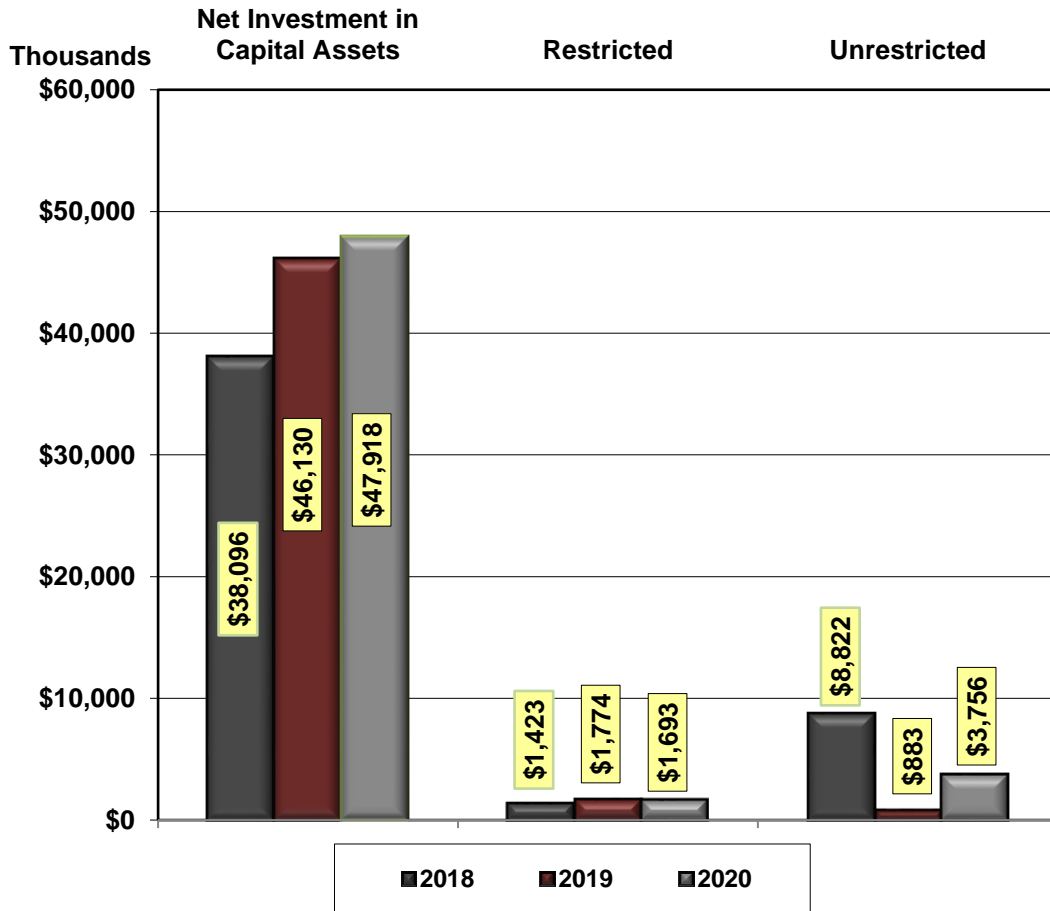


- Long-term liabilities increased 15.4% or \$12.2 million in FY 2019 as compared to an increase of 32.3% or \$19.2 million in FY 2018. The increase in FY 2019 is due mainly to the recording of a pension liability in 2019 versus the pension asset recorded in 2018. General obligation debt increased by approximately \$1.2 million or 2.3% in FY 2019. (Additional information can be found in footnote #'s 6 and 7 in the notes to the financial statements).
- Deferred inflows related to the Wisconsin Retirement System decreased by \$3.3 million or 17.6% in FY 2019. The decrease is due to the change in deferred inflows related to the District's pension liability in FY 2019. (Additional information can be found in footnote 6 in the notes to the financial statements).

**Net Position**  
**June 30, 2020**



**Comparative Net Position  
Fiscal Years 2018, 2019 and 2020**



**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>2020</u>	<u>2019</u>	<u>Incr (Decr) 2020-2019</u>	<u>2018</u>	<u>Incr (Decr) 2019-2018</u>
<b><u>Operating Revenues</u></b>					
Student fees	\$ 9,889	\$ 10,831	\$ (942)	\$ 10,689	\$ 142
Federal & state grants	17,262	17,637	(375)	28,628	(10,991)
Local Grants	-	-	-	92	(92)
Contract revenues	4,689	5,335	(646)	4,500	835
Auxiliary & miscellaneous revenues	1,416	1,459	(43)	1,560	(101)
<b>Total Operating Revenues</b>	<u>33,256</u>	<u>35,262</u>	<u>(2,006)</u>	<u>45,469</u>	<u>(10,207)</u>
<b><u>Operating Expenses</u></b>					
Instruction	57,201	60,245	(3,044)	58,961	1,284
Instructional resources	1,125	1,269	(144)	1,290	(21)
Student services	15,294	14,594	700	15,027	(433)
General institutional	10,482	11,377	(895)	11,174	203
Physical plant	6,342	9,066	(2,724)	8,078	988
Student aid	13,519	16,075	(2,556)	17,298	(1,223)
Public services	399	407	(8)	345	62
Auxiliary services	636	428	208	463	(35)
Depreciation	10,117	9,193	924	8,175	1,018
<b>Total Operating Expenses</b>	<u>115,115</u>	<u>122,654</u>	<u>(7,539)</u>	<u>120,811</u>	<u>1,843</u>
<b><u>Non-operating Revenues (Expenses)</u></b>					
Property taxes	36,779	34,852	1,927	33,180	1,672
State appropriations	39,939	39,334	605	38,669	665
Federal nonoperating grants	9,702	9,942	(240)	38,669	(28,727)
Loss on disposal of capital assets	-	15	(15)	(24)	39
Investment income	273	454	(181)	198	256
Interest expense & debt issuance costs	(1,777)	(1,718)	(59)	(1,609)	(109)
<b>Total Non-operating Revenues (Expenses)</b>	<u>84,916</u>	<u>82,879</u>	<u>2,037</u>	<u>109,083</u>	<u>(26,204)</u>
<b><u>Capital Contributions</u></b>					
Federal & state capital grants	1,233	4,485	(3,252)	107	4,378
Other capital grants/donations	290	474	(184)	423	51
<b>Total Capital Contributions</b>	<u>1,523</u>	<u>4,959</u>	<u>(3,436)</u>	<u>530</u>	<u>4,429</u>
<b>Net increase (decrease) in net position</b>	4,580	446	4,134	34,271	(33,825)
Net Position - beginning of year	<u>48,787</u>	<u>48,341</u>		<u>52,739</u>	
Net Position - end of year	<u>\$ 53,367</u>	<u>\$ 48,787</u>		<u>\$ 87,010</u>	

**Operating Revenues** include the charges for services offered by the District and other federal and state operating grants. During FY 2020 the District generated \$33.3 million of operating revenue which is a 5.7% decrease or \$2.0 million less than in FY 2019. Significant changes for the fiscal years are as follows:

**Fiscal Year 2020 Compared to Fiscal Year 2019**

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

**Fiscal Year 2019 Compared to Fiscal Year 2018**

- Federal grants decreased by 7.3% or \$1.8 million in FY 2019 compared to an increase in Federal grants of \$2.0 million or 8.5% in FY 2018. The decrease in Federal grants is due to decreased federal loans and Pell grants received in FY 2019 versus FY 2018.
- State grants increased by 25.4% in FY 2019 or \$.8 million in FY 2019 compared to a decrease of 11.7% or \$.4 million in FY 2018.
- Contract revenues increased 18.5% or \$.8 million in 2019 versus 2018 due to an increase in high school outreach.

**Operating Expenses** are costs incurred for providing education, training and related services. Overall operating expenses decreased 6.1% or \$7.5 million in FY 2020 as compared to an increase of 1.5% or \$1.8 million in FY 2019. Changes within operating expenses for the fiscal years are as follows:

**Fiscal Year 2020 Compared to Fiscal Year 2019**

- Pension and OPEB expense decreased by \$6.0 million for FY 2020 as compared to FY19.
- 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.

**Fiscal Year 2019 Compared to Fiscal Year 2018**

- Supplies and minor expenses increased \$1.2 million or 9.0% due to an increase in supplies and minor equipment purchases shifting from capital purchases because of an increased capital purchasing threshold.
- Depreciation expense increased by \$1.0 million in FY 2019, up from an increase of \$.8 million in FY 2018.
- Student aid expense decreased by \$1.2 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 \$2.0 million or 2.5% in FY 2020 compared to a \$2.5 million increase or 3.6% in FY 2019. The significant components of the fiscal years are as follows:

- Property taxes are a primary source of revenue for the District comprising 30.3% of our revenue source in FY 2020. Overall property tax revenues for the year were \$36.8 million, an increase of \$1.9 million or 5.5% more than recognized in FY 2019.

The 2013 Wisconsin Act 20, among other things, eliminated the mill rate limitation that had been in place for technical districts in previous fiscal years and in its place introduced a tax levy limitation (the "Tax Levy Limit"). 2013 Wisconsin Act 145 signed into law March 24, 2014 replaces the tax levy limit with a revenue limit beginning in fiscal 2015. Act 145 also shifts a portion of funding for technical college districts in the state from property taxes levied to a state aid payment. This shift in revenues has been in place for the past four fiscal years. In FY 2020 there was an increase in the District's tax levy to \$36.8 million, up from \$34.8 million in FY 2019. State appropriations increased \$.6 million or 1.5% compared to a \$.7 million or 1.7% increase in FY 2019. 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.

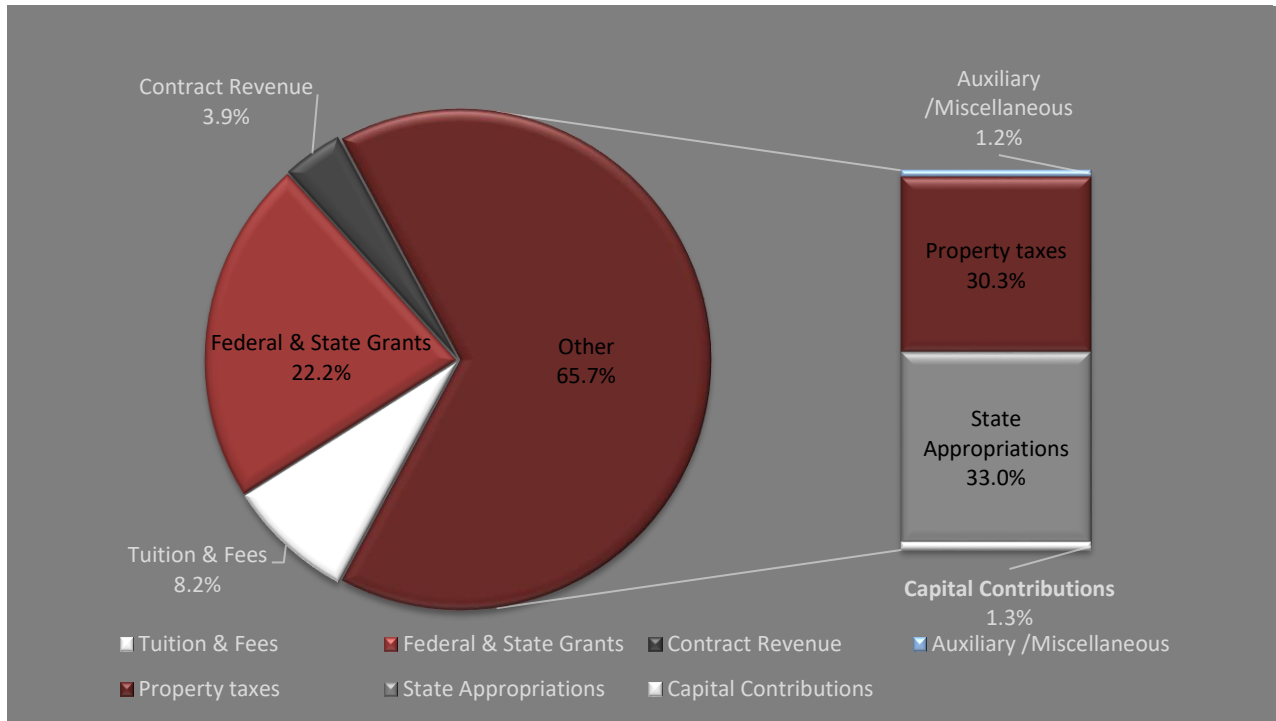
- In FY 2020 Pell grant revenue of \$9.7 million was reclassified from operating revenues to non-operating revenues in FY2020. \$9.9 million of Pell grant revenue was reclassified in FY2019. This reclassification resulted in a decrease of \$240,168 or 2.42% to non-operating revenues.

**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 2019 reflected an increase of approximately \$109,100 or 6.78% for the expense, while FY 2020 reflects a increase of approximately \$58,630 or 3.4%. As deferred bond premium is recognized, it is used to reduce debt issuance expenses.

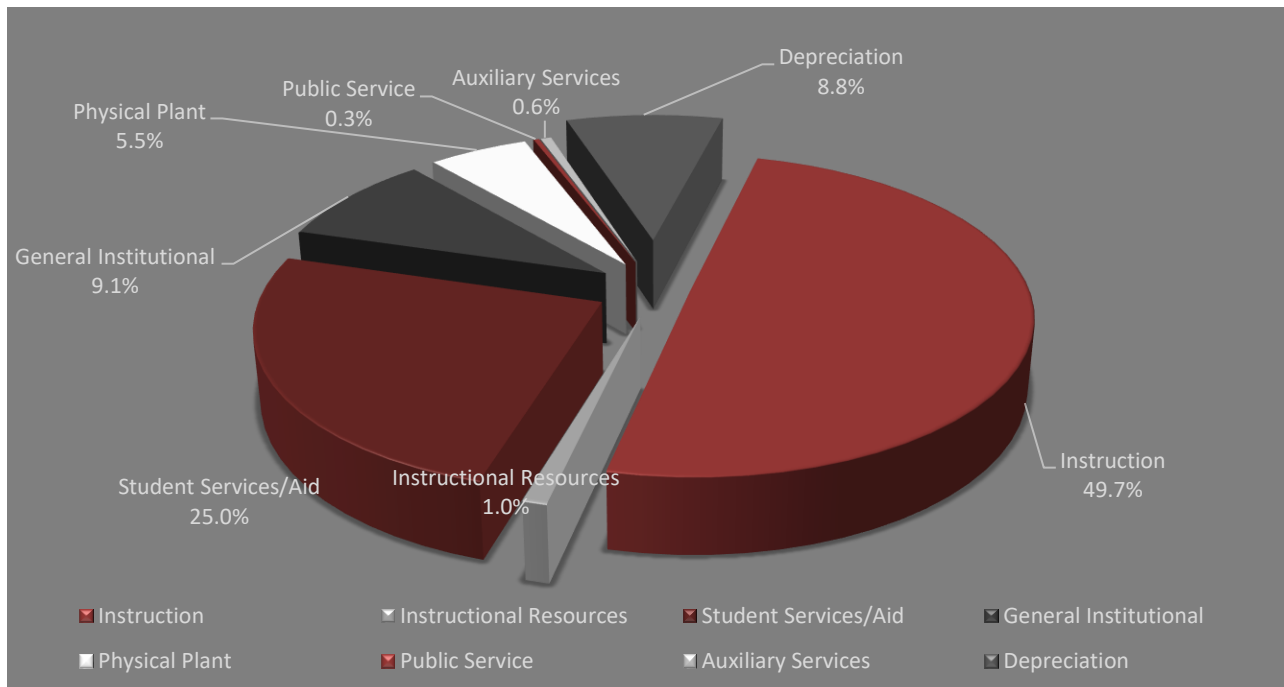
**Capital Contribution Revenue** is revenue due to donations of cash or capital equipment and grant funds to be used exclusively for the purchase of capital assets. Overall contribution revenues decreased by 69.3% in FY 2020 as compared to an increase of 837.1% in FY 2019. This increase in FY 2020 was due to an increase in receipt of contributions.

The following graphs represent the distribution of revenues and operating expenses for the fiscal year ended June 30, 2020.

## Revenues June 30, 2020



## Operating Expenses June 30, 2020



## **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>2020</u>	<u>2019</u>	<u>Incr (Decr)</u> <u>2020-2019</u>	<u>2018</u>	<u>Incr (Decr)</u> <u>2019-2018</u>
Cash Used By Operating Activities	\$ (72,579)	\$ (74,133)	\$ 1,554	\$ (61,868)	\$ (12,265)
Cash Provided By Non-Capital Financing Activities	85,432	83,259	2,173	71,965	11,294
Cash Used By Capital and Related Financing Activities	(11,775)	(12,735)	960	(10,100)	(2,635)
Cash Provided By Investing Activities	<u>273</u>	<u>455</u>	<u>(182)</u>	<u>198</u>	<u>257</u>
<b>Net Increase in Cash and Cash Equivalents</b>	<u>\$ 1,351</u>	<u>\$ (3,154)</u>	<u>\$ 4,505</u>	<u>\$ 195</u>	<u>\$ (3,349)</u>

### **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.

### **Fiscal Year 2019 Compared to Fiscal Year 2018**

The cash and cash equivalents balance decreased from \$39.4 million in FY 2018 to \$36.2 million in FY 2019. Overall, in FY 2019, cash and cash equivalents decreased by \$3.2 million or 8.0% as compared to the FY 2018 increase of \$3.2 million or 9.1%.

The District's cash usage increased in FY 2019 as compared to FY 2018. \$2.3 million or 3.8% additional cash was used for operating activities in FY 2018 compared to \$2.6 million or 4.3% in FY 2018.

Overall cash provided by non-capital financing activities increased by \$1.4 million or 1.9%. Local government property taxes received increased by \$.7 million or 2.0% and state appropriations received increased by \$.7 million or 1.7%.

Overall net cash used for capital and related financing activities increased by 26.1% or \$2.6 million in FY 2019 as compared to an increase of 14.7% or \$1.3 million in FY 2018. The increase in FY 2019 is due mainly to a \$5 million state grant received for an addition to the Gateway iMet center.

Cash provided by investing activities increased by \$256,368 or 129.2% as the rate of return on investments continued to see increases in FY 2019.

### **Capital Asset and Debt Administration**

Stated in Thousands (\$000)

	<u>2020</u>	<u>2019</u>	<u>Incr (Decr) 2020-2019</u>	<u>2018</u>	<u>Incr (Decr) 2019-2018</u>
Land and Land Improvements	\$ 11,858	\$ 11,968	\$ (110)	\$ 9,590	\$ 2,378
Less Accumulated Depreciation Buildings, Improvements and Leasehold Interest/Improvement	(4,280)	(3,879)	(401)	(3,365)	(514)
Less Accumulated Depreciation	130,126	116,987	13,139	110,812	6,175
Intangible Assets	(61,423)	(55,582)	(5,841)	(50,495)	(5,087)
Less Accumulated Depreciation	2,809	2,646	163	2,344	302
Equipment	(2,237)	(2,083)	(154)	(1,883)	(200)
Less Accumulated Depreciation	50,502	46,394	4,108	41,363	5,031
Construction in Progress	(32,352)	(28,630)	(3,722)	(25,280)	(3,350)
	<u>3,267</u>	<u>7,251</u>	<u>(3,984)</u>	<u>2,178</u>	<u>5,073</u>
<b>Cost of Capital Assets Net of Accumulated Depreciation</b>	<u>\$ 98,270</u>	<u>\$ 95,072</u>	<u>\$ 3,198</u>	<u>\$ 85,264</u>	<u>\$ 9,808</u>
<b>Capital asset related debt outstanding at Year End</b>	<u>\$ 50,352</u>	<u>\$ 48,942</u>	<u>\$ 1,410</u>	<u>\$ 47,167</u>	<u>\$ 1,775</u>

### **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.

### **Fiscal Year 2019 Compared to Fiscal Year 2018**

Overall capital assets, net of accumulated depreciation, increased by \$9.8 million from FY 2018 to FY 2019. The largest increase was in construction in progress of \$5.0 million. Remodeling improvements were completed at each campus; however, the major additions in 2019 were at the Racine campus with a \$3.0 million remodel of the Racine Building second floor, the Kenosha campus with the \$1.8 million renovation of the conference center and the \$1.5 million addition of the emergency vehicle operator course (EVOC) track. 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 \$48.9 million at June 30, 2019, an increase of \$1.0 million, as compared to \$47.2 million at June 30, 2018. 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 2020 as evidenced by the following indicators:

- The District's financial position is evaluated periodically by Moody's Investors Services. Moody's revised its rating methodology in January 2014 which resulted in a downgraded rating for various school districts and municipalities, but Gateway Technical College District maintained its high Aaa rating. The most recent credit report cites the following: *"The Aaa rating reflects the district's large and diverse tax base located between the cities of Milwaukee (A1 negative) and Chicago (Ba1 stable), strong financial reserves and modest leverage. Also incorporated is a trend of declining enrollment and limited revenue raising ability."*
- The current ratio, current assets compared to current liabilities, was at 2.3 times as of June 30, 2020.

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 4,383 or .023% in 2020 compared to 4,478 or a .019% decrease in 2019. Enrollment continues to be a challenge throughout the technical college system. Gateway continues its multi-year Strategic Enrollment Management initiative, which began in 2017 to focus on finding and engaging in data based strategies in conjunction with all other efforts to address the enrollment challenge.
- Technical college responsiveness to employers/business/industry is essential to Wisconsin's business growth, job creation, competitiveness, closing the skills gap and prosperity. Local funding and local governance/control are essential to this responsiveness. Due to 2013 Wisconsin Act 145 signed into law March 24, the college can no longer increase its operational tax levy except by an increase in its valuation due to net new construction or unless approved by referendum. In the future, this can potentially reduce the district's ability to be responsive to our communities if the state funding is reduced. Although currently the bill allows the technical colleges the ability to raise their tax levies if the state fails to provide the funding.

The above mentioned challenges can only be met through strong planning processes, fiscal policies, and practices. Gateway continues to be successful in collaborating with local K-12 education districts, which continues to see significant growth, local businesses, and community partners for supporting training and technology needs. Gateway is well known and highly respected for its quality instruction and services. The District's commitment to meet these needs is reflected in our strategic plan, our strong efforts on continuous quality improvement and our focus on our students. Even with the new challenges that the Coronavirus Pandemic brings, the college is confident that its long-term financial planning will allow it to effectively meet the financial needs of its future operations. With continued strategic planning, a focus on diversity, equity and inclusion, and innovation in how we engage and connect with our students and community partners, the college continues to gain ground in attracting underserved student population. Gateway has positioned itself to be an industry leader and a strong positive force in our community. Our current financial position is positive and we are positioned to maintain this positive status into the future.

## **Requests for Information**

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

This page is intentionally left blank.

## **BASIC FINANCIAL STATEMENTS**

GATEWAY TECHNICAL COLLEGE DISTRICT  
Statements of Net Position  
June 30, 2020 and 2019

	2020		2019	
	District	Foundation	District	Foundation
<b>ASSETS</b>				
<u>Current Assets</u>				
Cash and cash equivalents	\$ 26,121,263	\$ 11,975,327	\$ 26,635,811	\$ 10,416,750
Restricted assets - cash and cash equivalents	11,447,261	-	9,580,890	-
Receivables:				
Property taxes	10,154,893	-	9,167,624	-
Accounts, net of reserve of \$376,000 and \$219,000 for 2020 and 2019, respectively	2,204,624	38,743	2,013,620	9,671
Federal and state aid	3,568,418	-	1,603,458	-
Promises to Give - Foundation	-	37,793	-	25,350
Prepaid expenses	421,780	7,190	651,681	8,868
Total Current Assets	<u>53,918,239</u>	<u>12,059,053</u>	<u>49,653,084</u>	<u>10,460,639</u>
<u>Non-Current Assets</u>				
Capital assets	198,561,509	1,429,467	185,246,409	1,400,952
Less: accumulated depreciation	(100,291,118)	(854,610)	(90,174,265)	(795,194)
Net pension asset	10,010,177	-	-	-
Promises to Give - Foundation	-	-	-	26,650
Total Non-Current Assets	<u>108,280,568</u>	<u>574,857</u>	<u>95,072,144</u>	<u>632,408</u>
Total Assets	<u>162,198,807</u>	<u>12,633,910</u>	<u>144,725,228</u>	<u>11,093,047</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to OPEB	1,963,630	-	2,667,105	-
Deferred outflows related to pensions	21,522,294	-	28,603,115	-
Total Deferred Outflows of Resources	<u>23,485,924</u>	<u>-</u>	<u>31,270,220</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>185,684,731</u>	<u>12,633,910</u>	<u>175,995,448</u>	<u>11,093,047</u>
<b>LIABILITIES</b>				
<u>Current Liabilities</u>				
Accounts payable	3,718,506	86,240	3,135,632	58,157
Accrued payroll and benefits	1,998,608	-	1,608,553	-
Accrued vacation	1,081,545	-	678,893	-
Accrued interest payable	475,703	-	467,964	52
Due to student groups/organizations	501,934	-	410,815	-
Unearned revenue	1,331,949	-	1,238,686	-
General obligation debt - current portion	12,690,000	-	11,985,000	-
Other postemployment benefits - current portion	1,519,836	-	1,299,368	-
Notes payable	-	4,816	-	24,940
Total Current Liabilities	<u>23,318,081</u>	<u>91,056</u>	<u>20,824,911</u>	<u>83,149</u>
<u>Non-Current Liabilities</u>				
General obligation debt	57,528,877	-	55,785,971	-
Notes payable	-	-	-	4,344
Other postemployment benefits	19,881,542	-	23,698,737	-
Net pension liability	-	-	11,176,963	-
Unearned revenue	258,118	-	329,858	-
Total Non-Current Liabilities, less current portion	<u>77,668,537</u>	<u>-</u>	<u>90,991,529</u>	<u>4,344</u>
Total Liabilities	<u>100,986,618</u>	<u>91,056</u>	<u>111,816,440</u>	<u>87,493</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to OPEB	1,357,272	-	-	-
Deferred inflows related to pensions	29,973,392	-	15,391,946	-
Total Deferred Inflows of Resources	<u>31,330,664</u>	<u>-</u>	<u>15,391,946</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	47,917,901	574,857	46,129,842	605,758
Restricted for:				
Debt service	1,017,461	-	948,370	-
Student organizations	675,732	-	825,529	-
Scholarships and other activities	-	11,733,308	-	10,496,956
Unrestricted	<u>3,756,355</u>	<u>234,689</u>	<u>883,321</u>	<u>(97,160)</u>
<b>Total Net Position</b>	<u>\$ 53,367,449</u>	<u>\$ 12,542,854</u>	<u>\$ 48,787,062</u>	<u>\$ 11,005,554</u>

The accompanying notes are an integral part of these statements.

GATEWAY TECHNICAL COLLEGE DISTRICT  
 Statements of Revenues, Expenses and Changes in Net Position  
 For the years ended June 30, 2020 and 2019

	2020		2019	
	District	Foundation	District	Foundation
<b><u>Operating Revenues</u></b>				
Student tuition and program fees, net of scholarship allowances of \$8,705,297 and \$7,906,313 for 2020 and 2019, respectively	\$ 9,889,474	\$ -	\$ 10,831,143	\$ -
Federal grants	13,767,204	-	13,702,153	-
State grants	3,493,792	-	3,934,751	-
Contract revenue	4,689,288	-	5,334,506	-
Auxiliary enterprise revenues	299,343	-	292,977	-
Miscellaneous - institutional revenue	1,117,445	2,439,934	1,166,144	4,093,453
<b>Total Operating Revenues</b>	<b><u>33,256,546</u></b>	<b><u>2,439,934</u></b>	<b><u>35,261,674</u></b>	<b><u>4,093,453</u></b>
<b><u>Operating Expenses</u></b>				
Instruction	57,201,437	-	60,245,160	-
Instructional resources	1,124,875	-	1,268,595	-
Student services	15,294,338	-	14,593,819	-
General institutional	10,481,647	1,222,452	11,377,155	1,196,892
Physical plant	6,341,421	-	9,065,927	-
Student aid	13,518,512	-	16,074,582	-
Public services	399,054	-	407,167	-
Auxiliary services	636,343	-	427,679	-
Depreciation	10,116,853	59,416	9,193,288	57,359
<b>Total Operating Expenses</b>	<b><u>115,114,479</u></b>	<b><u>1,281,868</u></b>	<b><u>122,653,371</u></b>	<b><u>1,254,251</u></b>
<b>Net Operating Income (Loss)</b>	<b><u>(81,857,933)</u></b>	<b><u>1,158,066</u></b>	<b><u>(87,391,697)</u></b>	<b><u>2,839,202</u></b>
<b><u>Nonoperating Revenues (Expenses)</u></b>				
Property taxes	36,778,620	-	34,852,092	-
State appropriations	39,939,154	-	39,333,811	-
Federal nonoperating grants	9,701,777	-	9,941,945	-
Gain on disposal of capital assets	-	-	15,000	-
Investment income (net of fees)	273,222	379,922	454,788	506,526
Interest expense & debt issuance costs	(1,777,066)	(688)	(1,718,436)	(1,676)
<b>Total Nonoperating Revenues (Expenses)</b>	<b><u>84,915,707</u></b>	<b><u>379,234</u></b>	<b><u>82,879,200</u></b>	<b><u>504,850</u></b>
<b><u>Capital Contributions</u></b>				
State capital grants	1,061,052	-	4,484,674	-
Federal capital grants	171,819	-	-	-
Contributions	289,742	-	356,700	-
Donated capital assets	-	-	116,933	-
<b>Total Capital Contributions</b>	<b><u>1,522,613</u></b>	<b><u>-</u></b>	<b><u>4,958,307</u></b>	<b><u>-</u></b>
<b>Change in Net Position</b>	<b>4,580,387</b>	<b>1,537,300</b>	<b>445,810</b>	<b>3,344,052</b>
<b>Net Position - Beginning of Year</b>	<b><u>48,787,062</u></b>	<b><u>11,005,554</u></b>	<b><u>48,341,252</u></b>	<b><u>7,661,502</u></b>
<b>Net Position - End of Year</b>	<b><u>\$ 53,367,449</u></b>	<b><u>\$ 12,542,854</u></b>	<b><u>\$ 48,787,062</u></b>	<b><u>\$ 11,005,554</u></b>

The accompanying notes are an integral part of these statements.

GATEWAY TECHNICAL COLLEGE DISTRICT  
 Statements of Cash Flows  
 For the years ended June 30, 2020 and 2019

	<b>2020</b>	<b>2019</b>
<u>Cash flows from operating activities</u>		
Tuition and fees received	\$ 9,774,131	\$ 11,045,892
Federal and state grants received	17,291,442	17,251,153
Contract revenues received	2,620,930	5,430,386
Payments to employees, including related benefits	(72,616,401)	(67,349,050)
Payments for materials and services	(30,958,257)	(41,909,489)
Auxiliary enterprise revenues received	299,343	292,977
Other receipts	<u>1,009,705</u>	<u>1,105,404</u>
Net cash used for operating activities	<u>(72,579,107)</u>	<u>(74,132,727)</u>
<u>Cash flows from non-capital financing activities</u>		
Local government property taxes received	35,791,351	33,985,740
State appropriations received	39,939,154	39,330,920
Federal grants received	<u>9,701,777</u>	<u>9,941,945</u>
Net cash provided by noncapital financing activities	<u>85,432,282</u>	<u>83,258,605</u>
<u>Cash flows from capital and related financing activities</u>		
State and federal grants received for capital assets	1,202,426	4,467,995
Proceeds from sale of capital assets	-	15,000
Purchases of capital assets	(13,655,577)	(17,919,487)
Proceeds from issuance of capital debt	14,000,000	13,000,000
Premium received on debt issuance	890,476	720,980
Debt issuance costs paid	(266,750)	(259,295)
Principal paid on capital debt	(11,985,000)	(10,940,000)
Interest paid on capital debt	<u>(1,960,149)</u>	<u>(1,820,666)</u>
Net cash used for capital and related financing activities	<u>(11,774,574)</u>	<u>(12,735,473)</u>
<u>Cash flows from investing activities</u>		
Investment income received	<u>273,222</u>	<u>454,788</u>
Net increase in cash and cash equivalents	1,351,823	(3,154,807)
<u>Cash and cash equivalents</u>		
Beginning of year	<u>36,216,701</u>	<u>39,371,508</u>
End of year	<u>\$ 37,568,524</u>	<u>\$ 36,216,701</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position		
Cash and cash equivalents	\$ 26,121,263	\$ 26,635,811
Restricted assets - cash and cash equivalents	<u>11,447,261</u>	<u>9,580,890</u>
	<u>\$ 37,568,524</u>	<u>\$ 36,216,701</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, 2020 and 2019

	2020	2019
<u>Reconciliation of operating loss to net cash used for operating activities:</u>		
Operating loss	\$ (81,857,933)	\$ (87,391,697)
Adjustment to reconcile operating loss to net cash used for operating activities:		
Depreciation	10,116,853	9,193,288
Changes in assets and liabilities:		
(Increase) decrease		
Receivables	(2,125,518)	(13,251)
Prepaid expenses	229,901	36,832
Increase (decrease)		
Accounts payable	1,213,094	(847,427)
Accrued payroll and benefits	390,055	(302,514)
Accrued vacation	402,652	32,283
OPEB liability	(3,596,727)	1,126,930
OPEB related deferred outflows	703,475	(282,145)
OPEB related deferred inflows	1,357,272	-
Due to student groups/organizations	91,119	39,626
Unearned revenue	21,523	(67,611)
Pension related asset/liability	(21,187,140)	20,652,558
Pension related deferred outflows	7,080,821	(13,031,162)
Pension related deferred inflows	14,581,446	(3,278,437)
	<u>14,581,446</u>	<u>(3,278,437)</u>
Net cash used for operating activities	<u>\$ (72,579,107)</u>	<u>\$ (74,132,727)</u>
 Non Cash Capital and Related Financing Activities:		
Donated capital assets	\$ -	\$ 116,933

The accompanying notes are an integral part of these statements.



# GATEWAY TECHNICAL COLLEGE DISTRICT

## Notes to Financial Statements

June 30, 2020 and 2019

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

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

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

Authority to borrow money and levy taxes;

Budgetary authority; and

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

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

# GATEWAY TECHNICAL COLLEGE DISTRICT

## Notes to Financial Statements

June 30, 2020 and 2019

### (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 30<sup>th</sup> 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, 2020 and 2019

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

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

(e) **Student Receivables**

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

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

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

**(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 160 vacation hours subsequent to the year in which they are earned. Any vacation benefits in excess of 160 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 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

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

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

**(i) Compensated Absences (continued)**

outstanding at June 30, 2020 and 2019 was \$1,081,545 and \$678,893, 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 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 program are prorated on the basis of student class days occurring before and after June 30.

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

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

**(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 qualifies for reporting in this category on the statement of net position. The item is related to the District's proportionate share of the Wisconsin Retirement System pension plan and is deferred and amortized over the expected remaining lives of the pension plan participants.

**(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 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.

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

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

**(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, or other borrowings that are attributable to the acquisition, construction or improvement of those assets and any capital related deferred inflows of resources.

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

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

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

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

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

**(r) Net Position (continued)**

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	2020	2019
Cash on hand	\$ 33,237	\$ 41,867
Demand deposits	28,990,793	30,145,815
Wisconsin Local Government Investment Pool	8,544,494	6,029,019
Total Cash and Cash Equivalents	\$ 37,568,524	\$ 36,216,701

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

Restricted for		
Capital Projects	\$ 7,440,220	\$ 6,083,585
Debt Service	4,007,041	3,497,305
	11,447,261	9,580,890
Unrestricted	26,121,263	26,635,811
Total Cash and Cash Equivalents	\$ 37,568,524	\$ 36,216,701

**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



**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

**(2) Cash and Cash Equivalents (continued)**

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, 2020 and 2019 was \$28,820,894 and \$30,891,632, 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 30:

<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>

<u>June 30, 2019</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>\$ 6,029,019</u>	<u>\$ 6,029,019</u>	<u>\$ -</u>

# GATEWAY TECHNICAL COLLEGE DISTRICT

## Notes to Financial Statements

June 30, 2020 and 2019

### (2) Cash and Cash Equivalents (continued)

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, 2020 and 2019, 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, 2020 and June 30, 2019, the concentration of credit risk was not applicable to the investments held by the District.

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

**Interest Rate Risk** - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, but all investments held at June 30, 2020 and 2019 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.

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

**(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, 2020, and 2019, were as follows:

	<u>2020</u>		<u>2019</u>	
	<u>Mill Rate</u>	<u>Amount Levied</u>	<u>Mill Rate</u>	<u>Amount Levied</u>
Operating levy	0.49909	\$ 22,990,641	0.50793	\$ 21,963,642
Debt service levy	0.29903	<u>13,775,000</u>	0.29640	<u>12,817,000</u>
Total Property Tax Levy		<u>\$ 36,765,641</u>		<u>\$ 34,780,642</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, 2020, and 2019, 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 \$36,778,620 and \$34,852,092 for the years ended June 30, 2020, and 2019, 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, 2020 and 2019**

**(4) Capital Assets**

The following are the changes in the District's capital assets for the years ended June 30, 2020 and 2019:

	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	<u>9,630,947</u>	<u>7,919,916</u>	<u>11,904,191</u>	<u>5,646,672</u>
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	<u>175,615,462</u>	<u>18,797,780</u>	<u>1,498,405</u>	<u>192,914,837</u>
Total capital assets	<u>185,246,409</u>	<u>26,717,696</u>	<u>13,402,596</u>	<u>198,561,509</u>
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	<u>90,174,265</u>	<u>10,266,694</u>	<u>149,841</u>	<u>100,291,118</u>
Net capital assets	95,072,144	<u>\$ 16,451,002</u>	<u>\$ 13,252,755</u>	98,270,391
Less capital asset related debt	<u>(48,942,302)</u>			<u>(50,352,490)</u>
Net investment in capital assets	<u>\$ 46,129,842</u>			<u>\$ 47,917,901</u>

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

**(4) Capital Assets (continued)**

	2019			
	Balance July 1, 2018	Additions	Disposals	Balance June 30, 2019
Capital assets, not being depreciated:				
Land	\$ 2,379,913	\$ -	\$ -	\$ 2,379,913
Construction in progress	2,177,802	13,038,094	7,964,862	7,251,034
Total capital assets not depreciated	<u>4,557,715</u>	<u>13,038,094</u>	<u>7,964,862</u>	<u>9,630,947</u>
Capital assets, being depreciated:				
Land improvements	7,209,825	2,378,593	-	9,588,418
Buildings and improvements	106,670,193	5,974,829	-	112,645,022
Intangible assets	2,343,881	302,510	-	2,646,391
Equipment	41,362,637	5,073,065	42,297	46,393,405
Leasehold interest	958,193	-	-	958,193
Leasehold improvement	3,184,449	199,584	-	3,384,033
Total capital assets being depreciated	<u>161,729,178</u>	<u>13,928,581</u>	<u>42,297</u>	<u>175,615,462</u>
Total capital assets	<u>166,286,893</u>	<u>26,966,675</u>	<u>8,007,159</u>	<u>185,246,409</u>
Less accumulated depreciation for:				
Land improvements	3,365,433	513,347	-	3,878,780
Buildings and improvements	48,122,217	4,824,189	-	52,946,406
Intangible assets	1,882,968	199,860	-	2,082,828
Equipment	25,279,768	3,393,084	42,297	28,630,555
Leasehold interest	714,132	48,811	-	762,943
Leasehold improvement	1,658,756	213,997	-	1,872,753
Total accumulated depreciation	<u>81,023,274</u>	<u>9,193,288</u>	<u>42,297</u>	<u>90,174,265</u>
Net capital assets	85,263,619	<u>\$ 17,773,387</u>	<u>\$ 7,964,862</u>	95,072,144
Less capital asset related debt	<u>(47,166,932)</u>			<u>(48,942,302)</u>
Net investment in capital assets	<u>\$ 38,096,687</u>			<u>\$ 46,129,842</u>

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

**(5) Long-Term Obligations**

The following is a summary of the changes in long-term obligations for the years ended June 30, 2020 and 2019:

	<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>

	<u>July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2019</u>	<u>Due Within One Year</u>
General obligation debt	\$ 63,630,000	\$ 13,000,000	\$ 10,940,000	\$ 65,690,000	\$ 11,985,000
Debt premium	<u>1,753,744</u>	<u>720,980</u>	<u>393,753</u>	<u>2,080,971</u>	<u>-</u>
Total long-term obligations	<u>\$ 65,383,744</u>	<u>\$ 13,720,980</u>	<u>\$ 11,333,753</u>	<u>\$ 67,770,971</u>	<u>\$ 11,985,000</u>

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

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

General obligation debt outstanding at June 30, 2020 and 2019, consists of the following notes:

	<u>2020</u>	<u>2019</u>
General obligation promissory notes, 2.00% to 3.50%, payable in annual installments of \$25,000 to \$850,000, plus interest, to April 1, 2020 (issued for \$4,610,000 on April 15, 2010 through R.W. Baird & Co., for refinancing and to finance various facility remodeling projects).	\$-0-	\$210,000
General obligation promissory notes, 2.00% to 3.50%, payable in annual installments of \$175,000 to \$900,000, plus interest, to April 1, 2020 (issued for \$4,500,000 on September 1, 2010 through R.W. Baird & Co., to finance the acquisition of equipment and construct a building addition at the Elkhorn campus).	-0-	320,000
General obligation promissory notes, 2.00% to 3.50%, payable in annual installments of \$195,000 to \$235,000, plus interest, to April 1, 2020 (issued for \$1,500,000 on November 8, 2010 through R.W. Baird & Co., to finance various facility remodeling projects and equipment).	-0-	235,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of \$170,000 to \$210,000, plus interest, to April 1, 2021 (issued for \$1,500,000 on April 4, 2011 through UBS Financial Services, to finance various facility remodeling projects).	210,000	410,000
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).	210,000	410,000
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).	215,000	425,000
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).	330,000	650,000

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

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

	<u>2020</u>	<u>2019</u>
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).	\$285,000	\$560,000
General obligation promissory notes, 1.75% to 2.50%, payable in annual installments of \$110,000 to \$145,000, plus interest, to April 1, 2022 (issued for \$1,000,000 on May 9, 2012 through BOSC, Inc., to finance the Student Admissions Center remodeling project).	285,000	415,000
General obligation promissory notes, 2.00% to 4.00%, payable in annual installments of \$730,000 to \$900,000, plus interest, to April 1, 2022 (issued for \$6,500,000 on July 12, 2012 through Hutchinson, Shockey, Erley & Co., to finance the acquisition of equipment, construction on the SC Johnson iMET Center, and various facility remodeling projects).	1,775,000	2,625,000
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).	415,000	610,000
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).	315,000	465,000
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).	480,000	635,000
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).	340,000	445,000



**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

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

	<u>2020</u>	<u>2019</u>
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).	\$2,705,000	\$3,555,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of \$150,000 to \$190,000, plus interest, to April 1, 2023 (issued for \$1,500,000 on August 1, 2013 through R.W. Baird & Co., to finance various facility remodeling projects and signage).	550,000	720,000
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).	375,000	500,000
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).	540,000	710,000
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).	3,745,000	4,600,000
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).	800,000	985,000
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).	800,000	985,000

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

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

	<u>2020</u>	<u>2019</u>
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).	\$685,000	\$855,000
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).	675,000	830,000
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).	4,955,000	5,830,000
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).	870,000	1,025,000
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).	1,250,000	1,475,000
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).	4,395,000	5,755,000
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).	1,040,000	1,195,000

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

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

	<u>2020</u>	<u>2019</u>
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).	\$1,040,000	\$1,195,000
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).	695,000	800,000
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).	1,095,000	1,235,000
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).	820,000	925,000
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).	5,065,000	6,015,000
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).	1,090,000	1,230,000
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).	1,205,000	1,355,000

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

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

	<u>2020</u>	<u>2019</u>
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).	\$1,205,000	\$1,355,000
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).	5,990,000	6,390,000
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

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

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

	<u>2020</u>	<u>2019</u>
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	\$1,500,000
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	-0-
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	-0-
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	-0-
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	-0-
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).	1,500,000	-0-
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).	1,500,000	-0-
<b>Total General Long-Term Obligation Debt</b>	<b><u>\$ 67,705,000</u></b>	<b><u>\$ 65,690,000</u></b>

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

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

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 12,690,000	\$ 1,906,805	\$ 14,596,805
2022	11,845,000	1,593,448	13,438,448
2023	11,340,000	1,262,375	12,602,375
2024	8,390,000	941,688	9,331,688
2025	6,850,000	707,400	7,557,400
2026-2030	16,590,000	1,133,850	17,723,850
	<u>\$ 67,705,000</u>	<u>\$ 7,545,566</u>	<u>\$ 75,250,566</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, 2020, the 5% limitation 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. The 5% limit, as of June 30, 2019, was \$2,263,635,714 and the District's outstanding general obligation debt (net of resources available to pay principal and interest) was \$64,741,631.

Chapter 67.03(1) of the Wisconsin State Statutes limits bonded indebtedness of the District to 2% of the equalized value of the taxable property located in the District. As of June 30, 2020, the 2% limitation was \$968,897,709 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, 2019, was \$905,454,286 and the District's outstanding bonded indebtedness (net of resources available to pay principal and interest) was \$0.

**(6) Retirement System**

**General Information about the Pension Plan**

**(a) Plan Description**

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

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

**(6) Retirement System (continued)**

**(a) Plan Description (continued)**

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), 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.

**(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:

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

**(6) Retirement System (continued)**

**(d) Post-Retirement Adjustments (continued)**

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2010	(1.3)	22.0
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)

*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, 2020 and 2019, respectively, the WRS recognized \$3,323,018 and \$3,216,986 in contributions from the District.

Contribution rates for the reporting periods are:

<u>Employee Category</u>	<u>December 31, 2019</u>		<u>December 31, 2018</u>	
	<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives and elected officials)	6.55%	6.55%	6.7%	6.7%
Protective with Social Security	6.55%	10.55%	6.7%	10.7%
Protective without Social Security	6.55%	14.95%	6.7%	14.9%



**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

**(6) Retirement System (continued)**

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

At June 30, 2020 and 2019, the District reported an asset of (\$10,010,177) and a liability of \$11,176,963, respectively, for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2019, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2018, rolled forward to December 31, 2019.

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 liability (asset) was based on its share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the District's proportion was .31044542%, which was a decrease of .00371839% from its proportion measured of .31416381% as of December 31, 2018.

For the years ended June 30, 2020 and 2019, the District recognized pension expense of \$3,806,675 and \$7,569,889, respectively.

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, 2020 and 2019**

**(6) Retirement System (continued)**

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

At June 30, 2019, 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	\$ 8,705,163	\$ 15,387,594
Net differences between projected and actual earnings on pension plan investments	16,323,189	-0-
Changes in assumptions	1,884,027	-0-
Changes in proportion and differences between employer contributions and proportionate share of contributions	71,219	4,352
Employer contributions subsequent to the measurement date	1,619,517	-0-
Total	\$28,603,115	\$15,391,946

\$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 liability (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)
	\$ (10,145,167)

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

**(6) Retirement System (continued)**

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

\$1,619,517 reported as deferred outflows related to pension resulting from the WRS employer’s contributions subsequent to the measurement date at June 30, 2019, will be recognized as a reduction of the net pension liability(asset) in the year ended June 30, 2020. 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
2020	\$ 4,197,908
2021	1,076,016
2022	1,839,561
2023	4,478,167
	\$ 11,591,652

**(f) Actuarial Assumptions**

The total pension liability 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 Liability (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%

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

**(6) Retirement System (continued)**

**(f) Actuarial Assumptions (continued)**

The total pension liability(asset) in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2017
Measurement Date of Net Pension Liability (Asset)	December 31, 2018
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market 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 31, 2019 is based upon a roll-forward of the liability calculated from the December 31, 2018 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:

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

**(6) Retirement System (continued)**

**(f) Actuarial Assumptions (continued)**

<b>Asset Allocation Targets and Expected Returns</b>						
As of December 31, 2019						
<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	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	%
<u>Variable Fund Asset Class</u>						
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						

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

**(6) Retirement System (continued)**

**(f) Actuarial Assumptions (continued)**

<b>Asset Allocation Targets and Expected Returns</b>						
As of December 31, 2018						
Core Fund Asset Class	Current Asset Allocation %		Long-Term Expected Nominal Rate of Return %		Long-Term Expected Real Rate of Return %	
Global Equities	49	%	8.1	%	5.5	%
Fixed Income	24.5		4.0		1.5	
Inflation Sensitive Assets	15.5		3.8		1.3	
Real Estate	9		6.5		3.9	
Private Equity/Debt	8		9.4		6.7	
Multi-Asset	4		6.7		4.1	
Total Core Fund	110	%	7.3	%	4.7	%
<b>Variable Fund Asset Class</b>						
U.S. Equities	70	%	7.6	%	5.0	%
International Equities	30		8.5		5.9	
Total Variable Fund	100	%	8.0	%	5.4	%
New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%						
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 2.75%. 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, 2020 and 2019**

**(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, 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)
<u>June 30, 2019</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)	\$44,418,424	\$11,176,963	(\$13,540,640)

*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, 2020 and 2019 in the amount of \$503,713 and \$489,505, respectively, for the outstanding amount of contributions to the pension plan.

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

**(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 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 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, 2020 and 2019**

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

**(c) Contributions**

Employees	District Contributions
Teachers and Management	For participants retired before July 1, 2014, the College 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 College 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, 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:

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

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

**(d) Total OPEB Obligation (continued)**

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.

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	(3,596,727)
Balance at June 30, 2020	\$ 21,401,378

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

**(7) Other Post-Employment Benefits (OPEB) – FY 2020 (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 (1.66 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	\$ 23,290,663	\$ 21,401,378	\$ 19,803,765

*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

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

**(7) Other Post-Employment Benefits (OPEB) – FY 2020 (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
2021	\$ 413,726
2022	413,726
2023	124,963
2024	(224,054)
2025	(122,003)
	<u>\$ 606,358</u>

**(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.

**(7) Other Post-Employment Benefits (OPEB) – FY 2019**

**(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	440
Active employees	<u>610</u>
Total Participants	<u>1,050</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 Medicare eligibility while coverage for the spouse lasts until the retiree reaches 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 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.

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

**(7) Other Post-Employment Benefits (OPEB) – FY 2019 (continued)**

**(b) Benefits Provided (continued)**

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

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, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total OPEB liability in the June 30, 2019 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:	2.79 percent
Healthcare cost trend rates:	9.00 percent graded down to 5.0 percent for the years beginning July 1, 2028 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-2018.

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

**(7) Other Post-Employment Benefits (OPEB) – FY 2019 (continued)**

**(d) Total OPEB Obligation (continued)**

The actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2018 - June 30, 2019.

The long-term expected rate of return on OPEB plan investments was valued at 2.79%.

*Discount rate.* The discount rate used to measure the total OPEB liability was 2.79% 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, 2018	\$ 23,871,175
Changes for the year:	
Service cost	645,276
Interest	699,366
Differences between expected and actual experience	(24,123)
Changes in Assumptions	1,024,998
Contributions - employer	-
Net investment income	-
Benefit payments	(1,218,587)
Administrative expense	-
Net changes	1,126,930
Balance at June 30, 2019	\$ 24,998,105

**(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 (1.79 percent) or 1-percentage-point higher (3.79 percent) than the current rate:

	1% Decrease to Discount Rate (1.79%)	Current Discount Rate (2.79%)	1% Increase to Discount Rate (3.79%)
Total OPEB Liability	\$ 27,318,539	\$ 24,998,105	\$ 23,022,296

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

**(7) Other Post-Employment Benefits (OPEB) – FY 2019 (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	\$ 23,641,728	\$ 24,998,105	\$ 26,536,900

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

For the year ended June 30, 2019, the District recognized OPEB expense of \$1,528,627. At June 30, 2019, the District reported deferred outflows of resources of \$2,667,105 and no deferred inflows of resources related to OPEB.

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 903,790
Changes in assumptions	1,763,315
Total	\$ 2,667,105

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

Year ended June 30:	Expense
2020	\$ 718,730
2021	718,730
2022	718,730
2023	429,967
2024	80,948
	\$ 2,667,105

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

**(7) Other Post-Employment Benefits (OPEB) – FY 2019 (continued)**

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

At June 30, 2019, the District reported a payable of \$0 for the outstanding amount of contributions to the Plan required for the year ended June 30, 2019.

**(8) Risk Management**

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

**Districts Mutual Insurance 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 2020 and 2019, the District paid a premium of \$608,811 and \$574,098, respectively.

Future premiums will be based on relevant rating exposure bases as well as the historical loss experience by members. DMI's ongoing operational expenses, other than loss adjustment expenses, are apportioned pro rata to each participant based on equity interest in the company.

The DMI financial statements can be obtained through Districts Mutual Insurance 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



**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

**(8) Risk Management (continued)**

**Supplemental Insurance (continued)**

governed by a board of trustees consisting of one trustee from each member college. Member entities include all sixteen WTCS technical colleges.

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

- Foreign liability: \$5,000,000 aggregate general; \$1,000,000 auto per accident; \$1,000,000 employee benefits; includes benefit for accidental death and dismemberment, repatriation, and medical expenses.
- 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 \$385,000 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.

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

# GATEWAY TECHNICAL COLLEGE DISTRICT

## Notes to Financial Statements

June 30, 2020 and 2019

(9) **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 \$183,600. 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 \$151,950.

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

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

As of June 2020, the District extended the Lakeview Advanced Technology Center lease agreement with Kenosha Unified School District to 2021 at an annual rate of \$70,000.

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 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 \$56,587.

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, 2020 and 2019**

**(9) Operating Leases (continued)**

<u>Year Ending June 30</u>	<u>Amount</u>
2021	\$ 950,389
2022	691,046
2023	698,867
2024	624,556
2025	288,268
2026 - 2030	979,265
2031 - 2035	661,615
2036 - 2040	661,615
2041 - 2042	<u>198,484</u>
Total required minimum lease payments	<u>\$ 5,754,105</u>

Rental expenses for all operating leases aggregated \$804,706 and \$713,315 for the years ended June 30, 2020 and 2019, 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, 2020 and June 30, 2019, the cost of the lease assets is \$1,089,035 for both years and the depreciation is \$646,480 and \$610,078, 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 for initial lease terms of five years.

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

<u>Year Ending June 30</u>	<u>Amount</u>
2021	\$ 171,845
2022	116,565
2023	85,614
2024	<u>76,914</u>
Total future minimum lease revenue	<u>\$ 450,938</u>

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

**(9) 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, 2020 and 2019 was \$150,417 and \$149,192, respectively.

**(10) Expenses Classification**

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

	2020	2019
	<u>                    </u>	<u>                    </u>
Salaries and wages	\$ 54,804,167	\$ 52,831,152
Fringe benefits	19,080,068	18,590,626
Travel, memberships, professional dev.	972,707	1,428,835
Supplies and minor equipment	6,509,180	14,328,358
Contract services	5,902,941	6,028,748
Bank/Agency credit/collection fees	112,938	118,492
Rentals	804,706	713,315
Repairs and maintenance	552,967	653,633
Insurance	764,806	662,315
Utilities	1,615,597	1,735,647
Depreciation	10,116,853	9,193,288
Student aid	13,518,512	16,074,582
Student debt write-off	359,037	294,380
	<u>                    </u>	<u>                    </u>
Total Operating Expenses	<u>\$ 115,114,479</u>	<u>\$ 122,653,371</u>

**(11) Joint Venture**

The District had implemented a computerized database through a joint venture with Moraine Park Technical College and Waukesha County Technical College (WCTC) by forming the Wisconsin Public Access Library System (WISPALS) in 1989. It was organized as a consortium under Wis. Stats. 66.0301 and Gateway Technical College 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

# GATEWAY TECHNICAL COLLEGE DISTRICT

## Notes to Financial Statements

June 30, 2020 and 2019

### (11) Joint Venture (continued)

computer hardware and WCTC's Pewaukee campus. Operating costs of WISPALS are also shared equally by the eleven full member colleges.

Gateway Technical College's share of the operating costs, for the years ended June 30, 2020 and 2019, was \$63,120 and \$56,240, respectively. The net assets for the joint venture increased by \$241,916 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.

### (12) Commitments and Contingent Liabilities

Child Care Center - In April 2003, the District entered into a ground lease agreement with the Gateway Technical College Foundation 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, 2020, the District has commitments outstanding for construction projects of approximately \$4,184,054. As of June 30, 2019, the commitments for construction projects were \$3,767,155.

### (13) Component Unit

This report contains the Gateway Technical College Foundation, Inc., which is included as a component unit. Financial information is presented as a discrete column in the statement of net position 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, 2020 and 2019**

**(13) Component Unit (continued)**

**1. Cash and Investments**

The Foundation invests funds with Johnson Trust. Investments at June 30, 2020 and 2019, are as follows:

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

<u>June 30, 2019</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gains</u>
Equity	\$ 4,987,492	\$ 5,347,990	\$ 360,498
Fixed Income	<u>4,160,226</u>	<u>4,245,063</u>	<u>84,837</u>
Total Investments	<u>\$ 9,147,718</u>	9,593,053	<u>\$ 445,335</u>
Cash & Cash Equivalents		<u>823,697</u>	
Total Cash and Investments		<u>\$ 10,416,750</u>	

Investment income reported in the statement of revenues, expenses and changes in net position totaled \$379,922 and \$506,526, respectively for the years ended June 30, 2020 and 2019, and consisted of the following:

	<u>FY 2020</u>	<u>FY 2019</u>
Market appreciation	\$ 439,153	\$ 550,139
Interest and dividend income	1,334	2,044
Investment fees	<u>(60,565)</u>	<u>(45,657)</u>
Investment return	<u>\$ 379,922</u>	<u>\$ 506,526</u>

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

**(13) Component Unit (continued)**

**2. Capital Assets**

	Balance <u>June 30, 2019</u>	Additions	Deductions	Balance <u>June 30, 2020</u>
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>

	Balance <u>July 1, 2018</u>	Additions	Deductions	Balance <u>June 30, 2019</u>
Capital assets, not being depreciated:				
Land	\$ 163,291	\$ -	\$ -	\$ 163,291
Capital assets, being depreciated:				
Buildings	1,216,073	21,588	-	1,237,661
	<u>1,379,364</u>	<u>21,588</u>	<u>-</u>	<u>1,400,952</u>
Less accumulated depreciation for:				
Buildings	737,835	57,359	-	795,194
	<u>737,835</u>	<u>57,359</u>	<u>-</u>	<u>795,194</u>
Net capital assets	<u>\$ 641,529</u>	<u>\$ 78,947</u>	<u>\$ -</u>	<u>\$ 605,758</u>

**3. Long-Term Debt**

Long-term debt outstanding at 2020 and 2019 consists of the following issues:

\$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      \$ 29,284

Less amount due within one year

4,816      24,940

Total long-term debt

\$ -      \$ 4,344

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

**(13) Component Unit (continued)**

**3. Long-Term Debt (continued)**

Long-term debt of \$4,816 is expected to mature as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	<u>\$ 4,816</u>
Total	<u><u>\$ 4,816</u></u>

**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, 2020:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 138,263
2022	135,601
2023	24,158
2024	<u>27,359</u>
Total	<u><u>\$ 325,381</u></u>

**5. Unrestricted, Temporary and Permanently Restricted Net Assets**

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

	<u>Without Donor</u>	<u>With Donor</u>	<u>Total</u>
	<u>Restrictions</u>	<u>Restrictions</u>	
June 30, 2020	\$ 809,546	\$ 11,733,308	\$ 12,542,854
June 30, 2019	\$ 508,598	\$ 10,496,956	\$ 11,005,554



**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

**(13) 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, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Less than One Year	\$ 37,793	\$ 25,350
More than One Year and Less than Five Years	-	27,308
	<u>37,793</u>	<u>52,658</u>
Less Discount (1.25 rate) on Promises to Give	-	(658)
Net Promises to Give	<u>37,793</u>	<u>52,000</u>
Less Amounts Representing Current Portions	37,793	25,350
Promises to Give, Net, More than One Year	<u>-</u>	<u>26,650</u>

Of the amounts in Promises to Give as of June 30, 2020 and 2019, \$36,233 and \$32,308 represent amounts given by donors for the long-term purpose of being held permanently with only the earnings to be spent.

**(14) 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, 2020, the District issued \$5,500,000 in General Obligation Promissory Notes:

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

**(14) Subsequent Events (continued)**

<u>Date</u>	<u>Interest Rate</u>	<u>Amount</u>	<u>Purpose</u>
8/5/2020	2%	\$ 4,000,000	Proceeds to be used for \$2,500,000 in equipment and \$1,500,000 for Racine facility remodeling projects.
9/15/2020	1%-2%	1,500,000	Proceeds to be used for various facility remodeling projects.
		<u>\$ 5,500,000</u>	

**(15) Select Upcoming Accounting Pronouncements**

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The Statement establishes criteria for identifying fiduciary activities and addresses financial reporting for these activities. This statement is effective for reporting periods beginning after December 15, 2019. The District is currently evaluating the impact this standard will have on the 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. The District is currently evaluating the impact this standard will have on the financial statements when adopted.

**REQUIRED SUPPLEMENTARY INFORMATION**

**GATEWAY TECHNICAL COLLEGE**

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

	2020	2019	2018
Total OPEB Liability			
Service cost	\$ 687,697	\$ 645,276	\$ 587,898
Interest	688,907	699,366	815,970
Benefit payments	(1,118,804)	(1,218,587)	(1,646,192)
Changes of benefit terms	(2,207,505)	-	-
Differences between expected and actual experience	(1,422,676)	(24,123)	1,457,283
Changes in assumptions	(224,346)	1,024,998	1,462,422
Net change in total OPEB liability	<u>(3,596,727)</u>	<u>1,126,930</u>	<u>2,677,381</u>
Total OPEB liability - beginning	<u>24,998,105</u>	<u>23,871,175</u>	<u>21,193,794</u>
Total OPEB liability - ending	<u><u>\$ 21,401,378</u></u>	<u><u>\$ 24,998,105</u></u>	<u><u>\$ 23,871,175</u></u>
Covered-employee payroll	\$ 44,184,940	\$ 43,187,900	\$ 40,911,888
District's total OPEB liability as a percentage of covered-employee payroll	48.44%	57.88%	58.35%

\* 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>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution (ADC)	\$ 2,139,746	\$ 2,026,533	\$ 2,057,976
Contributions in relation to the ADC	1,118,804	1,218,587	1,646,192
Contribution deficiency (excess)	<u>\$ 1,020,942</u>	<u>\$ 807,946</u>	<u>\$ 411,784</u>
Covered-employee payroll	\$ 44,184,940	\$ 43,187,900	\$ 40,911,888
Contributions as a percentage of covered-employee payroll	2.53%	2.82%	4.02%

**Key Methods and Assumption Used to Calculate ADC**

	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Actuarial cost method	Market Value	Market Value	Market Value
Asset valuation method	30 year Level Dollar	30 year Level Dollar	30 year Level Dollar
Amortization method	2.66%	2.79%	2.98%
Discount rate	3.00%	3.00%	3.00%
Inflation			

\* 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, 2020

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)
12/31/2014	0.3301437%	\$ (8,108,266)	\$ 45,832,538	17.69%	102.70%
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%

\* 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
6/30/2015	\$ 3,185,118	\$ 3,185,118	\$ -	\$ 46,160,264	6.90%
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%

\* 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, 2020

**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 overall impact of the new assumptions is an increase in benefit obligations.

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 of benefit terms or assumptions for any participating employer in WRS.

## **SUPPLEMENTARY INFORMATION**

---

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

---



## **GENERAL FUND**

---

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

---

GATEWAY TECHNICAL COLLEGE DISTRICT

General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the year ended June 30, 2020

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Over (Under)
	Original	Final		
<u>Revenues</u>				
Local government - tax levy	\$ 20,619,437	\$ 20,896,436	\$ 20,909,415	\$ 12,979
Intergovernmental revenue:				
State	39,290,076	40,119,934	40,119,934	-
Federal	30,000	30,000	81,112	51,112
Tuition and fees:				
Statutory program fees	14,973,201	14,973,201	15,139,632	166,431
Material fees	803,301	803,301	809,987	6,686
Other student fees	2,100,206	2,100,206	1,924,163	(176,043)
Miscellaneous - institutional revenue	4,399,934	5,476,024	5,507,777	31,753
 Total revenues	 <u>82,216,155</u>	 <u>84,399,102</u>	 <u>84,492,020</u>	 <u>92,918</u>
<u>Expenditures</u>				
Instruction	52,897,232	54,699,398	54,678,607	20,791
Instructional resources	1,303,809	1,303,809	1,178,907	124,902
Student services	12,083,249	12,012,655	11,356,234	656,421
General institutional	8,068,869	8,443,869	8,434,889	8,980
Physical plant	7,862,996	7,939,371	7,769,527	169,844
 Total expenditures	 <u>82,216,155</u>	 <u>84,399,102</u>	 <u>83,418,164</u>	 <u>980,938</u>
 Net change in fund balance	 -	 -	 1,073,856	 1,073,856
<u>Fund balance</u>				
Beginning of year	<u>27,957,200</u>	<u>27,957,200</u>	<u>27,957,200</u>	<u>-</u>
 End of year	 <u>\$ 27,957,200</u>	 <u>\$ 27,957,200</u>	 <u>\$ 29,031,056</u>	 <u>\$ 1,073,856</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, 2020

	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	\$ 2,049,205	\$ 2,049,205	\$ 2,049,205	\$ -
Intergovernmental revenue:				
State	2,431,926	2,431,926	1,319,253	(1,112,673)
Federal	1,704,158	1,704,158	1,890,803	186,645
Miscellaneous - institutional revenue	<u>82,500</u>	<u>82,500</u>	<u>245,301</u>	<u>162,801</u>
 Total revenues	 <u>6,267,789</u>	 <u>6,267,789</u>	 <u>5,504,562</u>	 <u>(763,227)</u>
<u>Expenditures</u>				
Instruction	3,721,084	3,496,084	2,512,065	984,019
Student services	1,554,107	1,729,107	1,723,604	5,503
General institutional	787,835	787,835	620,085	167,750
Physical plant	-	40,000	33,098	6,902
Public services	<u>390,500</u>	<u>400,500</u>	<u>396,733</u>	<u>3,767</u>
 Total expenditures	 <u>6,453,526</u>	 <u>6,453,526</u>	 <u>5,285,585</u>	 <u>1,167,941</u>
 Net change in fund balance	 (185,737)	 (185,737)	 218,977	 404,714
<u>Fund balance</u>				
Beginning of year	<u>1,989,919</u>	<u>1,989,919</u>	<u>1,989,919</u>	<u>-</u>
 End of year	 <u>\$ 1,804,182</u>	 <u>\$ 1,804,182</u>	 <u>\$ 2,208,896</u>	 <u>\$ 404,714</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, 2020

	<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	\$ 2,354,000	\$ 2,354,000	\$ 1,993,759	\$ (360,241)
Federal	23,552,000	23,552,000	21,497,066	(2,054,934)
Tuition and fees - other student fees	847,000	847,000	839,278	(7,722)
Miscellaneous - institutional revenue	<u>2,971,000</u>	<u>2,971,000</u>	<u>2,112,534</u>	<u>(858,466)</u>
Total revenues	<u>29,724,000</u>	<u>29,724,000</u>	<u>26,442,637</u>	<u>(3,281,363)</u>
<u>Expenditures</u>				
Student services	29,714,000	29,704,000	26,318,936	3,385,064
General institutional	<u>10,000</u>	<u>20,000</u>	<u>17,789</u>	<u>2,211</u>
Total expenditures	<u>29,724,000</u>	<u>29,724,000</u>	<u>26,336,725</u>	<u>3,387,275</u>
<u>Other financing sources</u>				
Transfers out	<u>-</u>	<u>(291,932)</u>	<u>(291,932)</u>	<u>-</u>
Net change in fund balance	-	(291,932)	(186,020)	105,912
<u>Fund balance</u>				
Beginning of year	<u>783,139</u>	<u>783,139</u>	<u>783,139</u>	<u>-</u>
End of year	<u>\$ 783,139</u>	<u>\$ 491,207</u>	<u>\$ 597,119</u>	<u>\$ 105,912</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, 2020

	<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	\$ 150,000	\$ 1,061,052	\$ 1,061,052	\$ -
Federal	-	171,819	171,819	-
Miscellaneous - institutional revenue	<u>100,000</u>	<u>337,129</u>	<u>410,990</u>	<u>73,861</u>
Total revenues	<u>250,000</u>	<u>1,570,000</u>	<u>1,643,861</u>	<u>73,861</u>
<u>Expenditures</u>				
Instruction	2,600,000	3,300,000	3,291,222	8,778
Instructional resources	10,000	10,000	-	10,000
Student services	15,000	15,000	-	15,000
General institutional	2,450,000	2,670,000	2,662,558	7,442
Physical plant	9,150,000	9,841,932	9,821,550	20,382
Public services	<u>25,000</u>	<u>25,000</u>	<u>10,594</u>	<u>14,406</u>
Total expenditures	<u>14,250,000</u>	<u>15,861,932</u>	<u>15,785,924</u>	<u>76,008</u>
<u>Other financing sources</u>				
Long-term debt issued	14,000,000	14,000,000	14,000,000	-
Transfers in	<u>-</u>	<u>291,932</u>	<u>291,932</u>	<u>-</u>
Total other financing sources	<u>14,000,000</u>	<u>14,291,932</u>	<u>14,291,932</u>	<u>-</u>
Net change in fund balance	-	-	149,869	149,869
<u>Fund balance</u>				
Beginning of year	<u>2,625,207</u>	<u>2,625,207</u>	<u>2,625,207</u>	<u>-</u>
End of year	<u>\$ 2,625,207</u>	<u>\$ 2,625,207</u>	<u>\$ 2,775,076</u>	<u>\$ 149,869</u>

## **DEBT SERVICE FUND**

---

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

---



GATEWAY TECHNICAL COLLEGE DISTRICT

Debt Service Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the year ended June 30, 2020

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Over (Under)
	Original	Final		
<u>Revenues</u>				
Local government - tax levy	\$ 13,775,000	\$ 13,775,000	\$ 13,775,000	\$ -
Miscellaneous - institutional revenue	60,000	60,000	56,157	(3,843)
Total revenues	<u>13,835,000</u>	<u>13,835,000</u>	<u>13,831,157</u>	<u>(3,843)</u>
<u>Expenditures</u>				
Physical plant				
Principal retirement	11,985,000	11,985,000	11,985,000	-
Interest	2,020,000	2,020,000	1,960,147	59,853
Financing costs	195,000	295,000	266,750	28,250
Total expenditures	<u>14,200,000</u>	<u>14,300,000</u>	<u>14,211,897</u>	<u>88,103</u>
<u>Other financing sources</u>				
Proceeds of debt premium	375,000	475,000	890,476	415,476
Net change in fund balance	10,000	10,000	509,736	499,736
<u>Fund balance</u>				
Beginning of year	<u>3,497,305</u>	<u>3,497,305</u>	<u>3,497,305</u>	<u>-</u>
End of year	<u>\$ 3,507,305</u>	<u>\$ 3,507,305</u>	<u>\$ 4,007,041</u>	<u>\$ 499,736</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, 2020

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Over (Under)
	Original	Final		
<u>Operating Revenues</u>				
Local government - tax levy	\$ 45,000	\$ 45,000	\$ 45,000	\$ -
Tuition and fees - other student fees	175,000	175,000	187,034	12,034
Miscellaneous - institutional revenue	<u>305,000</u>	<u>430,000</u>	<u>306,645</u>	<u>(123,355)</u>
Total revenues	<u>525,000</u>	<u>650,000</u>	<u>538,679</u>	<u>(111,321)</u>
<u>Operating Expenses</u>				
Auxiliary services	<u>525,000</u>	<u>650,000</u>	<u>635,836</u>	<u>14,164</u>
Change in net position	-	-	(97,157)	(97,157)
<u>Net Position</u>				
Beginning of year	<u>1,177,298</u>	<u>1,177,298</u>	<u>1,177,298</u>	<u>-</u>
End of year	<u>\$ 1,177,298</u>	<u>\$ 1,177,298</u>	<u>\$ 1,080,141</u>	<u>\$ (97,157)</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, 2020

ASSETS	Special Revenue Funds		Capital Projects Fund	Debt Service Fund	Enterprise Fund	Total	Reconciling Items	Statement of Net Position
	General Fund	Operating						
<b>Assets</b>								
Cash and cash equivalents	\$ 26,121,263	\$ -	\$ 7,440,220	\$ 4,007,041	\$ -	\$ 37,568,524	\$ -	\$ 37,568,524
Receivables:								
Property taxes	10,154,893	-	-	-	-	10,154,893	-	10,154,893
Accounts, net of reserve of \$ 376,000	2,167,663	36,961	-	-	-	2,204,624	-	2,204,624
Federal and state aid	200,761	1,156,166	-	-	-	3,568,418	-	3,568,418
Due from other funds	-	1,212,781	-	-	1,103,823	2,517,634	(2,817,634)	-
Prepaid expenditures	421,780	-	-	-	-	421,780	-	421,780
Capital assets	-	-	-	-	-	-	198,561,509	198,561,509
Less: accumulated depreciation	-	-	-	-	-	-	(100,291,118)	(100,291,118)
Net pension asset	-	-	-	-	-	-	10,010,177	10,010,177
<b>Total Assets</b>	<b>39,066,360</b>	<b>2,405,908</b>	<b>7,440,220</b>	<b>4,007,041</b>	<b>1,103,823</b>	<b>56,735,873</b>	<b>105,462,934</b>	<b>162,198,807</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>								
Deferred outflows related to OPEB	-	-	-	-	-	-	1,963,630	1,963,630
Deferred outflows related to pensions	-	-	-	-	-	-	21,522,294	21,522,294
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,485,924</b>	<b>23,485,924</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 39,066,360</b>	<b>\$ 2,405,908</b>	<b>\$ 7,440,220</b>	<b>\$ 4,007,041</b>	<b>\$ 1,103,823</b>	<b>\$ 56,735,873</b>	<b>\$ 128,948,858</b>	<b>\$ 185,684,731</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND EQUITY</b>								
<b>Liabilities</b>								
Accounts payable	\$ 3,673,663	\$ 20,984	\$ -	\$ -	\$ 22,513	\$ 3,718,506	\$ -	\$ 3,718,506
Accrued payroll and benefits	1,941,995	48,217	-	-	1,169	1,998,608	-	1,998,608
Accrued vacation	1,081,545	-	-	-	-	1,081,545	-	1,081,545
Accrued interest payable	-	-	-	-	-	-	475,703	475,703
Due to other funds	935,411	-	-	-	-	2,817,634	(2,817,634)	-
Due to students groups/organizations	-	-	-	-	-	-	501,934	501,934
Unearned revenues	2,277,522	108,595	224,606	-	-	2,610,723	(1,278,774)	1,331,949
Other post-employment benefits liability	-	-	-	-	-	-	21,401,378	21,401,378
Long-term liabilities	-	-	-	-	-	-	70,476,995	70,476,995
<b>Total liabilities</b>	<b>9,910,136</b>	<b>177,796</b>	<b>2,115,402</b>	<b>-</b>	<b>23,682</b>	<b>12,227,016</b>	<b>88,759,602</b>	<b>100,986,618</b>
<b>Deferred Inflows of Resources</b>								
Deferred inflows related to OPEB	-	-	-	-	-	-	1,357,272	1,357,272
Deferred inflows related to pensions	-	-	-	-	-	-	29,973,392	29,973,392
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,330,664</b>	<b>31,330,664</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 9,910,136</b>	<b>\$ 177,796</b>	<b>\$ 2,115,402</b>	<b>\$ -</b>	<b>\$ 23,682</b>	<b>\$ 12,227,016</b>	<b>\$ 120,090,266</b>	<b>\$ 132,317,282</b>
<b>Fund balances / net position</b>								
Net investment in capital assets	-	-	-	-	-	-	47,917,901	47,917,901
Unreserved/unrestricted	-	-	-	-	1,080,141	1,080,141	2,676,214	3,756,355
<b>Fund balances:</b>	<b>421,780</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>421,780</b>	<b>(421,780)</b>	<b>-</b>
Reserved for prepaid expenditures	-	-	-	-	-	1,177,666	(501,934)	675,732
Reserved for student organizations	-	-	-	-	-	(580,547)	580,547	-
Reserved for student financial assistance (deficit)	-	-	2,775,076	-	-	2,775,076	(2,775,076)	-
Reserved for capital projects	-	-	-	-	-	4,007,041	(2,989,580)	1,017,461
Reserved for debt service	-	-	-	4,007,041	-	2,370,000	(2,370,000)	-
Reserved for OPEB - Other post employment benefits	2,370,000	-	-	-	-	-	-	-
Unreserved - Designated for:								
State aid fluctuations	709,268	-	-	-	-	709,268	-	709,268
Subsequent year	4,675,467	887,500	-	-	-	5,562,967	-	5,562,967
Operations	20,854,541	1,321,396	-	-	-	22,175,937	(28,448,172)	(6,272,235)
<b>Total fund balances / net position</b>	<b>29,031,056</b>	<b>2,208,896</b>	<b>597,119</b>	<b>4,007,041</b>	<b>1,080,141</b>	<b>39,699,329</b>	<b>13,668,120</b>	<b>53,367,449</b>
<b>Reserve for encumbrances</b>	<b>125,168</b>	<b>19,216</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,809,528</b>	<b>(4,809,528)</b>	<b>-</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Equity</b>	<b>\$ 39,066,360</b>	<b>\$ 2,405,908</b>	<b>\$ 7,440,220</b>	<b>\$ 4,007,041</b>	<b>\$ 1,103,823</b>	<b>\$ 56,735,873</b>	<b>\$ 128,948,858</b>	<b>\$ 185,684,731</b>

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, 2020

	Special Revenue Funds				Debt Service Fund	Enterprise Funds	Total	Reconciling Items	Statement of Revenues, Expenses and Changes in Net Position
General Fund	Operating	Non-Aidable	Projects Fund	Service Fund	Funds	Total	Total	Total	Total
Revenues									
Local government - tax levy	\$ 20,909,415	\$ 2,049,205	\$ -	\$ 13,775,000	\$ 45,000	\$ 36,778,620	\$ -	\$ -	\$ 36,778,620
Intergovernmental revenue:									
State	40,119,934	1,319,253	1,061,052	-	-	44,493,998	-	-	44,493,998 (1)
Federal	81,112	1,890,803	171,819	-	-	23,640,800	-	-	23,640,800 (2)
Other	-	-	-	-	-	-	-	-	-
Tuition and fees:									
Statutory program fees	15,139,632	-	-	-	-	15,139,632	(7,678,710)	(7,678,710)	7,460,922
Material fees	809,987	-	-	-	-	809,987	(394,350)	(394,350)	415,637
Other student fees	1,924,163	-	839,278	-	187,034	2,950,475	(937,560)	(937,560)	2,012,915
Miscellaneous - institutional revenue	5,507,777	245,301	2,112,534	56,157	306,645	8,639,404	(1,970,364)	(1,970,364)	6,669,040 (3)
<b>Total revenues</b>	<b>84,492,020</b>	<b>5,504,562</b>	<b>26,442,637</b>	<b>13,831,157</b>	<b>538,679</b>	<b>132,452,916</b>	<b>(10,980,984)</b>	<b>(10,980,984)</b>	<b>121,471,932</b>
Expenditures									
Instruction	54,678,607	2,512,065	-	-	-	60,481,894	(3,280,457)	(3,280,457)	57,201,437
Instructional resources	1,178,907	-	3,291,222	-	-	1,178,907	(54,032)	(54,032)	1,124,875
Student services	11,356,234	1,723,604	26,318,936	-	-	39,398,774	(24,104,436)	(24,104,436)	15,294,338
General institutional	8,434,889	620,085	17,789	-	-	11,735,321	(1,253,674)	(1,253,674)	10,481,647
Physical plant	7,769,527	33,098	9,821,550	-	-	17,624,175	(1,282,754)	(1,282,754)	6,341,421
Student aid	-	-	-	-	-	-	13,518,512	13,518,512	13,518,512
Public services	-	396,733	-	10,594	-	407,327	(8,273)	(8,273)	399,054
Depreciation	-	-	-	-	-	-	10,116,853	10,116,853	10,116,853
Auxiliary services	-	-	-	-	635,836	635,836	-	507	636,343
Debt Service:									
Principal	-	-	-	11,985,000	-	11,985,000	(11,985,000)	(11,985,000)	-
Interest and debt issuance costs	-	-	-	2,226,897	-	2,226,897	(449,831)	(449,831)	1,777,066
<b>Total expenditures</b>	<b>83,418,164</b>	<b>5,285,585</b>	<b>26,336,725</b>	<b>14,211,897</b>	<b>635,836</b>	<b>145,674,131</b>	<b>(28,782,586)</b>	<b>(28,782,586)</b>	<b>116,891,545</b>
Revenues over (under) expenditures	<b>1,073,856</b>	<b>218,977</b>	<b>105,912</b>	<b>(380,740)</b>	<b>(97,157)</b>	<b>(13,221,215)</b>	<b>17,801,602</b>	<b>17,801,602</b>	<b>4,580,387</b>
Other financing sources (uses)									
Long-term debt issued	-	-	14,000,000	-	-	14,000,000	(14,000,000)	(14,000,000)	-
Debt premium	-	-	-	890,476	-	890,476	(890,476)	(890,476)	-
Gain on disposal of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	291,932	-	-	291,932	(291,932)	(291,932)	-
Transfers out	-	-	(291,932)	-	-	(291,932)	291,932	291,932	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(291,932)</b>	<b>14,291,932</b>	<b>890,476</b>	<b>-</b>	<b>14,890,476</b>	<b>(14,890,476)</b>	<b>(14,890,476)</b>	<b>-</b>
Net Change in Fund Balances	<b>1,073,856</b>	<b>218,977</b>	<b>(186,020)</b>	<b>509,736</b>	<b>(97,157)</b>	<b>1,669,261</b>	<b>2,911,126</b>	<b>2,911,126</b>	<b>4,580,387</b>
Fund balances/net position									
Beginning of year	<b>27,957,200</b>	<b>1,989,919</b>	<b>783,139</b>	<b>3,497,305</b>	<b>1,177,298</b>	<b>38,030,068</b>	<b>10,756,994</b>	<b>10,756,994</b>	<b>48,787,062 (4)</b>
End of year	<b>\$ 29,031,056</b>	<b>\$ 2,208,896</b>	<b>\$ 597,119</b>	<b>\$ 4,007,041</b>	<b>\$ 1,080,141</b>	<b>\$ 39,699,329</b>	<b>\$ 13,668,120</b>	<b>\$ 13,668,120</b>	<b>\$ 53,367,449</b>

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, 2020

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

Operating	\$ 3,493,792
Non-operating - State Appropriations	39,939,154
Non-operating - Capital Grants	<u>1,061,052</u>
<b>Total</b>	<b><u>\$ 44,493,998</u></b>

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

Operating	\$ 13,767,204
Non-operating	9,701,777
Non-operating - Capital Grants	<u>171,819</u>
<b>Total</b>	<b><u>\$ 23,640,800</u></b>

(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	\$ 4,689,288
Auxiliary enterprise revenues	299,343
Miscellaneous revenue	1,117,445
Investment income	273,222
Contributions	<u>289,742</u>
<b>Total</b>	<b><u>\$ 6,669,040</u></b>

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

	<u>2020</u>	<u>2019</u>
Budgetary basis fund equity	\$ 39,699,329	\$ 38,030,068
Capital assets capitalized - cost	198,561,509	185,246,409
Accumulated depreciation on general fixed assets	(100,291,118)	(90,174,265)
General obligation debt	(67,705,000)	(65,690,000)
Other post employment benefits	(21,401,378)	(24,998,105)
Deferred outflows related to OPEB	1,963,630	2,667,105
Deferred inflows related to OPEB	(1,357,272)	-
Net Pension Asset	10,010,177	(11,176,963)
Deferred outflows related to pension	21,522,294	28,603,115
Deferred inflows related to pension	(29,973,392)	(15,391,946)
Accrued interest on long-term debt	(475,703)	(467,964)
Summer school tuition and fees	1,350,514	1,655,837
Unamortized debt premium	(2,513,877)	(2,080,971)
Unearned revenue for govt-wide basis	(329,858)	(401,598)
Encumbrances	4,809,528	3,377,155
Reclass fiduciary funds to liability	<u>(501,934)</u>	<u>(410,815)</u>
<b>Net position per basic financial statements</b>	<b><u>\$ 53,367,449</u></b>	<b><u>\$ 48,787,062</u></b>

This page is intentionally left blank.





**Statistical Section**

This page is intentionally left blank.

## 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)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net Investment in Capital Assets	\$ 47,917,901	\$ 46,129,842	\$ 38,096,687	\$ 33,578,192	\$ 29,405,384	\$ 28,043,849	\$ 22,835,246	\$ 20,982,819	\$ 18,916,039	\$ 19,615,422
Restricted-expendable	1,693,193	1,773,899	1,422,826	1,747,878	1,871,265	10,228,591	2,345,544	2,017,609	2,392,284	2,095,849
Unrestricted	3,756,355	883,321	8,821,739	32,450,095	37,704,933	30,835,816	27,835,368	26,771,698	22,754,631	22,552,555
<b>Total Net Position</b>	<b>\$ 53,367,449</b>	<b>\$ 48,787,062</b>	<b>\$ 48,341,252</b>	<b>\$ 67,776,165</b>	<b>\$ 68,981,582</b>	<b>\$ 69,108,256</b>	<b>\$ 53,016,158</b>	<b>\$ 49,772,126</b>	<b>\$ 44,062,954</b>	<b>\$ 44,263,826</b>

**GATEWAY TECHNICAL COLLEGE DISTRICT**

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Operating Revenues</b>										
Student tuition and program fees, net of scholarship allowances	\$ 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	\$ 14,010,675
Federal grants <sup>(1)</sup>	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	43,428,693
State grants	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	3,860,476
Local grants	-	-	92,447	74,948	99,930	102,347	-	-	-	-
Contract revenue	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	2,231,194
Auxiliary enterprise revenues	299,343	292,977	286,708	276,482	297,187	267,355	257,997	288,855	256,823	286,282
Miscellaneous - institutional revenue	1,117,445	1,166,144	1,273,257	1,391,155	1,317,622	1,424,325	1,442,389	1,658,302	1,203,156	1,503,587
<b>Total operating revenues</b>	<b>33,256,546</b>	<b>35,261,674</b>	<b>45,469,974</b>	<b>42,197,579</b>	<b>48,480,648</b>	<b>49,737,375</b>	<b>53,019,792</b>	<b>59,996,748</b>	<b>60,313,694</b>	<b>65,320,907</b>
<b>Operating Expenses</b>										
Instruction	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	58,458,128
Instructional resources	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	1,300,576
Student services	15,294,338	14,593,819	15,027,450	15,133,896	14,134,379	13,332,974	11,529,142	10,747,472	10,087,038	9,831,728
General institutional	10,481,647	11,377,155	11,174,034	9,892,887	9,924,868	8,767,271	8,384,731	8,183,287	8,373,179	8,069,118
Physical plant	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	8,004,016
Student aid	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	36,245,389
Public services	399,054	407,167	345,341	345,972	333,587	374,190	357,437	357,714	344,410	337,025
Auxiliary services	636,343	427,679	463,117	422,896	483,319	509,387	440,292	507,723	574,483	580,525
Depreciation	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	3,950,810
<b>Total operating expenses</b>	<b>115,114,479</b>	<b>122,653,371</b>	<b>120,811,451</b>	<b>113,207,202</b>	<b>117,052,695</b>	<b>114,573,481</b>	<b>114,536,677</b>	<b>119,031,125</b>	<b>124,427,130</b>	<b>126,797,315</b>
Operating loss	(81,857,933)	(87,391,697)	(75,341,477)	(71,009,623)	(68,572,047)	(64,836,106)	(61,516,885)	(59,034,377)	(64,113,436)	(61,476,408)
<b>Non-Operating Revenues (Expenses)</b>										
Property taxes	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	58,328,021
State appropriations	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	7,265,517
Federal nonoperating grants <sup>(1)</sup>	9,701,777	9,941,945	-	-	-	-	-	-	-	-
Gain (loss) on sale of capital assets	-	15,000	(24,135)	(27,216)	(115,602)	(61,308)	35,400	(2,245)	(13,933)	(43,980)
Investment income	273,222	454,788	198,420	92,351	60,764	46,692	40,747	38,735	33,320	76,959
Interest expense and debt issuance costs	(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)	(1,264,089)
<b>Total non-operating revenues (expenses)</b>	<b>84,915,707</b>	<b>82,879,200</b>	<b>70,414,241</b>	<b>69,714,025</b>	<b>67,721,463</b>	<b>65,666,740</b>	<b>64,277,392</b>	<b>63,399,405</b>	<b>63,841,702</b>	<b>64,362,428</b>
<b>Capital Contributions</b>										
State and federal capital appropriations	1,061,052	4,484,674	106,828	90,181	472,336	184,384	297,698	193,935	35,183	532,561
Contributions	171,819	356,700	269,696	-	184,000	208,750	164,827	1,421,800	35,679	41,002
Donated capital assets	289,742	116,933	152,564	-	67,574	306,990	21,000	11,367	-	147,722
<b>Total capital contributions</b>	<b>1,522,613</b>	<b>4,958,307</b>	<b>529,088</b>	<b>90,181</b>	<b>723,910</b>	<b>700,124</b>	<b>483,525</b>	<b>1,627,102</b>	<b>70,862</b>	<b>721,285</b>
<b>Cumulative effect of change in accounting principle <sup>(2)(3)(4)</sup></b>										
Increase/(Decrease) in Net Position	\$ 4,580,387	\$ 445,810	\$ (15,036,765)	\$ (1,205,417)	\$ (126,674)	\$ 16,092,098	\$ 3,244,032	\$ 5,709,172	\$ (200,872)	\$ 3,607,305

(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.

**GATEWAY TECHNICAL COLLEGE**

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

	2020	% of Total	2019	% of Total	2018	% of Total	2017	% of Total	2016	% of Total	2015	% of Total	2014	% of Total	2013	% of Total	2012	% of Total	2011	% of Total
<b>Expense Classifications</b>																				
Salaries and wages	\$ 54,804,167	46.9%	\$ 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%	\$ 48,410,278	37.8%
Fringe benefits	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%	22,310,925	17.4%
Travel, memberships and subscriptions	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%	826,946	0.6%
Supplies and minor equipment	6,509,180	5.6%	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%	7,664,080	6.0%
Contract services	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%	2,800,111	2.2%
Bank/Agency credit/collection fees	112,988	0.1%	118,492	0.1%	117,082	0.1%	125,940	0.1%	113,000	0.1%	100,306	0.1%	110,854	0.1%	89,929	0.1%	87,761	0.1%	118,761	0.1%
Rentals	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%	958,089	0.8%	963,315	0.8%
Repairs and maintenance	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%	809,862	0.6%
Insurance	784,806	0.7%	662,315	0.5%	594,661	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%	633,985	0.5%
Utilities	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%	1,766,539	1.4%
Depreciation	10,116,853	8.7%	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%	3,950,810	3.1%
Student aid	13,518,512	11.6%	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%	36,245,389	28.3%
Student debt writeoff	359,037	0.3%	294,380	0.2%	358,994	0.3%	94,670	0.1%	180,618	0.2%	427,313	0.4%	182,360	0.2%	735,187	0.6%	361,354	0.3%	296,314	0.2%
Total operating expenses	115,114,479	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%	126,797,315	99.0%
Interest expense & debt issuance costs <sup>(1)</sup>	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%	1,556,932	1.3%	1,449,331	1.2%	1,518,828	1.3%	1,263,110	1.0%	1,264,089	1.0%
(Gain)/Loss on disposal of assets	-	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%	43,980	0.0%
Total non-operating expenses	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%	1,308,069	1.0%
Total Expenses	\$116,891,545	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%	\$128,105,384	100.0%

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

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Equalized Value and Tax Levy Distribution by Municipality  
Fiscal Year 2020**

<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	\$ 226,661,500	0.492046 %	\$ 180,904
	Paris	248,068,200	0.538517	197,989
	Randall	550,770,200	1.195635	439,583
	Somers	92,155,600	0.200055	73,552
	Wheatland	365,920,800	0.794356	292,050
	Village of:			
	Bristol	642,025,600	1.393736	512,416
	Genoa City	331,100	0.000719	264
	Paddock Lake	256,139,100	0.556037	204,431
	Pleasant Prairie	3,122,024,000	6.777420	2,491,762
	Salem Lakes	1,481,431,700	3.215954	1,182,366
	Somers	789,062,700	1.712930	629,770
	Twin Lakes	871,802,200	1.892545	695,806
City of Kenosha	6,489,002,300	14.086598	5,179,028	
Racine	Town of:			
	Burlington	775,177,000	1.682787	618,687
	Dover	394,436,600	0.856259	314,809
	Norway	391,204,244	0.849243	312,229
	Raymond	530,151,900	1.150876	423,127
	Waterford	814,949,000	1.769125	650,430
	Yorkville	558,456,900	1.212322	445,718
	Village of:			
	Caledonia	2,283,495,900	4.957108	1,822,513
	Elmwood Park	43,371,300	0.094152	34,616
	Mount Pleasant	2,992,654,600	6.496580	2,388,509
	North Bay	39,040,600	0.084751	31,159
	Rochester	393,528,300	0.854288	314,084
	Sturtevant	582,273,400	1.264023	464,726
	Union Grove	333,715,400	0.724443	266,346
	Waterford	483,851,100	1.050364	386,173
	Wind Point	260,361,500	0.565204	207,801
City of:				
Burlington	961,753,500	2.087815	767,598	
Racine	3,644,021,100	7.910593	2,908,380	

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Equalized Value and Tax Levy Distribution by Municipality (continued)  
Fiscal Year 2020**

<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	\$ 117,101,700	0.254209 %	\$ 93,462
	Darien	220,733,400	0.479177	176,173
	Delavan	1,044,875,700	2.268260	833,940
	East Troy	818,517,600	1.776872	653,278
	Geneva	944,144,700	2.049589	753,544
	La Fayette	297,708,300	0.646278	237,608
	La Grange	814,699,200	1.768583	650,231
	Linn	1,921,283,700	4.170803	1,533,422
	Lyons	475,041,900	1.031241	379,142
	Richmond	263,480,100	0.571974	210,290
	Sharon	86,993,600	0.188849	69,432
	Spring Prairie	277,133,700	0.601613	221,187
	Sugar Creek	418,590,400	0.908694	334,087
	Troy	289,584,100	0.628641	231,124
	Walworth	250,637,600	0.544095	200,040
	Whitewater	331,324,600	0.719253	264,438
	Village of:			
	Bloomfield	398,128,400	0.864274	317,756
	Darien	104,895,600	0.227712	83,720
	East Troy	357,704,800	0.776521	285,493
	Fontana	1,187,297,800	2.577436	947,611
	Genoa City	211,852,700	0.459899	169,085
	Mukwonago	23,819,300	0.051708	19,011
	Sharon	80,572,400	0.174910	64,307
	Walworth	238,918,400	0.518654	190,686
	Williams Bay	815,527,700	1.770382	650,892
	City of:			
	Burlington	295,500	0.000641	236
	Delavan	633,434,900	1.375087	505,560
	Elkhorn	807,934,300	1.753898	644,832
	Lake Geneva	1,466,374,700	3.183268	1,170,349
	Whitewater	548,635,000	1.191000	437,879
	Totals	<u>\$ 46,065,079,144</u>	<u>100 %</u>	<u>\$ 36,765,641</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 <u>June 30,</u>	Taxes Levied for <u>the Fiscal Year</u>	Collected within the		Collections in Subsequent <u>Year</u>	<u>Total Collections to Date</u>	
		<u>Fiscal Year of the Levy</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2011	58,338,000	41,513,682	71.16	17,024,318	58,338,000	100.00
2012	58,895,000	41,764,575	70.91	17,130,425	58,895,000	100.00
2013	59,436,000	42,469,295	71.45	16,966,705	59,436,000	100.00
2014	60,043,000	43,169,400	71.90	16,873,600	60,043,000	100.00
2015	28,778,925	20,751,423	72.11	8,027,502	28,778,925	100.00
2016	30,224,031	21,823,887	72.21	8,400,144	30,224,031	100.00
2017	31,603,276	23,184,470	73.36	8,418,806	31,603,276	100.00
2018	33,214,919	24,913,647	75.01	8,301,272	33,214,919	100.00
2019	34,780,642	25,613,018	73.64	9,167,624	34,780,642	100.00
2020	36,765,641	26,610,748	72.38	-	26,610,748	72.38

**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  
2019 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	\$ 6,489,002,300	\$ 5,179,028	14.09 %
City of Racine	Racine	3,644,021,100	2,908,380	7.91
Village of Pleasant Prairie	Kenosha	3,122,024,000	2,491,762	6.78
Village of Mount Pleasant	Racine	2,992,654,600	2,388,509	6.50
Village of Caledonia	Racine	2,283,495,900	1,822,513	4.96
Town of Linn	Walworth	1,921,283,700	1,533,422	4.17
Village of Salem Lakes	Kenosha	1,481,431,700	1,182,366	3.22
City of Lake Geneva	Walworth	1,466,374,700	1,170,349	3.18
Village of Fontana	Walworth	1,187,297,800	947,611	2.58
Town of Delavan	Walworth	<u>1,044,875,000</u>	<u>833,940</u>	<u>2.27</u>
Total Principal Taxing Districts		<u>\$ 25,632,460,800</u>	<u>\$ 20,457,880</u>	<u>55.64 %</u>
County:				
Racine		\$ 15,482,442,344	\$ 12,356,907	33.61 %
Kenosha		15,135,395,000	12,079,921	32.86
Walworth		<u>15,447,241,800</u>	<u>12,328,813</u>	<u>33.53</u>
		<u>\$ 46,065,079,144</u>	<u>\$ 36,765,641</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, 2020			Year Ended June 30, 2011		
			2019 Equalized Valuation	Rank	Percent of District Equalized Valuation	2010 Equalized Valuation	Rank	Percent of District Equalized Valuation
Racine (1)	S.C. Johnson & Son, Inc.	Manufacturing	\$ 91,499,300	1	0.20 %	\$ 120,973,403	1	0.28 %
	Centerpoint Properties Trust(2)	Commercial	86,879,300	2	0.19	39,722,738	4	0.09
	FEWI Development Corporation	Commercial	56,053,600	3	0.12	-	-	-
	All Saints Health Care	Healthcare	35,152,900	4	0.08	-	-	-
	United, Natural Foods	Food Distributor	32,971,200	5	0.07	38,810,375	5	0.09
	Seda North America Inc.	Packaging Manufacturer	32,246,800	6	0.07	-	-	-
	Emerson Electric Corporation	Commercial	31,793,300	7	0.07	-	-	-
	Case Equipment Corporation	Commercial	29,875,000	8	0.06	-	-	-
	Village Center Station LLC	Commercial	24,053,000	9	0.05	-	-	-
	SNH Medical Office Properties Trust	Commercial	23,447,800	10	0.05	-	-	-
	Racine Joint Venture (Regency Mall)	Retail	-	-	-	110,412,222	2	0.25
	Continental 81 Fund LLC	Retail-Wal-Mart Stores	-	-	-	54,762,046	3	0.12
	Aurora Medical Center	Health Care Services	-	-	-	31,891,744	6	0.07
	CNH Global(3)	Manufacturing	-	-	-	31,318,270	7	0.07
	Inland Southeast Mount Pleasant	Village Center Strip Mall	-	-	-	21,479,040	8	0.05
	Bombardier Motor Corp	Manufacturing	-	-	-	20,110,341	9	0.05
	High Ridge Improvements	DLC Management Corp	-	-	-	18,205,078	10	0.04
<b>Racine County Total</b>			<b>\$ 443,972,200</b>		<b>0.96 %</b>	<b>\$ 487,685,257</b>		<b>1.11 %</b>
(1) 2018 equalized value information is not available from Racine County. Racine County data is 2017 assessed value. (2) Formerly American National Insurance. (3) Formerly J.I. Case Corporation.								
Kenosha (1)	Pleasant Prairie Premium Outlets LLC	Shopping Mall	\$ 220,000,200	1	0.48 %	\$ 63,021,409	3	0.14 %
	Uline, Inc. (Route 165 LLC)	Commercial	203,978,300	2	0.44	86,792,888	1	-
	KTR/Amazon	Retail Distribution	134,801,700	3	0.29	-	-	-
	Route 142 LLC/Uline	Shipping Supply Distribution	83,410,200	4	0.18	-	-	-
	OhioCBCO (Meijer Distribution, Inc.)	Retail	75,780,000	5	0.16	32,317,758	8	0.07
	CV II Lakeview LLC	Commercial	58,377,300	6	0.13	43,308,238	6	0.10
	Associated Wholesale Grocers	Food Products Supplier	56,739,900	7	0.12	-	-	-
	Chicagoland DC 2008 LLC	Food Products Supplier	49,381,200	8	0.11	47,961,314	5	0.11
	Exeter 9800 72nd LLC	Commercial	46,943,200	9	0.10	-	-	-
	First Park 94 LLC	Commercial	45,411,600	10	0.10	-	-	-
	Centerpoint Properties Trust(2)	Commercial	-	-	-	68,514,974	2	0.16
	Affiliated Foods Midwest Coop.	Manufacturing	-	-	-	56,490,240	4	0.13
	Southport Plaza Ltd. Partners	Commercial	-	-	-	41,413,101	7	0.09
	Edward Rose Assoc. Apartments	Property Management	-	-	-	28,507,164	9	0.07
GB-MA Pleasant Prairie, LLC	Commercial	-	-	-	26,721,573	10	0.06	
<b>Kenosha County Total</b>			<b>\$ 974,823,600</b>		<b>2.12 %</b>	<b>\$ 495,048,659</b>		<b>1.13 %</b>
(1) Equalized value information is not available from Kenosha County. Kenosha County data is assessed value. (2) Formerly American National Insurance.								
Walworth	DLK Enterprises, Inc.	Farm/Real Estate	\$ 37,314,600	1	0.08 %	\$ 23,784,641	3	0.05 %
	Grand Geneva, LLC	Resort	33,455,700	2	0.07	28,859,647	1	0.07
	Art Mortgage Borrower Propco	Mortgage	32,112,300	3	0.07	-	-	-
	Kikkoman Foods, Inc.	Factory	20,876,100	4	0.05	23,148,669	4	0.05
	Honey Creek of East Troy, LLP	Real Estate	18,392,100	5	0.04	-	-	-
	Store SPE Mills Fleet II 2017-7, LLC	Retail	16,891,400	6	0.04	-	-	-
	Delavan Lake Lawn, LLC	Resort/Airport	15,603,400	7	0.03	-	-	-
	Individual	Residential	14,526,700	8	0.03	-	-	-
	Sci-Rise II, LLC	Commercial	12,024,800	9	0.03	-	-	-
	Fertig Industries, Inc.	Manufacturing	11,425,000	10	0.02	-	-	-
	Delavan Resort	Resort	-	-	-	28,136,361	2	0.06
	Wal-Mart	Retail Store	-	-	-	14,467,124	5	0.06
	Wychwood - Wrigley Mngmt	Management Company	-	-	-	14,385,296	6	0.03
	Versacold-Cascade	Manufacturing	-	-	-	14,166,475	7	0.03
Laik Geneva Investors, LLC	Investor	-	-	-	13,845,157	8	0.03	
Paloma Geneva National, LLC	Resort	-	-	-	13,659,166	9	0.03	
Shodeen Property Co. LLC	Development company	-	-	-	13,475,137	10	0.03	
<b>Walworth County Total</b>			<b>\$ 212,622,100</b>		<b>0.46 %</b>	<b>\$ 187,927,673</b>		<b>0.43 %</b>
<b>Grand Total</b>			<b>\$ 1,631,417,900</b>		<b>3.54 %</b>	<b>\$ 1,170,661,589</b>		<b>2.67 %</b>
<b>Total District Equalized Valuation</b>			<b>\$ 46,065,079,144</b>			<b>\$ 43,837,848,897</b>		

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

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Property Tax Rates<sup>(1)</sup> - All Overlapping Governments  
(Per \$1,000 of General Property Full Values of Taxable Property)  
Calendar Year Taxes are Payable 2011-2020**

County	Year	Gateway District Direct Rates			School Districts		County Tax	Other Taxes <sup>(4)</sup>	Total		Net Total
		Operational <sup>(2)</sup>	Debt Service	Direct Rate	Elementary/Secondary	Local Tax <sup>(3)</sup>			Property Tax	State Tax Relief	
Racine	2011	1.22	0.17	1.39	9.45	6.58	3.48	1.19	22.09	(1.51)	20.58
	2012	1.24	0.19	1.43	9.80	6.85	3.53	1.23	22.84	(1.54)	21.30
	2013	1.34	0.22	1.56	10.70	7.65	3.78	1.45	25.14	(1.66)	23.48
	2014	1.39	0.24	1.63	10.80	8.09	3.99	1.44	25.95	(1.76)	24.19
	2015	0.51	0.26	0.77	10.07	7.73	3.75	1.14	23.46	(1.70)	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
Kenosha	2011	1.22	0.17	1.39	10.75	6.03	4.36	1.69	24.22	(1.65)	22.57
	2012	1.24	0.19	1.43	11.02	6.27	4.60	1.74	25.06	(1.73)	23.33
	2013	1.34	0.22	1.56	11.95	7.06	5.01	2.03	27.61	(1.90)	25.71
	2014	1.39	0.24	1.63	12.41	7.40	5.29	2.15	28.88	(1.98)	26.90
	2015	0.51	0.26	0.77	11.00	6.88	4.93	1.91	25.49	(1.84)	23.65
	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
Walworth	2011	1.22	0.17	1.39	8.77	2.89	4.21	1.16	18.42	(1.48)	16.94
	2012	1.24	0.19	1.43	8.81	3.01	4.27	0.88	18.40	(1.51)	16.89
	2013	1.34	0.22	1.56	9.59	3.26	4.56	1.00	19.97	(1.61)	18.36
	2014	1.39	0.24	1.63	9.88	3.45	4.72	0.84	20.52	(1.67)	18.85
	2015	0.51	0.26	0.77	9.69	3.47	4.60	0.84	19.37	(1.64)	17.73
	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

(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<sup>(1)</sup>  
Calendar Years 2010-2019  
(Figures in Thousands)**

Calendar Year	Residential	Commercial	Manufacturing	Agricultural	Swamp, Waste and Forest	Other	Personal Property	Total	District Equalized Valuation <sup>(2)</sup>	Total Direct Tax Rate
2010	34,525,308	7,203,211	1,063,863	97,068	149,929	648,459	778,346	44,466,184	41,935,823	1.39112
% of Total	77.6%	16.2%	2.4%	0.2%	0.3%	1.5%	1.8%			
2011	33,676,562	7,065,832	1,026,690	93,688	153,901	644,843	759,781	43,421,297	41,111,929	1.43255
% of Total	77.6%	16.3%	2.4%	0.2%	0.4%	1.5%	1.7%			
2012	30,890,678	6,943,049	1,027,116	91,285	161,365	622,065	758,543	40,494,101	38,180,224	1.55672
% of Total	76.3%	17.1%	2.5%	0.2%	0.4%	1.5%	1.9%			
2013	29,672,937	6,520,623	1,030,748	87,647	182,408	609,307	754,730	38,858,400	36,730,173	1.63471
% of Total	76.4%	16.8%	2.7%	0.2%	0.5%	1.6%	1.9%			
2014	30,046,068	6,779,526	1,018,061	85,920	172,041	599,234	784,369	39,485,219	37,360,067	0.77031
% of Total	76.1%	17.2%	2.6%	0.2%	0.4%	1.5%	2.0%			
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%			

Source: Wisconsin Department of Revenue

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

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

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Ratio of Net Debt to Equalized Value  
and Net Debt Per Capita  
Fiscal Years 2011-2020**

	Population <sup>(1)</sup>	Equalized Value- TID In <sup>(2)</sup>	General Obligation Notes and Bonds	Premiums on Notes and Bonds	Net Debt <sup>(3)</sup>		
					Amount	Ratio to Equalized Valuation	Per Capita
2011	464,342	43,959,558,929	36,135,000	481,265	36,616,265	0.08	78,856
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	0.11	97,576
2014	465,556	38,398,101,253	48,155,000	1,004,388	49,159,388	0.13	105,593
2015	465,446	39,011,536,747	53,170,000	1,229,874	54,399,874	0.14	116,877
2016	465,545	39,949,946,311	56,325,000	1,585,443	57,910,443	0.14	124,393
2017	465,792	41,244,887,120	61,110,000	1,662,384	62,772,384	0.15	134,765
2018	468,435	42,993,548,858	63,630,000	1,753,743	65,383,743	0.15	139,579
2019	470,620	45,272,714,289	65,690,000	2,080,972	67,770,972	0.15	144,004
2020	470,532	48,444,885,444	67,705,000	2,513,877	70,218,877	0.14	149,233

(1) Wisconsin Department of Administration, Demographic Services Center (2020 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<sup>(1)</sup>  
Last Ten Fiscal Years**

**Calculation of Legal Debt Margin for Fiscal Year 2020**

2020 Equalized Valuation - TID In	\$ 48,444,885,444
	x 5%
Total debt limit - 5% of total equalized valuation	<u>2,422,244,272</u>
Debt applicable to limit:	
Total gross indebtedness (includes general obligation notes and bonds)	\$ 67,705,000
Less Net Position Restricted for Debt Service (GAAP basis)	<u>(1,023,576)</u>
Total amount of debt applicable to debt limit	<u>66,681,424</u>
Legal debt margin	<u>\$ 2,355,562,848</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		
			2011	43,959,559	2,197,978	530		
2012	42,914,419	2,145,721	-	39,735	1,202	38,533	2,107,188	1.80
2013	40,025,114	2,001,256	-	44,580	625	43,955	1,957,301	2.20
2014	38,398,101	1,919,905	-	48,155	638	47,517	1,872,388	2.47
2015	39,011,537	1,950,577	-	53,170	701	52,469	1,898,108	2.69
2016	39,949,946	1,997,497	-	56,325	613	55,712	1,941,785	2.79
2017	41,244,887	2,062,244	-	61,110	852	60,258	2,001,986	2.92
2018	42,993,549	2,149,677	-	63,630	716	62,914	2,086,763	2.93
2019	45,272,714	2,263,636	-	65,690	948	64,742	2,198,894	2.86
2020	48,444,885	2,422,244	-	67,705	1,024	66,681	2,355,563	2.75

(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 <sup>(1)</sup>	Net Debt Outstanding	Applicable to Gateway Technical College District	
		Percentage <sup>(2)</sup>	Amount
<b>District:</b>			
Gateway Technical College District General			
Obligation Debt	\$ 67,705,000	100%	\$ 67,705,000
Debt Premium	<u>2,513,877</u>	100%	<u>2,513,877</u>
<b>Total Direct Debt</b>	<u>70,218,877</u>		<u>70,218,877</u>
<b>Towns:</b>			
Racine County <sup>(3)</sup>	1,358,323	Varies	531,380
Kenosha County	1,163,223	100%	1,163,223
Walworth County	<u>21,793,117</u>	100%	<u>21,793,117</u>
<b>Town Total</b>	<u>24,314,663</u>		<u>23,487,720</u>
<b>Villages:</b>			
Racine County	135,190,080	100%	135,190,080
Kenosha County	155,924,143	100%	155,924,143
Walworth County	<u>98,335,106</u>	100%	<u>98,335,106</u>
<b>Village Total</b>	<u>389,449,329</u>		<u>389,449,329</u>
<b>Cities:</b>			
Racine County	108,355,000	100%	108,355,000
Kenosha County	223,850,720	100%	223,850,720
Walworth County	<u>66,333,549</u>	100%	<u>66,333,549</u>
<b>City Total</b>	<u>398,539,269</u>		<u>398,539,269</u>
<b>Counties:</b>			
Racine County	164,710,000	96.44%	158,846,324
Kenosha County	130,635,000	100%	130,635,000
Walworth County	-	100%	-
<b>County Total</b>	<u>295,345,000</u>		<u>289,481,324</u>
<b>School Districts:</b>			
Racine County	207,264,724	96.44%	199,886,100
Kenosha County	194,975,710	100%	194,975,710
Walworth County	<u>173,255,209</u>	100%	<u>173,255,209</u>
<b>School District Total</b>	<u>575,495,643</u>		<u>568,117,019</u>
<b>Sanitary Districts Total</b>	<u>27,098,508</u>	100%	<u>27,098,508</u>
<b>Total Direct and Overlapping debt</b>	<u>\$ 1,780,461,289</u>		<u>\$ 1,766,392,045</u>

Source: Survey of each governmental unit-June 2020. (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 40.51% in the Gateway District.



**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Demographic Statistics for Kenosha, Racine, and Walworth Counties  
Historical Comparisons  
2011-2020**

<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>
2011	464,342	203,365	17,076,214	36,340	8.8%	86,767
2012	464,739	203,752	18,156,777	38,698	8.7%	86,827
2013	464,688	204,062	18,495,164	39,711	7.2%	85,490
2014	465,556	204,729	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	209,495	(6)	(6)	3.8%	80,882
2020	470,532	(6)	(6)	(6)	(6)	79,099

- (1) Wisconsin Department of Administration, Demographic Services Center (2019 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, 2020			Year Ended June 30, 2011		
			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	2,418	3	0.52
	CNH Global <sup>(1)</sup>	Manufacturing	1,700	4	0.36	4,510	1	0.98
	The District <sup>(2)</sup>	Vocational Education	1,001	5	0.21	-	-	0.00
	In-Sink-Erator Division	Manufacturing	920	6	0.20	1,000	9	0.22
	Racine County	Government	880	7	-	836	10	0.18
	Cree, Inc.	Manufacturing	850	8	0.18	-	-	-
	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	1,037	7	-
	Regency Mall	Retail	-	-	-	1000+	8	N/A
		<b>Racine County Subtotal</b>		<b>13,824</b>		<b>2.94</b>		<b>3.76</b>
Kenosha	KTR/Amazon	Commercial	3,750	1	0.80 %	-	-	- %
	Uline, Inc. (Route 165 LLC)	Commercial	3,000	2	0.64	-	-	-
	Kenosha Unified School District No. 1	Education	3,000	3	0.64	2,624	2	0.57
	Froedtert South, Inc. (fka UHS, Inc.)	Health Care Services	2,400	4	0.51	-	-	N/A
	Advocate-Aurora Health Care	Health Care Services	1,500	5	0.32	500-999	7	N/A
	Kenosha County	Government	1,326	6	0.28	1,020	4	0.22
	City of Kenosha	Government	730	7	0.16	750	8	0.16
	Snap-On Tools Corporation	Manufacturing	650	8	0.14	5,050	1	1.10
	University of Wisconsin-Parkside	Education	600	9	0.13	600	9	0.13
	Good Food Groups	Food Processing	500	10	0.11	-	-	-
	Daimler-Chrysler Corp.	Manufacturing	-	-	-	1,800	3	0.39
	Kenosha Memorial Hospital	Health care services	-	-	-	900+	5	0.00
	Midway Manor Corp	Extended Care Facility	-	-	-	900	6	0.00
	Kenosha Beef	Meat Processing	-	-	-	350	10	0.08
	<b>Kenosha County Subtotal</b>		<b>17,456</b>		<b>3.71</b>		<b>3.00</b>	<b>%</b>
Walworth	University of Wisconsin-Whitewater	Education	1,435	1	0.30 %	1000+	1	N/A %
	Walworth County	Government	1,027	2	0.22	500-999	2	N/A
	Sta-Rite Industries, Inc.	Manufacturing	950	3	0.20	-	-	-
	Pentair, Inc.	Water/Fluid Power Pumps	900	4	0.19	500-999	4	N/A
	Aurora Burlington Clinic/Memorial Hospital	Medical Clinic/Hospital	882	5	0.19	500-999	6	N/A
	Birds Eye Foods LLC	Manufacturer - Fruits & Vegetables	700	6	0.15	250-499	10	-
	Generac Power Systems, Inc.	Manufacturer of Generators	600	7	0.13	-	-	-
	Mercy Walworth Hospital & Medical Center	Health Care Services	600	8	0.13	-	-	-
	Nestle Confection and Snacks	Food Products	550	9	0.12	-	-	-
	Abbey Resort	Resort	490	10	0.10	-	-	-
	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	
Whitewater Unified School District	Education	-	-	-	250-499	10	N/A	
	<b>Walworth County Subtotal<sup>(1)</sup></b>		<b>8,134</b>		<b>1.73</b>		<b>1.36</b>	<b>%</b>
	<b>Total</b>		<b>39,414</b>		<b>8.37</b>		<b>8.11</b>	<b>%</b>

(1) Based on median of ranges.

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Employment Trends by Equal Employment Opportunity Categories  
Historical Comparisons  
2010-2019**

<u>Category</u>	<u>2010</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</u>
Administrative/Managerial:	55	60	71	79	82	80	80	80	86	71
Female percent	62	65	68	48	45	65	65	64	63	55
Minority percent	7	8	11	16	17	23	19	21	17	24
Faculty:	266	268	265	252	253	249	245	238	241	253
Female percent	59	58	59	49	48	59	58	58	58	58
Minority percent	10	11	12	12	12	15	16	16	13	17
Professional/Noninstructional:	33	32	35	33	30	29	31	32	27	108
Female percent	76	78	80	64	53	72	71	72	70	74
Minority percent	24	22	31	30	30	45	39	41	37	34
Secretarial/Clerical:	108	98	91	89	81	75	72	75	72	91
Female percent	99	97	93	80	77	95	94	93	94	92
Minority percent	23	22	20	28	23	28	29	28	28	29
Technical/Paraprofessional:	105	103	120	122	148	136	132	129	139	57
Female percent	59	55	57	42	56	45	59	57	58	35
Minority percent	25	22	22	20	27	31	33	33	30	24
Service/Maintenance:	39	38	40	40	40	39	35	39	39	44
Female percent	10	11	18	10	10	10	11	10	13	14
Minority percent	33	32	35	33	30	36	37	41	33	32
Total:	606	599	622	615	634	608	595	593	604	625
Female percent	64	63	63	50	48	58	62	62	62	60
Minority percent	17	17	17	16	18	24	24	24	24	24

**GATEWAY TECHNICAL COLLEGE DISTRICT**

**Enrollment Statistics  
Historical Comparisons  
Last Ten Fiscal Years**

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

Fiscal Year Ended June 30	Aidable				Non-Aidable		Unduplicated Total
	Associate Degree	Technical Diploma	Vocational Adult	Non-Post- Secondary (ABE)	Community Service Program		
2011	11,256	4,559	7,050	6,481	-		23,756
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

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

Fiscal Year Ended June 30	Aidable				Non-Aidable		Total
	Associate Degree	Technical Diploma	Vocational Adult	Non-Post- Secondary (ABE)	Community Service Program		
2011	5,157	437	128	660	-		6,382
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

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<sup>(1)</sup></u>				<u>Non-Aidable<sup>(2)</sup></u>	
	Resident		Out-of-State		Avocational Programs	Percent Change
	Program Fees	Percent Change	Program Fees <sup>(3)</sup>	Percent Change		
2011	106.00	4.5	53.00	(65.2)	143.00	4.4
2012	111.85	5.5	55.95	5.6	150.15	5.0
2013	116.90	4.5	58.45	4.5	150.15	-
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

#### 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<sup>(1)</sup>  
Historical Comparisons  
Last Ten Fiscal Years**

Year	Number of Graduates	Number of Respondents	Total Number in Labor Force	Percent Employed	Percent Employed in Related Occupation	Percent Employed in District	Average Hourly Salary <sup>(2)</sup>	Percent Satisfied with Training
2010	1,986	1,518	1,199	87	58	76	16.43	97
2011	2,308	1,808	1,449	85	55	74	16.84	96
2012	2,271	1,887	1,475	86	58	75	16.69	97
2013	2,174	1,779	1,308	85	59	75	17.46	97
2014	2,167	1,758	1,199	87	64	68	17.39	98
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

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	2020	2019	2018	2017	2016	2015	2014	2013	2011	2010
Racine	Racine Campus										
	Lincoln Building <sup>(1)</sup>	10,080	10,080	10,880	10,880	10,880	10,880	10,880	10,880	10,880	10,880
	Lake Building	81,127	81,127	81,127	81,127	81,127	81,127	81,127	81,127	81,127	79,172
	Tech Building	87,605	87,605	87,605	87,605	87,605	87,605	87,605	87,605	87,605	85,589
	Racine Building	68,786	68,786	68,786	68,786	68,786	68,786	68,786	68,786	68,786	68,786
	Connecting Passages	3,270	3,270	3,270	3,270	3,270	3,270	3,270	3,270	3,270	3,270
	Racine Campus Sub-Total	250,868	250,868	251,668	251,668	251,668	251,668	251,668	251,668	249,713	247,697
	IMET (formerly CATI)	89,149	53,370	53,370	53,370	53,370	53,370	53,370	53,370	37,370	37,370
	The Cut-Barber/Cos (Lease)	2,400	2,400	2,400	-	-	-	-	-	-	-
	Burn Building-Town of Dover (Land lease)	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440
Racine County Subtotal	343,857	308,078	308,878	306,478	306,478	306,478	306,478	306,478	306,478	288,523	
Kenosha	Kenosha Campus										
	Administration Building	17,772	17,772	17,772	17,772	17,772	17,772	17,772	17,772	17,772	17,772
	Conference Building	29,954	29,954	29,954	29,954	29,954	29,954	29,954	29,954	29,954	29,954
	Inspire Center <sup>(2)</sup>	28,352	28,352	28,352	28,352	28,352	28,352	28,352	28,352	28,352	28,352
	Child Care (ECP)	18,085	18,085	18,085	18,085	18,085	18,085	18,085	18,085	18,085	18,085
	Academic Building	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000
	Horticultural Buildings <sup>(3)</sup>	15,648	15,648	15,648	15,648	15,648	15,648	15,648	15,648	14,233	6,502
	Science Building	45,187	45,187	45,187	45,187	45,187	45,187	45,187	45,187	41,302	41,302
	Student Commons	17,130	17,130	17,130	17,130	17,130	17,130	17,130	17,130	17,130	17,130
	Storage Buildings	4,550	4,550	4,550	4,550	4,550	4,550	4,550	4,550	4,550	4,550
	Protective Services	13,160	13,160	13,500	-	-	-	-	-	-	-
	Technical Building	62,640	62,640	62,880	62,880	62,880	62,880	49,480	49,480	49,480	49,480
	Kenosha Campus Subtotal	344,478	344,478	345,058	331,558	331,558	331,558	318,158	310,273	308,858	308,858
	Leased Facilities:										
Center for Sustainable Living	1,844	1,844	1,844	1,844	1,844	1,844	1,844	1,844	1,844	1,844	
Horizon Center (Aviation - Land Lease)	38,755	38,755	38,755	38,755	38,755	38,755	38,755	38,755	38,755	38,755	
Horizon Center Storage Bldg	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	
Lakeview Technology Center	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	
Kenosha County Job Center	462	462	462	462	1,026	1,026	1,026	1,026	1,162	1,162	
Gateway Medical Park - East	-	-	-	-	4,724	4,724	4,724	4,724	-	-	
Launch Box "1 Stop Center"	-	-	-	-	-	-	2,668	-	-	-	
SIMI House	1,237	1,237	1,237	1,237	1,237	1,237	1,237	-	-	-	
Kenosha County Subtotal	402,576	402,576	403,156	389,656	390,220	390,220	384,212	372,422	366,419	366,419	
Walworth	Elkhorn Campus										
	Alternative High School	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600	
	South Building	44,372	44,372	44,372	44,372	44,372	40,772	39,072	39,072	39,072	
	North Building	49,341	49,341	49,341	49,341	49,341	49,341	49,341	49,341	49,341	
	Veterinary Science (prv Job Center)	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	
	Elkhorn Campus Subtotal	109,454	109,454	109,454	109,454	109,454	105,854	104,154	104,154	104,154	
Burlington Campus (Leased)											
380 Building	22,394	22,394	19,694	19,694	19,694	22,255	19,694	19,694	19,694		
496 Building	28,892	28,892	33,512	33,512	33,512	33,512	33,512	33,512	33,512		
Walworth County Subtotal	160,740	160,740	162,660	162,660	162,660	161,621	157,360	157,360	157,360		
Total District Square Footage	907,173	871,394	874,694	858,794	859,358	852,311	830,257	836,260	812,302	793,611	

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**  
**2020 FISCAL YEAR - INSURANCE SUMMARY (UNAUDITED)**

Type of Coverage	Insurance Company	Policy Period	Details of Coverage *	Limits of Coverage	Annual Premium
<b>Property Coverage</b>	<b>DMI</b>	<b>7/1/19 - 6/30/20</b>	Covers all real and personal property, all risk; \$25,000 Deductible		<b>\$ 100,515</b>
			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	
<b>Equipment Breakdown</b>	<b>DMI</b>	<b>7/1/19 - 6/30/20</b>	Comprehensive coverage; \$25,000 deductible	\$ 100,000,000	<b>\$ 7,114</b>
			Property Damage	Included	
			Business Income	Included	
			Civil Authority	Included	
			Extra Expense	Included	
			Off-Premises Equipment Breakdown	\$ 25,000	
			Service Interruption	\$ 1,000,000	
			Cotinent 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	
<b>Workers' Compensation</b>	<b>DMI</b>	<b>7/1/19 - 6/30/20</b>	<b>Workers' Compensation - Wisconsin Benefits</b>	<b>Statutory</b>	<b>\$ 378,381</b>
		<b>Employer's Liability</b>	- Bodily injury by accident, each accident	\$ 100,000	
			- Bodily injury by disease, policy limit	\$ 500,000	
			- Bodily injury by disease, each employee	\$ 100,000	
<b>WI Work Study Workers' Compensation</b>	<b>DMI</b>	<b>7/1/19 - 6/30/20</b>	- Bodily injury by accident, each accident	\$ 100,000	<b>\$ 1,000</b>
Students in Practicum			- Bodily injury by disease, policy limit	\$ 500,000	
			- Bodily injury by disease, each employee	\$ 100,000	
<b>General Liability</b>	<b>DMI</b>	<b>7/1/19 - 6/30/20</b>	Each occurrence limit	\$ 5,000,000	<b>\$ 85,127</b>
(Includes Professional, Automobile, Educators Legal Liability, Medical Professional (Counselors) Liability			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**  
**2020 FISCAL YEAR - INSURANCE SUMMARY (UNAUDITED)**

Type of Coverage	Insurance Company	Policy Period	Details of Coverage *	Limits of Coverage	Annual Premium			
Active Threat/Shooter	DMI	7/1/19 - 6/30/20	Liability & Claim Expense		\$ 6,068			
			- 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	7/1/19 - 6/30/20	Policy Deductible	\$ 20,000	\$ 2,988
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	7/1/19 - 6/30/20				Policy Aggregate Limit of Liability	\$ 3,000,000	\$ 27,618
						Coverage for Privacy Breach and Response Services	\$ 500,000	
						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: \$ 608,811**

\* Details of Coverage Section - Not all Inclusive. For a full review of all coverages available the Policy must be specifically referenced.

**INSURANCE COVERAGES PURCHASED THROUGH WISCONSIN TECHNICAL COLLEGE INSURANCE TRUST**

International Travel Liability**	Chubb Insurance Company	7/1/19 - 6/30/20	Foreign general liability - Each occurrence	\$ 1,000,000	\$ 4,732
			General Aggregate	\$ 5,000,000	
			Personal and Advertising Injury - Aggregate	\$ 1,000,000	
			Products - Completed Operations - Aggregate	\$ 2,000,000	
			Premises Damage Limit - Each Occurrence	\$ 1,000,000	
			Medical Expense Limit - Any one person	\$ 50,000	
			Contingent Auto Liability - Combined Single Limit		
			- Each Accident	\$ 1,000,000	
			Foreign Hired Auto Physical Damage		
			- Any One Accident	\$ 50,000	
			-- Any One Policy Period	\$ 50,000	
			Foreign Employee Benefits Liability (\$1,000 Deductible)		
			- Each Claim	\$ 1,000,000	
			- Aggregate	\$ 1,000,000	
			Foreign Voluntary Workers' Compensation		
			- State of Hire Benefits	Statutory	
			- North American	State of Hire Benefits	
			- Third Country Nationals	County of Origin	
			- Local Nationals	Country of Origin	
			Foreign Employers Liability		
- Bodily injury by accident, each accident	\$ 1,000,000				
- Bodily injury by disease (incl. endemic disease), each employee	\$ 1,000,000				
- Bodily injury by disease, (incl. endemic disease), policy limit	\$ 1,000,000				
Executive Assistance (per covered person)	\$ 1,000,000				
Kidnap and Extortion (per cause of loss)	\$ 250,000				
Crime/Employee Dishonesty	AIG	7/1/19 - 6/30/20	Employee Theft	\$ 750,000	\$ 5,382
			Forgery or Alteration	\$ 750,000	
			ERISA Fidelity	\$ 750,000	
			On-Premises / In-Transit	\$ 750,000	
			Computer Fraud	\$ 750,000	
			Funds Transfer Fraud	\$ 750,000	
			Personal Accounts Forgery or Alteration	\$ 750,000	
			Credit and Forgery	\$ 750,000	
			Impersonation Fraud	\$ 100,000	
			Identify Fraud Expense Reimbursement	\$ 25,000	
			Claim Expense	\$ 25,000	
			Employee Dishonesty	\$ 25,000	
			Deductible is Specified by Endorsement for Each College Location	\$ 15,000	

**GATEWAY TECHNICAL COLLEGE DISTRICT**  
2020 FISCAL YEAR - INSURANCE SUMMARY (UNAUDITED)

Type of Coverage	Insurance Company	Policy Period	Details of Coverage *	Limits of Coverage	Annual Premium
Business Travel Accident (for Local Boards of Director Members)	CIGNA	7/1/19 - 6/30/20	Aggregate	\$ 1,000,000	\$ 253
			Benefits for Scheduled Losses	\$ 100,000	
			- Other Covered Losses as Scheduled		

\*\*\*This coverage is provided on a request basis.

**TOTAL ANNUAL INSURANCE PREMIUMS PAID TO WISCONSIN TECHNICAL COLLEGE INSURANCE TRUST: \$ 10,367**

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

Multimedia Liability *** WGTD 91.1 FM (Year 3 of 3 year policy)	Arthur J. Gallagher Executive Risk Indemnity Policy No. 8177-2134	7/1/19 - 6/30/20	Errors and Omissions		\$ 4,550
			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	7/1/19 - 6/30/20	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 DVM/Instructor; Coverage extended to 07/31/20 due to new director hire)	Arthur J. Gallagher	4/5/19 - 7/31/20	Each occurrence limit	\$ 1,000,000	\$ 2,720
			Aggregate	\$ 3,000,000	
			Deductible each claim:	\$ 1,000	

\*\*\* Premiums for these coverages were paid in FY 2018-19 for the period of 04/05/19 - 06/30/20; Addtl Premium paid in FY 2019-20 of \$169.99 for ext of coverage to 07/31/2020

**TOTAL ANNUAL INSURANCE PREMIUMS PAID TO ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES INC.: \$ 7,800**

**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 001037 19	7/1/19 - 6/30/20	Liability Coverage		\$ 35,597
		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 385,000	
		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: \$ 35,597**

**TOTAL ANNUAL PREMIUMS: \$ 662,575**



CAMPUS/CENTER LOCATIONS

# 2020-2021 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	Program	Length of Program (full time)
	■	■			■					■	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
■								■		Civil Engineering Technology – Fresh Water Resources (10-607-9)	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
									■	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
										Technical Studies – Journeyworker (10-499-5)	
									■	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
									■	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
										Supply Chain Management (10-182-1)	2 Years
										+ Surgical Technology (10-512-1)	2 Years
										Veterinary Technician (10-091-1)	2 Years

■ Most program courses taught at this location – some travel may be required to other locations. Locations may differ for full-time and part-time.  
General Studies courses are offered on all campuses.  
+ Special Conditions; Contact Student Services  
\* Shared program



CAMPUS/CENTER LOCATIONS

<b>TECHNICAL DIPLOMAS</b>	Elkhorn Campus	Burlington Center	HERO Center	Kenosha Campus	Horizon Center	Lakeview Center	Racine Campus	SC Johnson iMET Center	Online
	■		■	■	■		■		■
	■	■		■					
	■			■			■		■
	■			■				■	
	■			■				■	
	■			■				■	
	■			■				■	
	■			■				■	
	■			■				■	
	■			■				■	
	■			■				■	
	■			■				■	
	■			■				■	
	■			■				■	
	■			■				■	
	■			■				■	
	■			■				■	
	■			■				■	

# 2020-2021 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
Emergency Medical Technician (30-531-3) . . . . .	20 Weeks
EMT-Paramedic (31-531-1) . . . . .	1 Year
Electromechanical Maintenance Technician (31-620-3) . . . . .	1 Year
Electronics Technician Fundamentals (30-605-1) . . . . .	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 (30-543-1) . . . . .	6 Weeks
Office Assistant (31-106-1) . . . . .	1 Year
* Ophthalmic Medical Assistant (31-516-4) . . . . .	15 Weeks
(Shared Program with Lakeshore Technical College)	
+ Pharmacy Technician (31-536-1) . . . . .	1 Year
Refrigeration, Air Conditioning and Heating Service Technician (31-401-1) . . . . .	1 Year
Small Business Entrepreneurship (31-145-1) . . . . .	1 Year
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
			■					

# 2020-2021 Gateway Technical College Advanced Technical Certificates

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

Urban Farming (10-810-20)

■ Most program courses taught at this location – some travel may be required to other locations. Locations may differ for full-time and part-time.  
 General Studies courses are offered on all campuses.  
 + Special Conditions; Contact Student Services  
 \* Shared program



**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

**WGTD HD**

Your Gateway to Public Radio [wgtd.org](http://wgtd.org)  
262.564.3800

---

**262.741.8492 TTY**

**866.971.7688 VP**