

Annual Comprehensive Financial Report

(with Independent Auditors' Report)

2023

For the Fiscal Years Ended
June 30, 2023 and 2022



Serving Southeastern WI

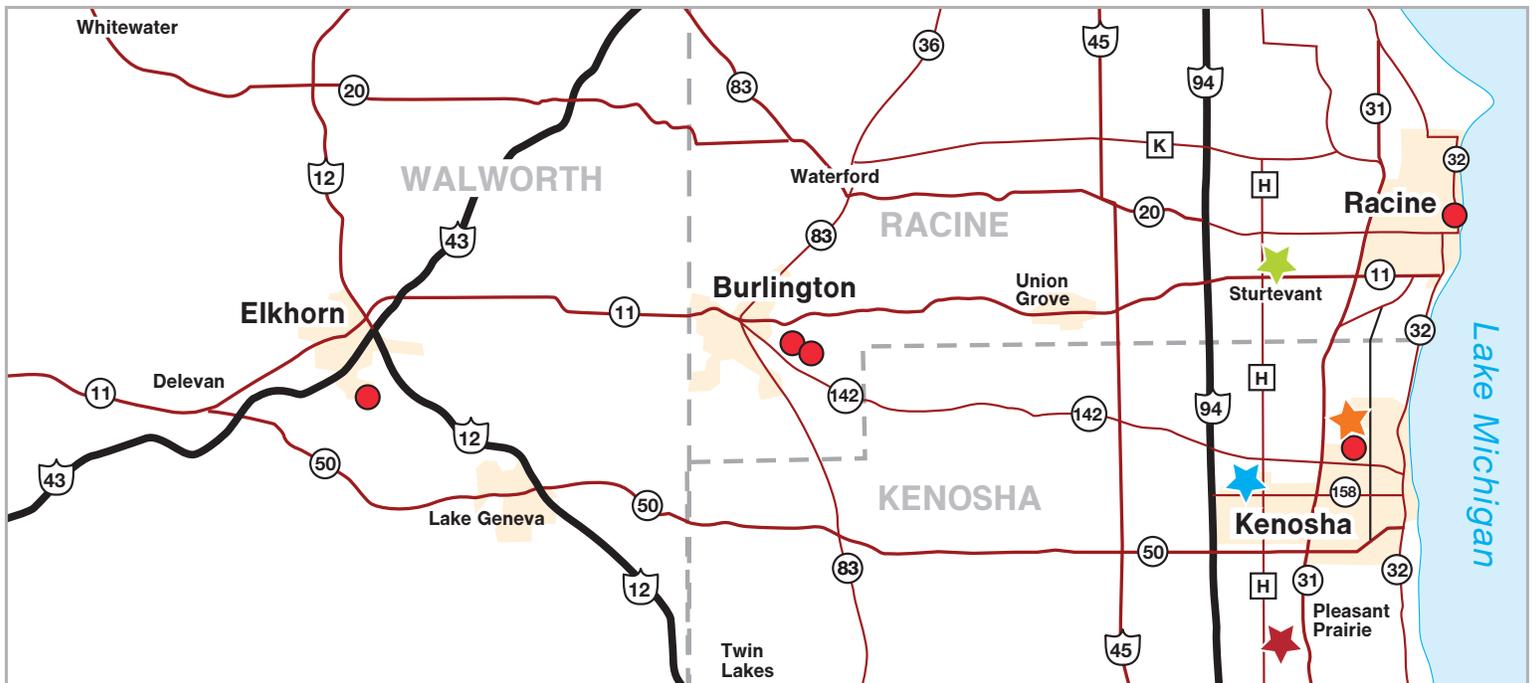
To provide equal employment, advancement, and learning opportunities to all individuals, employment and student admission decisions at Gateway will be based on merit, qualifications, and abilities. Gateway will not discriminate against any employee, applicant for employment, student or applicant for admission on the basis of race, color, national origin, ancestry, sex, sexual orientation, creed, religion, political affiliation, marital status, parental status, pregnancy, disability, age, membership in any reserve component of the armed forces, union affiliation, or any other protected category under applicable local, state or federal law, including protections for those opposing discrimination or participating in any resolution process on campus or within the Equal Employment Opportunity Commission or other human rights agencies. As a recipient of federal financial assistance for education activities, Gateway is required by Title IX of the Education Amendments of 1972 to ensure that all of its education programs and activities do not discriminate on the basis of sex/gender. Sex includes sex, sex stereotypes, gender identity, gender expression, sexual orientation, and pregnancy or parenting status. Gateway also prohibits retaliation against any person opposing discrimination or participating in any discrimination investigation or complaint process internal or external to the institution. Sexual harassment, sexual assault, dating and domestic violence, and stalking are forms of sex discrimination, which are prohibited under Title IX and by Gateway policy. Any member of the campus community, guest, or visitor who acts to deny, deprive, or limit the educational, employment, residential, or social access, opportunities and/or benefits of any member of the Gateway community on the basis of sex or any other protected class listed above is in violation of Gateway's policy on Equal Opportunity, Civil Rights, and Sexual Harassment. Any person may report sex discrimination (whether or not the person reporting is the person alleged to have experienced the conduct), in person, by mail, by telephone, by video, or by email, using the contact information listed for the Title IX Coordinator (below). A report may be made at any time (including during non-business hours) by filing a report at gtc.edu/safety or sending an email.

Josh Vollendorf, MSE, PHR
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1001 S. Main St, Racine, WI 53403
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Gateway Technical College

Gateway Technical College





GATEWAY TECHNICAL COLLEGE DISTRICT

Racine/Kenosha/Elkhorn, Wisconsin

Annual Comprehensive Financial Report
For the Fiscal Years Ended June 30, 2023 and 2022
(With Independent Auditors' Report)

Official Issuing Report:

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Institutional Effectiveness staff

GATEWAY TECHNICAL COLLEGE DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Years Ended June 30, 2023 and 2022

TABLE OF CONTENTS

INTRODUCTORY SECTION

	<u>Page</u>
Letter of Transmittal	1
District Board and Principal Officials	11
Organizational Chart	13
Certificate of Excellence in Financial Reporting	14

FINANCIAL SECTION

Independent Auditors' Report	15
Management's Discussion and Analysis	19
Basic Financial Statements:	
Statements of Net Position	34
Statements of Revenues, Expenses and Changes in Net Position	35
Statements of Cash Flows	36
Statements of Net Position - Foundation	38
Statements of Revenues, Expenses and Changes in Net Position - Foundation	39
Notes to Financial Statements	41
Notes to Financial Statements – Foundation	89
Required Supplementary Information	
Schedule of Changes in Total OPEB Liability and Related Ratios - Other Post-Employment Benefits	102
Schedule of Employer Contributions – Other Post-Employment Benefits	103
Schedule of Proportionate Share of Net Pension Liability (Asset) – Wisconsin Retirement System	104
Schedule of Contributions – Wisconsin Retirement System	104
Notes to Required Supplementary Information	105

GATEWAY TECHNICAL COLLEGE DISTRICT

TABLE OF CONTENTS, continued

FINANCIAL SECTION, continued

Supplementary Information:	<u>Page</u>
General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)	108
Special Revenue Fund - Operating Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)	110
Special Revenue Fund – Non-Aidable Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)	111
Capital Projects Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)	113
Debt Service Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)	1145
Enterprise Fund Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual (Non-GAAP Budgetary Basis)	117
Schedule to Reconcile the Budgetary (Non-GAAP) Combined Balance Sheet – All Fund Types to the Statements of Net Position – June 30, 2023	119
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, 2023	120

STATISTICAL SECTION, (unaudited)

Financial Trends	
Net Position by Component	123
Changes in Net Position	124
Expenses by Use	125
Revenue Capacity	
Equalized Value and Tax Levy Distribution by Municipality	126
Property Tax Levies and Collections	128

GATEWAY TECHNICAL COLLEGE DISTRICT

TABLE OF CONTENTS, continued

STATISTICAL SECTION, continued

	<u>Page</u>
Revenue Capacity (continued)	
Principal Taxing Districts and Counties	129
Principal Property Taxpayers by County	130
Property Tax Rates – All Overlapping Governments	131
Distribution of Real Property of Merged Equalized Values	132
Debt Capacity	
Ratio of Net Debt to Equalized Value and Net Debt Per Capita	133
Legal Debt Margin Information	134
Computation of Direct and Overlapping Debt	135
Demographic and Economic Information	
Demographics Statistics for Kenosha, Racine, and Walworth Counties	136
Principal Employers	137
Employment Trends by Equal Employment Opportunity Categories	138
Operating Information	
Enrollment Statistics	139
Per Credit Course Fee History	140
Program Graduate Follow-up Statistics	141
Square Footage of District Facilities	142
Insurance Coverage Summary	143
2023-24 Degree and Diploma Programs	146

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Ritu Raju, PhD

President and CEO

Burlington Center

496 McCanna Pkwy.
Burlington, WI 53105-3623

Elkhorn Campus

400 County Road H
Elkhorn, WI 53121-2046

**HERO (Health And
Emergency Response
Occupations) Center**

380 McCanna Pkwy.
Burlington, WI 53105-3622

**Horizon Center For
Transportation
Technology**

4940 - 88th Avenue
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 (Highway H)
Pleasant Prairie, WI 53158-2216

Racine Campus

1001 South Main Street
Racine, WI 53403-1582

**SC Johnson
iMET (Integrated
Manufacturing
& Engineering
Technology) Center**

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

WGTD HD

Your Gateway to Public Radio
wgtd.org
262.564.3800

gtc.edu

800.247.7122

December 6, 2023

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

The Annual Comprehensive Financial Report (ACFR) of Gateway Technical College District (the District or Gateway) for the fiscal years ended June 30, 2023, and June 30, 2022 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 Inspire 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 nearly 19,000 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 2021, 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 2024WARD was developed to span three fiscal years. This plan is centered around three Strategic Directions that are deemed essential to the continued success of the college. They are as follows:

- Gateway is an agent for advancing diversity, equity and inclusion
- Gateway programs and services respond to current and future community needs
- Gateway cultivates a positive climate for learning and working

Significant Recognitions

The National Coalition of Certification Centers (NC3) honored Gateway Technical College by naming it a 2022 Dennis Iudice Memorial Award winner for the number of industry-recognized certifications students earned in its programs in 2021. Students in Gateway programs earned 2,117 certifications, the third most of all NC3-participating colleges in the nation. These are industry-acknowledged certifications that lead to career success.

WGTD FM, the area Wisconsin Public Radio and National Public Radio affiliate owned by Gateway Technical College, took home three first-place awards at the recent Wisconsin Broadcasters Association annual banquet. The ceremony recognizes the best work in Wisconsin media all year.

Gateway Technical College has again been designated as a Military Friendly School by Victory Media, the premier publisher of magazines for military personnel transitioning to civilian life. Gateway received a gold designation, a top category.

Gateway's Student Accounts team earned the Military Friendly Survey's Spouse Friendly School ranking. This is the first time Gateway has received this honor.

Gateway Technical College has been named a Voter Friendly Campus for its work to encourage students to vote and facilitate voter engagement and education on campus. Gateway is one of 258 colleges from 38 states nationwide to receive this designation by

NASPA - Student Affairs Administrators in Higher Education and Fair Elections Center's Campus Vote Project.

Economic Condition and Development

Wisconsin's economy was slowed by effects of the COVID-19 pandemic but has started to rebound. The U.S. Bureau of Labor Statistics' unemployment and employment estimates showed Wisconsin's not-seasonally adjusted June 2023 unemployment rate at 3.5 percent. For the same time period, the unemployment rate in Kenosha County was 3.8 percent, Racine County 3.9 percent and Walworth County 3.4 percent. Those rates compare to June 2022 numbers of 3.8 percent in Kenosha County, 4.3 percent in Racine County, and 3.4 percent in Walworth County.

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.

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

Gateway had several major initiatives, accomplishments and efforts during fiscal year 2022-23 to support students and the community. A few of those accomplishments included:

- Gateway Technical College Board of Trustees members selected Ritu Raju as Gateway Technical College's newest president, replacing retiring president Bryan Albrecht. Raju formerly served as vice president of Academic Affairs at Tarrant County College's Northeast Campus in Texas.
- A new articulation agreement was formed with UW-Stout allowing graduates of the Mechanical Design Technology associate degree program to transition to a bachelor's degree in technology education. This agreement provides an enhanced pathway to a bachelor's degree for program graduates and strengthens our well-established partnership with UW-Stout.

- In fall of 2022, Gateway began partnering with community organizations (Career Coaches and Lakeside Curative) that contract with the Wisconsin Division of Vocational Rehabilitation (DVR) to provide temporary work experiences for adults with disabilities.
- Gateway Technical College and Carthage College signed an agreement giving students who earn a Gateway Liberal Arts degree the opportunity to transfer up to 68 general education credits to the four-year college.
- Gateway Technical College celebrated the opening of its Red Hawks Esports Arena and the college's new varsity Red Hawks esports teams at a ribbon cutting ceremony during the fiscal year. The college will offer esports as an intercollegiate varsity competition in Drone Racing, NBA 2K23, iRacing and Rocket League. Students can also participate in an intramural club, competing in Conflict of Nations, Fall Guys, FIFA 23, Hearthstone, League of Legends, Minecraft, Multiverses, Overwatch, Super Smash Bros and Valorant.

Leadership of a Model College

In fiscal year 2022-23, Gateway demonstrated its leadership in the community and on a national level in a number of ways including the following:

- Gateway's Physical Therapy Assistant program director presented at the American Physical Therapy Associations Conference on "Rethinking Traditional PTA Clinical Education". Alternative clinical experiences offered to students during COVID 19 when clinical sites were unable to accommodate student experiences were shared during the presentation.
- Gateway's instructor in Anatomy and Physiology and Microbiology authored a manuscript that was accepted for publication by the American Journal of Distance Education. Manuscript title: A Novel Approach to an Online Microbiology Experiment Yields Greater Student Success.
- Gateway and Snap-on co-hosted a group from the Douglas County School District located in the Denver, Colorado area. The district is working to create a Career and Technical Education Center of Excellence for Denver schools and came to Gateway to learn more about industry partnerships and programming based out of the iMET and Horizon Centers. The visitors also had a chance to learn about Gateway's collaboration with NC3 and how students benefit from embedded industry certifications.
- In partnership with Central Connecticut State University, The Fashion Institute of Technology (New York), Stanislaus State (California) and Gateway Technical College, Gateway's Director of Inclusive Access participated as a virtual panelist on the topic You Don't Look Hispanic/Latinx/e/a/o. The moderated virtual panel brought together students, higher education employees and thought leaders in discussing identity politics, colorism, assimilation among other topics within the Latino community in the United States

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 2022-23 fiscal year.

In the fall of 2022, more than 20 classes used service learning in the curriculum. Service learning is when instructors use community service to teach course concepts. Examples include:

- Nursing students provided flu shots at a homeless shelter.
- IT students updating nonprofits' websites, etc.
- Architecture Drafting – Residential -Habitat for Humanity of Kenosha
- Veterans Cut-A-Thon
- Client Service 4 Mock Board Skills
- Client Services 1 Haircutting
- Graphic Des Prof Practices
- Intro to Building Construction; Framing Techniques
- Introduction to Landscape Design; Landscape Management
- Men's Haircutting; Women's Haircutting
- Nursing: Advanced Clinical Practice
- Nursing: Intro to Clinical Care Management
- Nursing: Intro to Clinical Practice; Nursing: Advanced Skills; Nursing: Intermediate Clinical Skills
- Surg Proc II for Vet Sci
- Urban Tree Maintenance; Chainsaw Safety and Operation; Tree Care Practicum

Community Partnerships

Gateway believes that community partnerships serve to strengthen both the quality of education we provide to our students and the value that the college adds to our communities. A few of the highlights from fiscal year 2023 include:

- Gateway hosted a group from Rockwell Automation at the iMET Center. Rockwell has been a strong partner with Gateway for many years and continues to grow this partnership. This group from their Lifecycle Services Business division wanted to learn more about partnering with Gateway to engage our students in career opportunities within their area. These continued conversations increase student opportunities both while as a student and after graduation.
- Gateway hosted representatives from the local Southeast WI Chapter of the Society of Manufacturing Engineers (SME) at the iMET Center in order to help support students and schools providing manufacturing education. While we have partnered in the past we wanted to look at how to expand what we are doing together for the betterment of manufacturing in SE WI.
- Gateway Technical College believes in giving back to the community as well as providing its students an opportunity to apply what they have learned in the classroom to help others. Several School of Health programs have done this for nearly two decades through the health and wellness fair – a partnership with the Boys & Girls Club of Kenosha – where children visit the college to learn more about healthy habits and the careers they may want to enter someday.

- The college has partnered with Kenosha's Grace Welcome Center for the pantry, which will offer boxes of food to students and the public on-site in an area outside of the buildings and just west of the Academic Building and south of the student commons

Green Initiatives

- In a continued commitment to protect the environment, the college strives to continually become more sustainable in its operation and provide education and training for emerging green industry careers. Gateway is proud to collaborate locally and nationally on a number of environmentally beneficial initiatives. As a leading provider of technical education, training and technological resources in our communities and Wisconsin, Gateway Technical College will:
 - Establish, promote and monitor a culture of sustainability and economic responsibility throughout our business and educational policies and practices.
 - Serve as a community model for embracing respect for the environment and be proactive in embedding related learning outcomes within and throughout all curricular areas.
 - Embrace sustainable community development through student engagement and service learning.
 - Demonstrate a commitment to the global need for sustainable education through the accountability standards established under the American College and University Presidents' Climate Commitment.
 - Achieve carbon neutrality—emitting net zero greenhouse gases—by 2030.
 - The Green Scholar program is an exciting opportunity for students to become involved in sustainability activities around Gateway. Through several eco-friendly activities, students earn points throughout their educational journey and have a real impact around the college and the community. Successful completion of the program results in students graduating with the Green Scholar distinction.

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 Technical College students swept the top three spots of the American Technical Education Association 3D Futures Competition, an event that challenges students to use digital tools to modify or address a team-designed problem.
- Gateway served the highest number of dual credit students in the state of Wisconsin, according to figures released by the Wisconsin Technical College System. A total of 7,322 students from nearly 50 high schools in the Gateway Technical College District, which includes Walworth County, Racine County and Kenosha County, participated in Gateway's dual credit program in the 2022-23 Academic Year, nearly an 800-student increase from 2021-22. Those students earned 34,424 college credits at Gateway and saved nearly \$6 million in tuition costs.
- Gateway is in the process of relaunching our Faculty Early Alert System. These are a valuable tool to identify and support students who may be facing academic challenges or

personal difficulties. The use of an early alert system can lead to improved student outcomes and increased retention and completion while providing valuable data for decision making.

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 meet the needs of students, the community, and business partners. The top initiatives of 2021-22 include:

- Gateway enabled multi factor authentication for all users at the college.
- Gateway is in the process of migrating voice services off of existing on premise Cisco Call Manager system to a modern cloud VoIP solution provided by Zoom. Zoom provides a robust VoIP solution that streamlines management and reduces complexity while providing users a flexible solution for today's modern hybrid working and learning environments. Managing and securing privileged accounts remains a priority project to address gaps discovered in last year's cyber risk assessment. The IT security team has made some great strides in the last 2 months towards reducing our privileged accounts risk footprint.

Special Funding/Grants

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

- In July 2022, Gateway was named the recipient of a fourth Metallica All Within My Hands Foundation scholarship and focused this program on training in the very in-demand career field of advanced manufacturing. Gateway was one of the colleges chosen out of a competitive field of community colleges from across the country to transform the futures of students in the community.
- Gateway received numerous State grants including: Veterinary Technology, Expansion of Cosmetology, Program to Program Articulation, Re-Enroll to Succeed and Meat Talent Development.

New Programs/Academic Initiatives

Gateway strives to be flexible in its course and service delivery to help students achieve their goals. During fiscal year 2022-23 the following new program offerings were initiated:

- AAS Medical Lab Technician
- AA/AS transfer degrees
- Culinary apprenticeship
- Mold Maker apprenticeship

Management Systems and Controls

Gateway's administration is responsible for establishing and maintaining an internal control structure designed to provide reasonable, but not absolute, assurance that the assets of Gateway are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management. We believe Gateway's internal accounting controls, policies, and procedures adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. As demonstrated by the statements and schedules included in the Financial Section of the report, Gateway continues to meet its responsibility for sound financial management.

Single Audit

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

Budgeting Controls

Budgeting is done in accordance with Chapter 65 of Wisconsin Statutes, Wisconsin Technical College System administrative rules and local District policy. Gateway maintains budgetary controls which are designed to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the District Board. Activities of the general fund, special revenue fund, debt service fund, capital projects funds, enterprise funds, and trust and agency funds are included in the annual appropriated budget. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established by function within an individual fund. Gateway also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts are reported for statutory budget compliance purposes and adjusted for GAAP reporting purposes.

Gateway's site-based management model requires each department to be responsible for the development and management of its budget. Starting in December and ending in May, the departments prepare, present and modify budget plans for the coming year. The budget is consolidated and reviewed by the Business Office and the Executive Leadership Council. Each May, the District Board of Trustees reviews the preliminary budget and refers it to public hearing. Following the hearing, the Board considers the public input when adopting the budget at the May board meeting. Revenue and expenditure forecasts, as well as actual results versus budget, are presented to the District Board monthly and on a quarterly basis. If modifications or changes of the approved budget are required, then approval by a two-thirds vote of the District Board is needed.

Other Information

Independent Audit

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

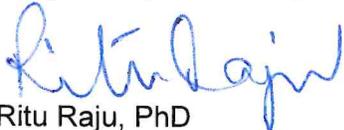
Certificates

Gateway has been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association (GFOA) for Gateway's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. In order to be awarded such certificates, a college unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report whose contents conform to program standards, principles, and applicable legal requirements. The Certificate is valid for a period of one year only. We believe our current report continues to conform to the program's requirements and we will be submitting this report to GFOA for their review.

Acknowledgment

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

Respectfully submitted,



Ritu Raju, PhD
President & Chief Executive Officer



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

GATEWAY TECHNICAL COLLEGE

DISTRICT BOARD AND PRINCIPAL OFFICIALS
As of June 30, 2023

District Board

Chairperson	Rebecca Matoska-Mentink	Elected Official Member
Vice Chairperson	Pamela Zenner-Richards	Additional Member
Secretary	Zaida Hernandez-Irisson	Employee Member
Treasurer	William Duncan	Additional Member
Member	Jesse Adams	Employer Member
Member	Ram Bhatia	Additional Member
Member	D. Benjamin DeSmidt	Employer Member
Member	R. Scott Pierce	Employee Member
Member	Jason Tadlock	School District Member

Principal Officials

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



Gateway Technical College District Board of Trustees

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

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



Jesse Adams
Walworth County



Ram Bhatia
Racine County



D. Benjamin DeSmidt
Kenosha County



William Duncan
Walworth County



Zaida Lange-Irisson
Racine County



Rebecca Matoska-Mentink
Kenosha County



R. Scott Pierce
Kenosha County

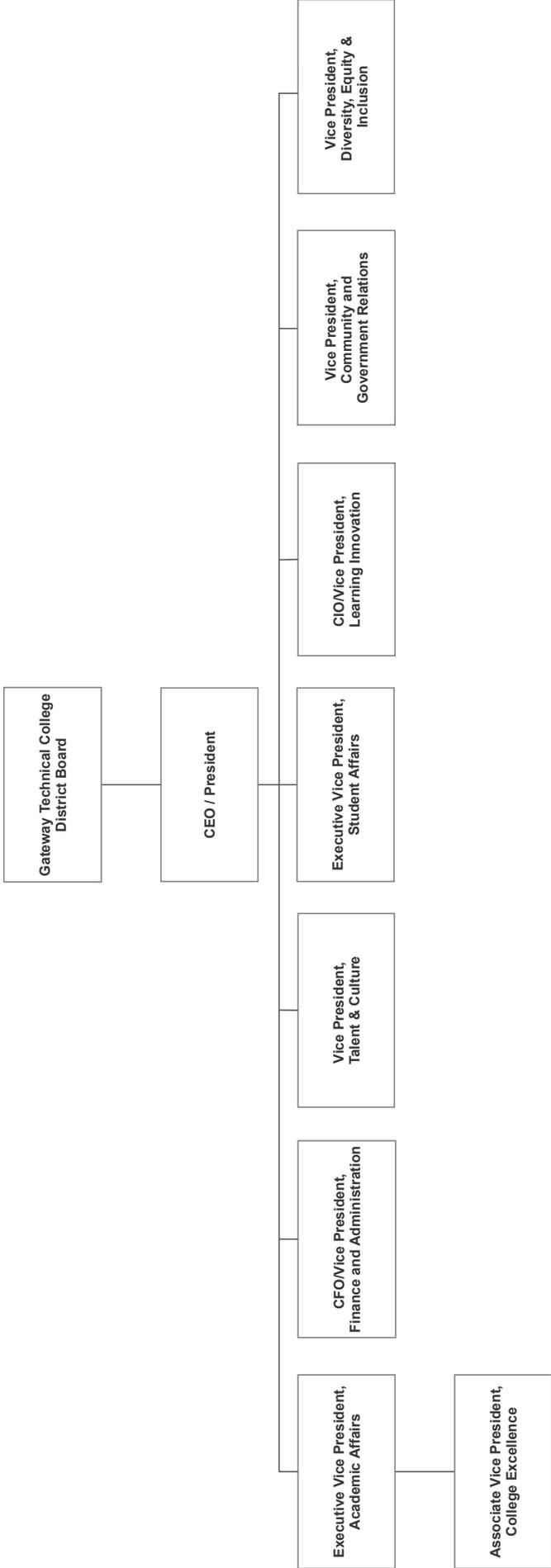


Jason Tadlock
Walworth County



Pamela Zenner-Richards
Racine County

**GATEWAY TECHNICAL COLLEGE
ORGANIZATIONAL CHART
As of June 30, 2023**





Government Finance Officers Association

Certificate of
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in Financial
Reporting

Presented to

**Gateway Technical College
Wisconsin**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO



INDEPENDENT AUDITORS' REPORT

District Board
Gateway Technical College District
Kenosha, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activity and the discretely presented component unit of the Gateway Technical College District (the District), as of and for the year ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, based on our audits and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activity and the discretely presented component unit of the District, as of June 30, 2023 and 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Gateway Technical College Foundation, Inc. (the Foundation), which represents 100% and 100%, respectively, of the assets and revenues of the discretely presented component unit as of and for the years ended June 30, 2023 and 2022. 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 other auditors.

Emphasis-of-Matter – Implementation of New Standard

As discussed in Note 8 to the financial statements, in 2023, the District adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Agreements*. As a result of the implementation, the District reported a restatement for the change in accounting principle. Our opinion is not modified with respect to this matter.

Emphasis-of-Matter - Report on Summarized Comparative Information

Other auditors' have previously audited the discretely presented component unit's 2022 financial statements, and expressed unmodified opinions on the financial statements in their report dated October 28, 2022. In the other auditors' opinion, the summarized comparative information presented herein for the Foundation as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Foundation, a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, other postemployment benefits plan information, and the pension plan information, as included in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The individual budgetary basis fund financial statements and the schedule to reconcile budget basis financial statements to the basic financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits 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 GAAS.

In our opinion, the individual budgetary basis fund financial statements and the schedule to reconcile budget basis financial statements to the basic financial statements, as included in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2023, 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

Milwaukee, Wisconsin
November 16, 2023

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, 2023.

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 Annual Comprehensive Financial Report consists of a series of financial statements which have been prepared in accordance with generally accepted accounting principles as defined in Governmental Accounting Standards Board Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, and Statement 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. These financial statements focus on the financial condition of the district, the changes in its financial position, and the cash flows of the district as a whole. These statements include the capitalization and depreciation/amortization of capital assets and the recognition of the liability resulting from issuing general obligation promissory notes, lease liabilities, or SBITA's 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>2023</u>	<u>2022</u>	<u>Incr (Decr)</u> <u>2023-2022</u>	<u>2021</u>	<u>Incr (Decr)</u> <u>2022-2021</u>
<u>Assets</u>					
Cash and other current assets	\$ 62,047	\$ 59,935	\$ 2,112	\$ 60,009	\$ (74)
Capital assets, net of accumulated depreciation/amortization	<u>111,821</u>	<u>136,355</u>	<u>(24,534)</u>	<u>124,242</u>	<u>12,113</u>
Total Assets	<u>173,868</u>	<u>196,290</u>	<u>(22,422)</u>	<u>184,251</u>	<u>12,039</u>
<u>Deferred Outflows</u>					
Deferred outflows related to pension and OPEB	<u>57,875</u>	<u>47,715</u>	<u>10,160</u>	<u>32,500</u>	<u>15,215</u>
<u>Liabilities</u>					
Current	22,665	23,422	(757)	24,031	(609)
Non-Current	<u>96,334</u>	<u>83,052</u>	<u>13,282</u>	<u>83,683</u>	<u>(631)</u>
Total Liabilities	<u>118,999</u>	<u>106,474</u>	<u>12,525</u>	<u>107,714</u>	<u>(1,240)</u>
<u>Deferred Inflows</u>					
Deferred inflows related to pension, OPEB, and leases	<u>38,832</u>	<u>62,325</u>	<u>(23,493)</u>	<u>44,476</u>	<u>17,849</u>
<u>Net Position</u>					
Net investment in capital assets	40,517	40,019	498	36,061	3,958
Restricted	5,746	30,201	(24,455)	24,127	6,074
Unrestricted	<u>27,649</u>	<u>4,986</u>	<u>22,663</u>	<u>4,373</u>	<u>613</u>
Total Net Position	<u>\$ 73,912</u>	<u>\$ 75,206</u>	<u>\$ (1,294)</u>	<u>\$ 64,561</u>	<u>\$ 10,645</u>

Total assets and deferred outflows decreased \$12.3 million or 5.0% in FY 2023 and increased \$27.3 million or 12.6% in FY 2022. Total liabilities and deferred inflows increased by \$16.6 million or 10.9% in FY 2022 as compared to a decrease of \$11.0 million or 6.5% in FY 2023. Overall, the total net position decreased by \$1.3 million or 1.7% in FY 2023 while FY 2022 experienced a \$10.6 million or 16.5% increase for the fiscal year.

Fiscal Year 2023 Compared to Fiscal Year 2022

- In FY 2023 cash and cash equivalents experienced an increase of \$1.9 million or 4.1% due to a continued effort to control expenditures to mitigate the effects of decreased enrollment compared to \$4.1 million or 9.8% increase in FY 2022.
- Non-Current assets decreased by \$24.5 million or 18.0% due to the decrease in the value of the pension asset resulting in a pension liability for the year.
- Other assets increased by \$2.1 million or 1.6% due mainly to an increase in the federal and state aid receivable attributed to larger federal grant receivables and an increase in property tax receivables due to slightly less taxes collected by year end. These increases are offset by a decrease in prepaid expenses and the lease receivable at year end.

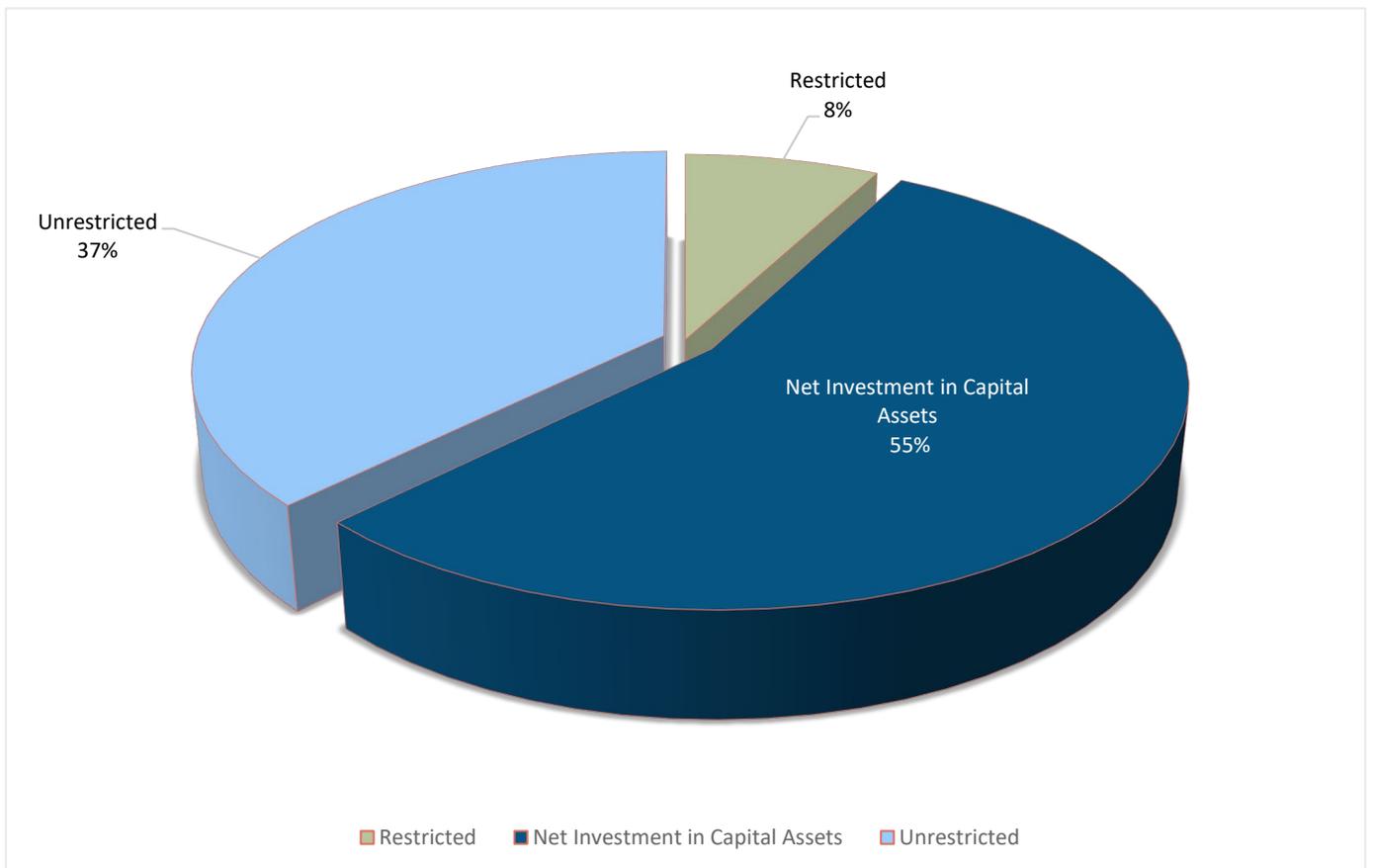
- Deferred outflows, which includes amounts related to the District's Wisconsin Retirement System pension liability and OPEB liability, increased \$10.2 million in FY 2023 as compared to an increase of \$15.2 million in FY 2022. The increase is due to the change in deferred outflows related to the District's pension liability of \$15.8 million in FY 2023. In addition, the District saw a decrease in its deferred outflows related to its OPEB obligation of \$0.8 million in FY2023. (Additional information can be found in footnotes six and seven in the notes to the financial statements).
- Overall current liabilities decreased \$.8 million or 3.2% in FY 2023 as compared to a decrease of \$.6 million or 6.5% in FY 2022. The decrease in FY 2023 is due mainly to a decrease in accrued payroll benefits, general obligation debt and unearned revenue. These decreases are offset by an increase in accounts payable due to the timing unpaid invoices at year end in FY23 and an increase in OPEB benefit liabilities due to higher benefit costs.
- Non-Current liabilities increased \$13.3 million or 16.0% in FY 2023 as compared to an increase of \$.6 million or .8% in FY 2022. The increase in FY 2023 is due the decrease in the value of the pension asset, resulting in a pension liability of \$15.8M. There was also a decrease in the OPEB liability of \$3.1 million or 16.6%, offset by an increase in lease liability of \$0.5 million. (Additional information can be found in footnotes six and seven in the notes to the financial statements).
- Deferred inflows, which includes amounts related to the District's Wisconsin Retirement System pension liability (asset), OPEB liability and leases decreased by \$23.5 million or 37.7% in FY 2023. The decrease is due to the change in deferred inflows related to the District's pension liability in FY 2023 as well as the recording of deferred inflows relating changes in the District's OPEB and lease liabilities. (Additional information can be found in footnotes six and seven in the notes to the financial statements).

Fiscal Year 2022 Compared to Fiscal Year 2021

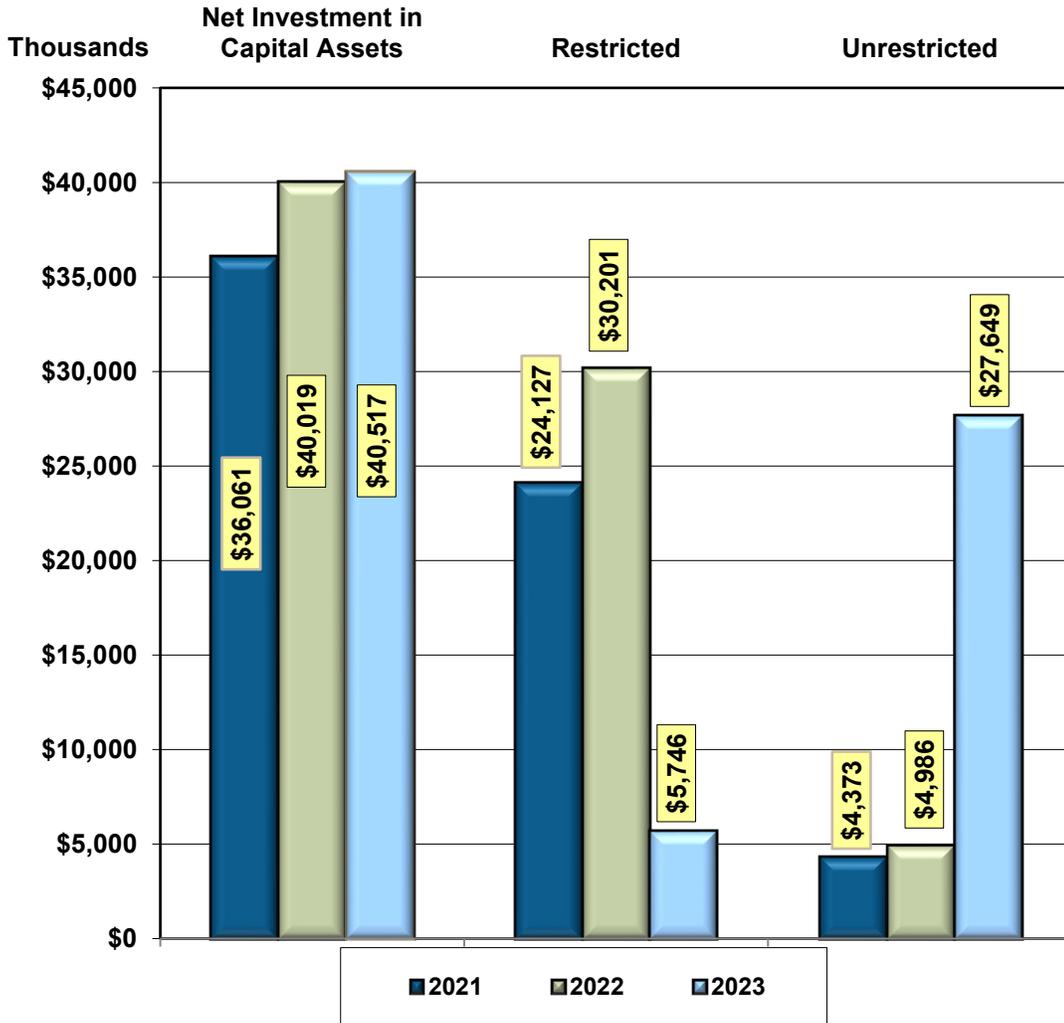
- In FY 2022 cash and cash equivalents experienced an increase of \$4.1 million or 9.8% due to a continued effort to control expenditures to mitigate the effects of Coronavirus on enrollment compared to \$4.8 million or 12.6% decrease in FY 2021.
- Non-Current assets increased by \$12.1 million or 8.2% due to an increase in Capital assets, net of accumulated depreciation of \$4.5 million or 4.9% and an increase in the value of the pension asset in 2022 of \$5.2 million or 27.3 %.
- Other assets decreased by \$4.2 million or 23.8% due mainly to a decrease in the federal and state aid receivable at year-end as well as decreased receivables due to more timely collection of property tax collections and other receivables.
- Deferred outflows, which includes amounts related to the District's Wisconsin Retirement System pension asset and OPEB liability, increased \$15.2 million in FY 2022 as compared to an increase of \$9.0 million in FY 2021. The increase is due mainly to the change in deferred outflows related to the District's pension asset of \$24.6 million in FY 2022. In addition, the District saw a decrease in its deferred outflows related to its OPEB obligation of \$0.7 million in FY2022. (Additional information can be found in footnotes six and seven in the notes to the financial statements).

- Overall current liabilities decreased \$0.6 million or 6.5% in FY 2022 as compared to an increase of \$1.2 million or 5.3% in FY 2021. The decrease in FY 2022 is due mainly to a decrease in accounts payable due to more timely payment of invoices in FY22.
- Non-Current liabilities decreased \$0.6 million or 1.9% in FY 2022 as compared to an increase of \$6.0 million or 7.7% in FY 2021. The decrease in FY 2022 is due a decrease the OPEB liability of \$2.7 million or 12.6%, and a decrease in lease liability of \$0.8 million. These decreases are offset by an increase of general obligation debt of approximately \$2.0 million or 3.5% and. (Additional information can be found in footnotes six and seven in the notes to the financial statements).
- Deferred inflows, which includes amounts related to the District’s Wisconsin Retirement System pension asset, OPEB liability and leases increased by \$17.8 million or 40.1% in FY 2022. The increase is due to the change in deferred inflows related to the District’s pension asset in FY 2022 as well as the recording of deferred inflows relating to changes in the District’s OPEB liability. (Additional information can be found in footnotes six and seven in the notes to the financial statements)

Net Position
June 30, 2023



**Comparative Net Position
Fiscal Years 2021, 2022 and 2023**



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/amortization, 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>2023</u>	<u>2022</u>	<u>Incr (Decr)</u> <u>2023-2022</u>	<u>2021</u>	<u>Incr (Decr)</u> <u>2022-2021</u>
<u>Operating Revenues</u>					
Student fees	\$ 10,718	\$ 11,586	\$ (868)	\$ 11,212	\$ 374
Federal & state grants	20,119	24,906	(4,787)	20,086	4,820
Contract revenues	7,485	6,650	835	4,119	2,531
Auxiliary & miscellaneous revenues	1,513	1,482	31	1,960	(478)
Total Operating Revenues	<u>39,835</u>	<u>44,624</u>	<u>(4,789)</u>	<u>37,377</u>	<u>7,247</u>
<u>Operating Expenses</u>					
Instruction	66,381	58,301	8,080	55,335	2,966
Instructional resources	1,141	1,056	85	1,023	33
Student services	15,840	12,794	3,046	13,785	(991)
General institutional	11,305	9,809	1,496	11,055	(1,246)
Physical plant	8,540	7,680	860	7,352	328
Student aid	12,185	20,471	(8,286)	12,737	7,734
Public services	428	375	53	335	40
Auxiliary services	462	536	(74)	545	(9)
Depreciation/amortization	14,290	12,447	1,843	11,583	864
Total Operating Expenses	<u>130,572</u>	<u>123,469</u>	<u>7,103</u>	<u>113,750</u>	<u>9,719</u>
<u>Non-operating Revenues (Expenses)</u>					
Property taxes	39,172	38,190	982	39,261	(1,071)
State appropriations	43,277	42,467	810	39,837	2,630
Federal nonoperating grants	7,946	7,194	752	8,054	(860)
Loss on disposal of capital assets	(27)	(33)	6	(8)	(25)
Investment income	924	55	869	37	18
Interest expense & debt issuance costs	(1,849)	(1,655)	(194)	(1,809)	154
Total Non-operating Revenues (Expenses)	<u>89,443</u>	<u>86,218</u>	<u>3,225</u>	<u>85,372</u>	<u>846</u>
<u>Capital Contributions</u>					
Federal & state capital grants	-	3,180	(3,180)	1,496	1,684
Other capital grants/donations	-	92	(92)	81	11
Total Capital Contributions	<u>-</u>	<u>3,272</u>	<u>(3,272)</u>	<u>1,577</u>	<u>1,695</u>
Net increase (decrease) in net position	(1,294)	10,645	(11,939)	10,576	69
Net Position - beginning of year	<u>75,206</u>	<u>64,561</u>		<u>53,869</u>	
Prior-Period Adjustment	-	-		116	
Net Position - end of year	<u>\$ 73,912</u>	<u>\$ 75,206</u>		<u>\$ 64,561</u>	

Operating Revenues include the charges for services offered by the District and other federal and state operating grants. During FY 2023, the District generated \$39.8 million of operating revenue, which is a 10.7% decrease or \$4.8 million less than in FY 2022. Significant changes for the fiscal years are as follows:

Fiscal Year 2023 Compared to Fiscal Year 2022

- Student Tuition net of scholarship allowances decreased by \$0.8 million or 7.9% in FY 2023 due to higher tuition allowances in FY23 than in FY22 as compared to an increase of \$.4 million or 3.3% in FY 2022.
- Federal grants decreased by \$5.4 million or 24.9% in FY 2023 versus 2022 due to decreased utilization of Higher Education Emergency Relief funding grants in FY23.
- State grants increased by \$.6 million or 20.5% in FY 2023 versus 2022 due to an increase in state grants received in FY23.
- Contract revenues increased by \$.8 million or 12.6% in 2023 versus 2022 due to increased contract revenue as the coronavirus subsided.

Fiscal Year 2022 Compared to Fiscal Year 2021

- Student Tuition net of scholarship allowances increased by \$0.4 million or 3.3% in FY 2022 due to fewer scholarships received because of decreased enrollment as compared to an increase of \$1.3 million or 13.4% in FY 2021.
- Federal grants increased by \$5.4 million or 33.3% in FY 2022 versus 2021 due to Higher Education Emergency Relief funding grants utilized in FY22.
- Contract revenues increased by \$2.5 million or 61.5% in 2022 versus 2021 due to increased contract revenue as the coronavirus subsided.

Operating Expenses are costs incurred for providing education, training, and related services. Overall operating expenses increased by \$7.1 million or 5.7% in FY 2023 as compared to an increase of \$9.7 million or 8.5% in FY 2022. Changes within operating expenses for the fiscal years are as follows:

Fiscal Year 2023 Compared to Fiscal Year 2022

- Operating expenses increased by \$7.1 million for FY 2023 as compared to a decrease of \$9.7 million in FY 2022. These increases are due to increased pension expense and the remaining use of Emergency Relief funds, higher wage expense and increased depreciation expense. These increases are offset with lower general institutional expenses due to the effects of lower enrollment.

Fiscal Year 2022 Compared to Fiscal Year 2021

- Operating expenses increased by \$9.7 million for FY 2022 as compared to a decrease of \$1.6 million in FY 2021. These increases are due to increased Higher Education Emergency Relief Fund expenditures, higher wage expense and increased depreciation expense. These increases are offset with lower general institutional expenses due to the effects of lower enrollment.

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 \$3.2 million or 3.7% in FY 2023 compared to a \$0.8 million increase or 1.0% in FY 2022. The significant components of the fiscal years are as follows:

- Property taxes are a primary source of revenue for the District comprising 29.9% of our revenue source in FY 2023. Overall property tax revenues for the year were \$39.2 million, an increase of \$1.0 million or 2.6% more than recognized in FY 2022.

The 2013 Wisconsin Act 20, among other things, eliminated the mill rate limitation that had been in place for technical districts in previous fiscal years and in its place introduced a tax levy limitation (the “Tax Levy Limit”). 2013 Wisconsin Act 145 signed into law March 24, 2014 replaces the tax levy limit with a revenue limit beginning in fiscal year 2015. Act 145 also shifted a portion of funding for technical college districts in the state from property taxes levied to a state aid payment. This shift in revenues has been in place for the past six fiscal years. State appropriations increased \$.8 million or 2.6% compared to a \$2.6 million or 6.6% increase in FY 2022. The amount of state aids received is based on a formula that takes into consideration activities of the other fifteen technical colleges in Wisconsin, including actual expenses, student FTE’s, and equalized property valuations of each district.

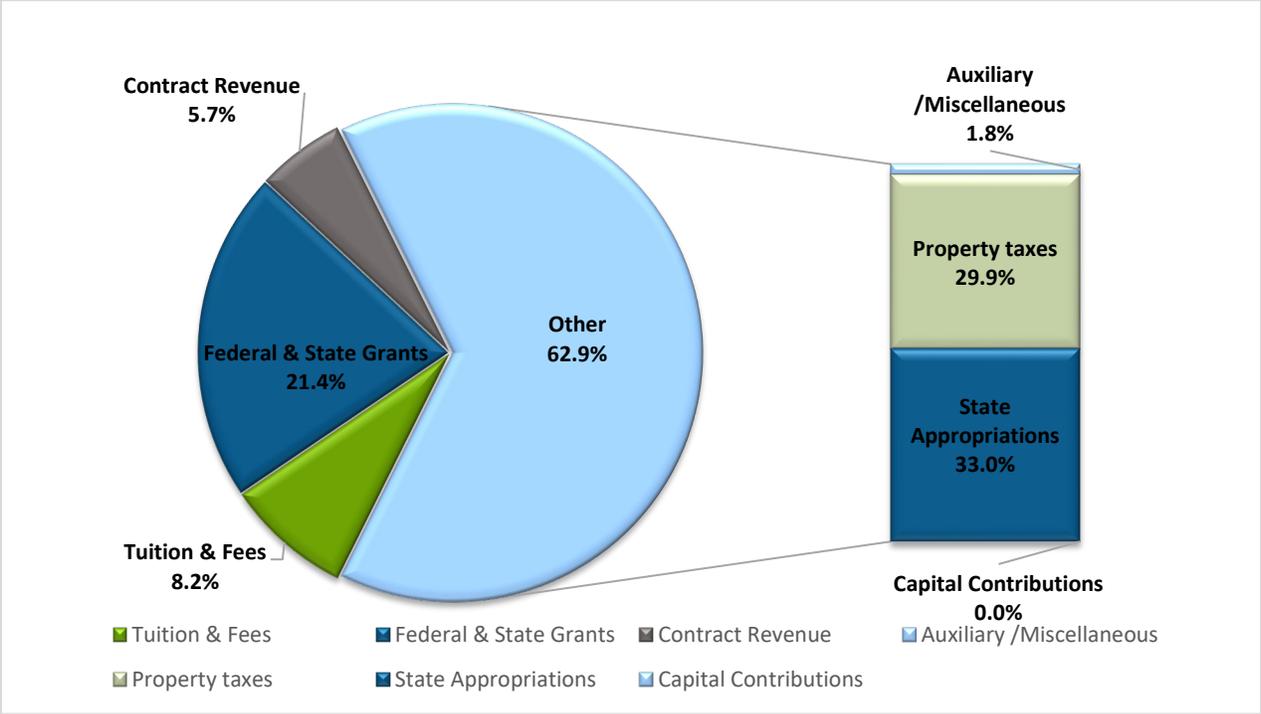
Non-Operating Expenses consist of interest expense and debt issuance costs on long-term debt. Debt issuance costs are recognized as an expense in the year they are incurred. FY 2022 reflected a decrease of approximately \$158,540 or 8.8% for the expense, while FY 2023 reflects an increase of approximately \$193,812 or 11.7%. 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 100.0% in FY 2023 as compared to an increase of 10.5% in FY 2022. This decrease in FY 2023 was due to a decrease in federal and state capital grants, contributions and donations from FY 2022.

The following graphs represent the distribution of revenues and operating expenses for the fiscal year ended June 30, 2023.

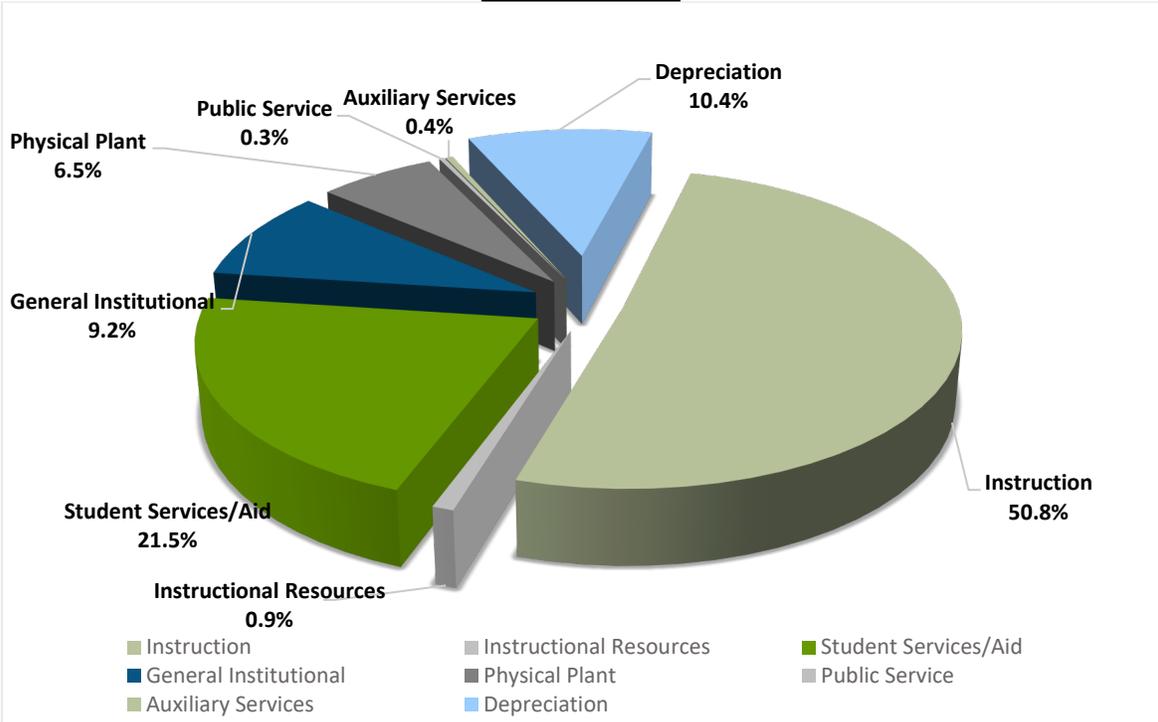
Revenues

June 30, 2023



Operating Expenses

June 30, 2023



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>2023</u>	<u>2022</u>	<u>Incr (Decr)</u> <u>2023-2022</u>	<u>2021</u>	<u>Incr (Decr)</u> <u>2022-2021</u>
Cash Used By Operating Activities	\$ (74,040)	\$ (67,695)	\$ (6,345)	\$ (71,403)	\$ 3,708
Cash Provided By Non-Capital Financing Activities	90,274	88,444	1,830	87,172	1,272
Cash Used By Capital and Related Financing Activities	(15,266)	(16,661)	1,395	(11,056)	(5,605)
Cash Provided By Investing Activities	924	55	869	37	18
Net Increase in Cash and Cash Equivalents	<u>\$ 1,892</u>	<u>\$ 4,143</u>	<u>\$ (2,251)</u>	<u>\$ 4,750</u>	<u>\$ (607)</u>

Fiscal Year 2023 Compared to Fiscal Year 2022

The cash and cash equivalents balance increased from \$46.5 million in FY 2022 to \$48.4 million in FY 2023. Overall, in FY 2023, cash and cash equivalents increased by \$1.9 million or 4.1% as compared to the FY 2022 increase of \$4.1 million or 9.8%.

The District's cash used for operating activities increased in FY 2023 as compared to FY 2022. \$6.3 million or 9.4% more cash was used for operating activities in FY 2023 compared to \$3.7 million or 5.2% less cash used in FY 2022.

Overall cash provided by non-capital financing activities increased by \$1.8 million or 2.1%. Local government property taxes received increased by \$0.3 million or 0.7%. State appropriations received increased by \$.8 million or 1.9%. Federal grants increased by \$0.8 million or 10.5% due to an increase in federal aid to students received.

Overall net cash used for capital and related financing activities decreased by \$1.4 million or 8.4% in FY 2023 as compared to an increase of \$4.9 million or 44.1% in FY 2022. The decrease in FY 2023 is due mainly to a decrease in state and federal grants received for capital assets and a decrease in the proceeds from the issuance of capital assets due to lower issuance amounts. There was a decrease in the purchases of capital assets in FY 2023 of \$7.7 million or 41.4 % and a lower amount of principal paid on debt of \$2.9 million in FY 2023.

Cash provided by investing activities increased by \$868,357 or 1,572.5% as the rate of return on investments in 2023 significantly increased compared to FY 2022.

Fiscal Year 2022 Compared to Fiscal Year 2021

The cash and cash equivalents balance increased from \$42.3 million in FY 2021 to \$46.5 million in FY 2022. Overall, in FY 2022, cash and cash equivalents increased by \$4.1 million or 9.8% as compared to the FY 2021 increase of \$4.7 million or 12.6%.

The District's cash used for operating activities decreased in FY 2022 as compared to FY 2021. \$3.0 million or 4.2% less cash was used for operating activities in FY 2022 compared to \$1.2 million or 1.6% less cash used in FY 2021.

Overall cash provided by non-capital financing activities increased by \$1.3 million or 1.5%. Local government property taxes received decreased by \$0.5 million or 1.3%. State appropriations received increased by \$2.6 million or 6.6%. Federal grants decreased by \$0.9 million or 10.7% due to lower federal aid to students received.

Overall net cash used for capital and related financing activities increased by \$4.9 million or 44.1% in FY 2022 as compared to a decrease of \$0.7 million or 6.1% in FY 2021. The increase in FY 2022 is due mainly to an increase in the purchases of capital assets including refunded debt in FY 2022 of \$7.6 million or 68.5%. This is offset primarily by a lower amount of principal paid on debt of \$1.2 million in FY 2022.

Cash provided by investing activities increased by \$17,871 or 47.8% as the rate of return on investments in 2022 increased compared to FY 2021.

Capital Asset and Debt Administration

Stated in Thousands (\$000)

	<u>2023</u>	<u>2022</u>	<u>Incr (Decr)</u> <u>2023-2022</u>	<u>2021</u>	<u>Incr (Decr)</u> <u>2022-2021</u>
Land and Land Improvements	\$ 17,703	\$ 15,664	\$ 2,039	\$ 14,750	\$ 914
Less Accumulated Depreciation	(6,817)	(5,903)	(914)	(5,083)	(820)
Buildings, Improvements and Leasehold Interest/Improvement	149,082	147,297	1,785	135,884	11,413
Less Accumulated Depreciation	(81,021)	(74,009)	(7,012)	(67,408)	(6,601)
Intangible Assets	6,092	5,217	875	3,416	1,801
Less Accumulated Depreciation	(3,232)	(2,723)	(509)	(2,404)	(319)
Equipment	60,701	56,110	4,591	52,260	3,850
Less Accumulated Depreciation	(43,249)	(39,289)	(3,960)	(35,680)	(3,609)
Leased Assets (Right to Use)	7,003	5,511	1,492	5,219	292
Less Accumulated Depreciation/Amortization	(2,569)	(1,592)	(977)	(784)	(808)
Subscription Assets (Right to Use)	2,885	2,629	256	-	2,629
Less Accumulated Depreciation/Amortization	(985)	(685)	(300)	-	(685)
Construction in Progress	<u>5,367</u>	<u>2,629</u>	<u>2,738</u>	<u>3,738</u>	<u>(1,109)</u>
Cost of Capital Assets Net of Accumulated Depreciation	<u>\$110,960</u>	<u>\$110,856</u>	<u>\$ 104</u>	<u>\$103,908</u>	<u>\$ 6,948</u>
Capital asset related debt outstanding at Year End	<u>\$ 68,814</u>	<u>\$ 68,936</u>	<u>\$ (122)</u>	<u>\$ 67,847</u>	<u>\$ 1,089</u>

Fiscal Year 2023 Compared to Fiscal Year 2022

Overall capital assets, net of accumulated depreciation/amortization, increased by \$.1 million from FY 2022 to FY 2023. Remodeling improvements were completed at each campus; however, the major projects in 2023 were a fire suppression upgrade on the Racine campus totaling \$.9 million and parking lot upgrades on all campuses totaling \$2.4 million. (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 \$70.2 million at June 30, 2023, compared to \$70.8 million at June 30, 2022.

The District had a lease liability, relating to capital assets, outstanding of \$3.5 million at June 30, 2023, compared to \$3.0 million at June 30, 2022.

The District had a subscription based information technology arrangement liability, relating to capital assets, outstanding of \$1.6 million at June 30, 2023, compared to \$1.9 million at June 30, 2022.

The District maintained the highest rating of Aaa from Moody's Investors Services for the debt issues. Gateway meets all of its debt service requirements, including timely repayment of all debt payments. Current debt issued for buildings and improvements is repaid in 10 years or less, debt issued for equipment is repaid in 5 years or less to correspond to the useful lives of the capital investment. Additional information about Gateway's long-term debt may be found in footnote #5 in the financial statements.

Fiscal Year 2022 Compared to Fiscal Year 2021

Overall capital assets, net of accumulated depreciation/amortization, increased by \$5.0 million from FY 2021 to FY 2022. Remodeling improvements were completed at each campus; however, the major additions in 2022 were on the Racine campus with the expansion of and remodeling of 3 floors of the Lincoln Building totaling \$6.0 million. (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 \$70.8 million at June 30, 2022, compared to \$68.9 million at June 30, 2021. The District also refunded debt during the fiscal year. (Additional information can be found in footnote 5 in the notes to the financial statements).

The District maintained the highest rating of Aaa from Moody's Investors Services for the debt issues. Gateway meets all of its debt service requirements, including timely repayment of all debt payments. Current debt issued for buildings and improvements is repaid in 10 years or less, debt issued for equipment is repaid in 5 years or less to correspond to the useful lives of the capital investment. Additional information about Gateway's long-term debt may be found in footnote #5 in the financial statements.

Overall Financial Position

Gateway's financial position remains strong for fiscal year 2023 as evidenced by the following indicators:

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

"The Aaa rating reflects the district's extraordinarily large, diverse tax base located between the cities of Milwaukee (A3 negative) and Chicago (Baa3 stable), a healthy financial position and a low debt and pension burden. The rating also reflects the district's strong and demonstrated ability to manage expenditures, which has supported solid financial performance despite declining enrollment and limited revenue-raising ability."

- The current ratio, current assets compared to current liabilities, was at 2.8 times as of June 30, 2023, up from 2.7 times in 2022.

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 continue to be concerns and challenges that need to be considered, monitored, and addressed, including the following:

- The District saw an increase in enrollment to 3,792 FTE (full-time equivalent) or .01% in FY 2023 compared to 3,764 FTE or 3.6% decrease in FY 2022. Enrollment continues to be a challenge throughout the technical college system and although the pandemic caused an additional negative impact through the fiscal year, Gateway diligently seeks solutions to mitigate this impact. Gateway's strategic enrollment management efforts, which began in FY 2017, continue to focus on heightened marketing, recruitment, retention, and completion strategies informed by the right data that translates into actionable intelligence. During FY 2021 pivoting enrollment management efforts to a fully virtual service model for recruitment and retention and establishing a majority virtual model for teaching and learning with adjustments to a hybrid model throughout the year demonstrates the adaptability needed to dull the pandemic's impact on student success and to address the enrollment challenges. During FY 2023, the District began to see the effects of this work with an increase in enrollment
- In addition, during 2022, the college engaged a consultant to create a program portfolio to be utilized to ensure strategic decisions about program offerings with

the objective of being responsive to the needs of our students and community partners.

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

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

Gateway is well known and highly respected for its quality instruction and services. The District continues to be successful in collaborating with local K-12 education districts (which continues to see significant growth), local businesses, and community partners for supporting training and technology needs. Gateway's commitment to meet these needs is reflected in our resilience during the pandemic, our strategic plan, our strong efforts on continuous quality improvement and our focus on our students. The District is confident that its long-term financial planning will allow effective and sufficient response the financial needs of its future operations. The District's current financial position remains extremely promising and we are positioned to maintain this positive status.

With continued strategic planning, a focus on diversity, equity and inclusion, flexibility, and innovation in how we engage and connect with our students and community partners, the college continues to gain ground in attracting underserved student populations. In fact, Gateway is on track to becoming a Hispanic Serving Institution within the next few years. The District has positioned itself to be an industry leader and a strong positive force in our community.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

GATEWAY TECHNICAL COLLEGE DISTRICT
Statements of Net Position
June 30, 2023 and 2022

ASSETS	2023	2022 Restated
<u>Current Assets</u>		
Cash and cash equivalents	\$ 34,495,509	\$ 33,091,181
Restricted assets - cash and cash equivalents	13,858,132	13,370,866
Receivables:		
Property taxes	9,647,800	9,541,631
Accounts, net of reserve of \$212,000 and \$260,000 for 2023 and 2022, respectively	1,516,116	1,526,942
Federal and state aid	2,007,221	1,781,547
Lease - current portion	41,466	107,119
Prepaid expenses	480,017	516,043
Total Current Assets	<u>62,046,261</u>	<u>59,935,329</u>
<u>Non-Current Assets</u>		
Lease receivable	860,565	895,196
Capital assets	248,833,502	235,058,686
Less: accumulated depreciation/amortization	(137,873,367)	(124,202,618)
Restricted assets - Net pension asset	-	24,604,053
Total Non-Current Assets	<u>111,820,700</u>	<u>136,355,317</u>
 Total Assets	 <u>173,866,961</u>	 <u>196,290,646</u>
 DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to OPEB	998,973	1,801,360
Deferred outflows related to pensions	56,876,251	45,913,108
Total Deferred Outflows of Resources	<u>57,875,224</u>	<u>47,714,468</u>
 TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	 <u>231,742,185</u>	 <u>244,005,114</u>
 LIABILITIES		
<u>Current Liabilities</u>		
Accounts payable	3,087,337	2,563,927
Accrued payroll and benefits	2,250,769	2,602,374
Accrued vacation	764,732	757,272
Accrued interest payable	500,950	484,426
Unearned revenue	890,146	1,004,586
General obligation debt - current portion	12,475,000	12,950,000
Lease liability - current portion	834,351	865,380
Subscription liability - current portion	476,921	940,969
Other postemployment benefits - current portion	1,384,476	1,253,172
Total Current Liabilities	<u>22,664,682</u>	<u>23,422,106</u>
<u>Non-Current Liabilities</u>		
General obligation debt	60,881,400	60,952,604
Lease liability	2,690,141	2,157,706
Subscription liability	1,152,026	959,323
Other postemployment benefits	15,745,025	18,867,503
Net pension liability	15,773,492	-
Unearned revenue	91,712	114,640
Total Non-Current Liabilities, Less Current Portion	<u>96,333,796</u>	<u>83,051,776</u>
 Total Liabilities	 <u>118,998,478</u>	 <u>106,473,882</u>
 DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to OPEB	4,964,869	3,439,113
Deferred inflows related to pensions	33,019,448	57,928,491
Deferred inflows related to leases	847,249	957,403
Total Deferred Inflows of Resources	<u>38,831,566</u>	<u>62,325,007</u>
 NET POSITION		
Net investment in capital assets	40,516,824	40,019,379
Restricted for:		
Debt service	3,538,369	3,566,343
Pension asset	-	24,604,053
Student organizations	2,208,041	2,030,200
Unrestricted	27,648,907	4,986,250
 Total Net Position	 <u>\$ 73,912,141</u>	 <u>\$ 75,206,225</u>

GATEWAY TECHNICAL COLLEGE DISTRICT
 Statements of Revenues, Expenses and Changes in Net Position
 For the years ended June 30, 2023 and 2022

	2023	2022 Restated
<u>Operating Revenues</u>		
Student tuition and program fees, net of scholarship allowances of \$6,027,125 and \$4,823,984 for 2023 and 2022, respectively	\$ 10,717,666	\$ 11,585,539
Federal grants	16,368,152	21,792,729
State grants	3,751,024	3,113,578
Contract revenue	7,485,450	6,650,117
Auxiliary enterprise revenues	237,017	185,822
Miscellaneous - institutional revenue	<u>1,276,300</u>	<u>1,296,615</u>
Total Operating Revenues	<u>39,835,609</u>	<u>44,624,400</u>
<u>Operating Expenses</u>		
Instruction	66,380,443	58,301,060
Instructional resources	1,140,803	1,056,204
Student services	15,839,806	12,793,854
General institutional	11,305,075	9,126,615
Physical plant	8,540,347	7,679,710
Student aid	12,185,390	20,470,596
Public services	428,072	375,779
Auxiliary services	462,114	535,578
Depreciation/Amortization	<u>14,290,226</u>	<u>13,129,186</u>
Total Operating Expenses	<u>130,572,276</u>	<u>123,468,582</u>
 Net Operating Loss	 <u>(90,736,667)</u>	 <u>(78,844,182)</u>
<u>Nonoperating Revenues (Expenses)</u>		
Property taxes	39,172,340	38,190,484
State appropriations	43,277,009	42,467,122
Federal nonoperating grants	7,945,574	7,193,520
Loss on disposal of capital assets	(27,215)	(33,558)
Investment income (net of fees)	923,579	55,222
Interest expense & debt issuance costs	<u>(1,848,704)</u>	<u>(1,654,892)</u>
Total Nonoperating Revenues (Expenses)	<u>89,442,583</u>	<u>86,217,898</u>
<u>Capital Contributions</u>		
State capital grants	-	133,061
Federal capital grants	-	3,046,717
Contributions	<u>-</u>	<u>92,000</u>
Total Capital Contributions	<u>-</u>	<u>3,271,778</u>
 Change in Net Position	 (1,294,084)	 10,645,494
 Net Position - Beginning of Year	 <u>75,206,225</u>	 <u>64,560,731</u>
 Net Position - End of Year	 <u>\$ 73,912,141</u>	 <u>\$ 75,206,225</u>

The accompanying notes are an integral part of these statements.

GATEWAY TECHNICAL COLLEGE DISTRICT

Statements of Cash Flows

For the years ended June 30, 2023 and 2022

	2023	2022 Restated
<u>Cash flows from operating activities</u>		
Tuition and fees received	\$ 10,482,699	\$ 11,105,591
Federal and state grants received	19,775,638	27,768,347
Contract revenues received	7,797,087	7,756,727
Payments to employees, including related benefits	(74,349,956)	(81,727,439)
Payments for materials and services	(39,203,626)	(34,006,698)
Direct Loan Receipts	7,648,901	7,341,836
Direct Loan Disbursements	(7,648,901)	(7,341,836)
Auxiliary enterprise revenues received	237,017	185,822
Other receipts	1,221,373	1,222,877
	<u>(74,039,768)</u>	<u>(67,694,773)</u>
<u>Cash flows from non-capital financing activities</u>		
Local government property taxes received	39,066,171	38,783,817
State appropriations received	43,261,812	42,467,087
Federal grants received	7,945,574	7,193,520
	<u>90,273,557</u>	<u>88,444,424</u>
<u>Cash flows from capital and related financing activities</u>		
State and federal grants received for capital assets	133,061	3,083,670
Purchases of capital assets	(10,959,060)	(18,713,370)
Proceeds from issuance of capital debt	13,000,000	18,370,000
Premium received on debt issuance	639,809	983,860
Debt issuance costs paid	(254,806)	(303,242)
Principal paid on capital debt	(13,600,000)	(16,510,000)
Principal paid on lease liability	(990,316)	(856,925)
Principal paid on subscription liability	(1,018,899)	(729,316)
Interest paid on capital debt	(2,012,076)	(1,913,315)
Interest paid on lease liability	(127,476)	(72,999)
Interest paid on subscription liability	(76,011)	-
	<u>(15,265,774)</u>	<u>(16,661,637)</u>
<u>Cash flows from investing activities</u>		
Investment income received	923,579	55,222
	<u>1,891,594</u>	<u>4,143,236</u>
<u>Cash and cash equivalents</u>		
Beginning of year	46,462,047	42,318,811
End of year	<u>\$ 48,353,641</u>	<u>\$ 46,462,047</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position		
Cash and cash equivalents	\$ 34,495,509	\$ 33,091,181
Restricted assets - cash and cash equivalents	13,858,132	13,370,866
The accompanying notes are an integral part of these statements.	<u>\$ 48,353,641</u>	<u>\$ 46,462,047</u>

GATEWAY TECHNICAL COLLEGE DISTRICT
Statements of Cash Flows (Continued)
For the years ended June 30, 2023 and 2022

	2023	2022 Restated
<u>Reconciliation of operating loss to net cash used for operating activities:</u>		
Operating loss	\$ (90,736,667)	\$ (78,844,182)
Adjustment to reconcile operating loss to net cash used for operating activities:		
Depreciation/amortization	14,290,226	12,447,232
Changes in assets and liabilities:		
(Increase) decrease		
Receivables	(232,429)	3,744,293
Prepaid expenses	36,026	82,875
Increase (decrease)		
Accounts payable	(647,585)	282,838
Accrued payroll and benefits	(351,605)	351,315
Accrued vacation	7,460	(34,717)
OPEB liability	(2,991,174)	(2,844,577)
OPEB related deferred outflows	802,387	695,693
OPEB related deferred inflows	1,525,756	2,391,280
Lease related deferred inflows	(110,154)	(141,456)
Unearned revenue	(137,368)	(241,329)
Pension related liability	40,377,545	(5,273,403)
Pension related deferred outflows	15,832,378	(15,909,688)
Pension related deferred inflows	<u>(51,704,564)</u>	<u>15,599,053</u>
Net cash used for operating activities	<u>\$ (74,039,768)</u>	<u>\$ (67,694,773)</u>
 Non Cash Capital and Related Financing Activities:		
Capital asset additions financed through accounts payable	\$ 178,684	\$ 250,079
Right-to-use assets acquired through leases	1,491,722	23,245
Right-to-use assets acquired through subscriptions	747,554	-

The accompanying notes are an integral part of these statements.

Gateway Technical College Foundation, Inc.
(A Component Unit of Gateway Technical College District)
Statement of Financial Position
June 30, 2023
With Summarized Financial Information for June 30, 2022

	2023	2022
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 551,280	\$ 398,453
Cash and Cash Equivalents—Trust	354,080	201,632
Prepaid Expenses	5,253	8,362
Promises to Give (Notes B & I)	1,214,579	1,262,500
Total Current Assets	<u>2,125,192</u>	<u>1,870,947</u>
Property (Note B)		
Building and Improvements	299,533	1,255,074
Construction in Progress	187,842	194,446
Land	163,291	163,291
	<u>650,666</u>	<u>1,612,811</u>
Less: Accumulated Depreciation	96,436	973,347
Net Property	<u>554,230</u>	<u>639,464</u>
Other Assets		
Investments (Notes B & D)	16,197,931	13,807,926
Promises to Give (Notes B & I)	1,167,000	2,345,313
Total Other Assets	<u>17,364,931</u>	<u>16,153,239</u>
Total Assets	<u>\$ 20,044,353</u>	<u>\$ 18,663,650</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 81,181	\$ 3,027
Security Deposit	33,424	33,424
Contingency for Grants/Scholarships	157,888	90,919
Total Current Liabilities	<u>272,493</u>	<u>127,370</u>
Net Assets		
Without Donor Restrictions	1,465,311	1,206,140
With Donor Restrictions	18,306,549	17,330,140
Total Net Assets	<u>19,771,860</u>	<u>18,536,280</u>
Total Liabilities and Net Assets	<u>\$ 20,044,353</u>	<u>\$ 18,663,650</u>

The accompanying notes are an integral part of these Financial Statements.

Gateway Technical College Foundation, Inc.
(A Component Unit of Gateway Technical College District)
Statement of Activities
For the Year Ended June 30, 2023
With Summarized Financial Information for the Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total for the Year Ended June 30, 2023	Total for the Year Ended June 30, 2022
Revenue and Support				
Contributions	\$ 31,684	\$ 620,204	\$ 651,888	\$ 508,925
In-Kind Services (Note G)	206,408	-	206,408	257,846
Special Events: (Golf Outing and Innovation)	121,552	-	121,552	96,491
Rental Income	157,838	-	157,838	167,548
Investment Income (Note D)	265,250	1,156,952	1,422,202	(2,213,056)
Interest Income	2,451	-	2,451	285
Total Revenue and Support	<u>785,183</u>	<u>1,777,156</u>	<u>2,562,339</u>	<u>(1,181,961)</u>
Net Assets Released from Restrictions	<u>800,747</u>	<u>(800,747)</u>	<u>-</u>	<u>-</u>
Expenses				
Supporting Activities				
Management and General				
Licenses	25	-	25	80
Legal and Accounting	35,004	-	35,004	29,190
Insurance	9,057	-	9,057	4,227
Trust Fees	84,748	-	84,748	79,433
Bank Fees	600	-	600	610
Depreciation Expense	57,181	-	57,181	59,321
Food for Event and Meetings	358	-	358	-
Membership Dues	750	-	750	-
Subscription—Software	600	-	600	-
Blackbaud FE Training	1,540	-	1,540	1,540
Fundraising				
Professional Development	3,705	-	3,705	5,190
Subscription Software	17,004	-	17,004	16,920
Printing	490	-	490	140
Marketing	755	-	755	129
Dues	3,167	-	3,167	601
Food for Events and Meetings	2,156	-	2,156	89
Golf Outing	18,119	-	18,119	20,291
Golf Outing: Tokens of Appreciation	5,077	-	5,077	11,380
Virtual Event Hosting and Online	2,495	-	2,495	2,395
Fundraising Apps	2,743	-	2,743	2,396
Online Credit Card Processing Fees	2,743	-	2,743	2,396
Venue Decoration	850	-	850	-
Total Supporting Activities	<u>246,424</u>	<u>-</u>	<u>246,424</u>	<u>233,932</u>

The accompanying notes are an integral part of these Financial Statements.

Gateway Technical College Foundation, Inc.
(A Component Unit of Gateway Technical College District)
Statement of Activities
For the Year Ended June 30, 2023
With Summarized Financial Information for the Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total for the Year Ended June 30, 2023	Total for the Year Ended June 30, 2022
Expenses (cont.)				
Program				
Student Emergency Funds	\$ 20,727	\$ -	\$ 20,727	\$ 16,952
Food for Thought	1,061	-	1,061	-
Scholarships				
Scholarships Annual	203,141	-	203,141	171,122
Scholarships One-Time	8,320	-	8,320	20,943
Scholarships Endowed	151,459	-	151,459	124,242
Scholarships Promise	106,412	-	106,412	135,213
Scholarships Promise 2 Finish	127,321	-	127,321	89,816
Fresh Start to Finish	1,481	-	1,481	-
Student Supplies Direct Aid	2,600	-	2,600	-
Promise Book Fund	34,613	-	34,613	40,845
Vouchers for Tuition and Prizes	5,176	-	5,176	5,543
Tokens of Appreciation	1,101	-	1,101	751
Supplies for College	8,394	-	8,394	47,405
Supplies for Foundation	103	-	103	-
Signage and Printing	1,232	-	1,232	4,463
Rentals for Events	1,244	-	1,244	515
Marketing	169	-	169	-
Digital Media Subscriptions	499	-	499	160
Food for Event and Meetings	7,847	-	7,847	202
WGTD: Program Fund	1,373	-	1,373	-
Activities at Gateway	125,916	-	125,916	204,051
Alumni Activities	65	-	65	-
Building/Capital	14,710	-	14,710	-
Office Supplies	391	-	391	-
Travel	587	-	587	10
Postage	-	-	-	608
Printing	3,081	-	3,081	-
Salary: Clerical	4,799	-	4,799	6,280
Foundation Associate	36,000	-	36,000	36,000
Salary: Foundation Staff	130,140	-	130,140	142,211
Fringe Benefits				
College Foundation Department	52,155	-	52,155	52,879
Additional Support to College - Building Transfer	28,218	-	28,218	-
Total Program	<u>1,080,335</u>	<u>-</u>	<u>1,080,335</u>	<u>1,100,211</u>
Other Expenses				
Investment Value Adjustment (Note M)	-	-	-	42,672
Total Expenses	<u>1,326,759</u>	<u>-</u>	<u>1,326,759</u>	<u>1,376,815</u>
Change in Net Assets	259,171	976,409	1,235,580	(2,558,776)
Net Assets at July 1,	<u>1,206,140</u>	<u>17,330,140</u>	<u>18,536,280</u>	<u>21,095,056</u>
Net Assets at June 30,	<u>\$1,465,311</u>	<u>\$ 18,306,549</u>	<u>\$ 19,771,860</u>	<u>\$ 18,536,280</u>

The accompanying notes are an integral part of these Financial Statements.

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

(1) Summary of Significant Accounting Policies

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

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

Authority to borrow money and levy taxes;

Budgetary authority; and

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

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

(1) Summary of Significant Accounting Policies (continued)

(a) Reporting Entity

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

It has been determined that the Foundation's resources are significant to the District as a whole and to exclude them would cause the District's financial statements to be incomplete. The Foundation has been reported as a discretely presented component unit in the District's financial statements in accordance with applicable standards.

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

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

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

The preparation of financial statements in conformity with generally accepted accounting principles requires District management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(c) Budgetary Data

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

(1) Summary of Significant Accounting Policies (continued)

(c) Budgetary Data (continued)

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

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

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

(d) Property Tax Receivable

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

Taxpayers have various options of paying their assessment depending upon the municipality's payment schedules. Payments are due from the municipalities by the 15th or 20th of the month following the taxpayers' due date. The first payment is due January 15th, and the last payment is due August 20th. Property taxes receivable at June 30th generally represent the District's share of the outstanding second installment of property taxes due from municipal treasurers. The municipal and/or county treasurers review their unpaid property tax assessments in early August and are required by law to remit the balance of the District's levy on or before August 20th.

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

(1) Summary of Significant Accounting Policies (continued)

(e) Student Receivables

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

(f) Cash, Cash Equivalents and Investments

Cash includes amounts in petty cash, demand deposits, and other short-term interest-bearing deposits. For purposes of the statement of cash flows, cash on hand, demand deposits with financial institutions, investments in the Local Government Investment Pool, and other short-term investments with maturity dates of less than three months, from when purchased, are considered cash equivalents. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

(g) Prepaid Expenses

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

(h) Capital Assets

Capital assets include land, land improvements, buildings, intangible assets, equipment, leased assets (right of use), 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/amortization on buildings and equipment is provided in amounts sufficient to charge the cost of the depreciable/amortizable 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

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

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

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

vacation and salary related payments, including social security taxes, are recorded when incurred. Employees can carryover 80 vacation hours subsequent to the year in which they are earned. Any vacation benefits in excess of 80 hours lapse if not utilized in the year subsequent to that in which they are earned. In the event of retirement or death, the District is obligated to pay all unused vacation benefits. The amount of vacation benefits outstanding at June 30, 2023 and 2022 was \$764,732 and \$757,272, respectively.

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

(j) **Pensions**

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

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

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

(l) **Long-Term Obligations**

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

(1) Summary of Significant Accounting Policies (continued)

(m) Leases and Subscription-Based Information Technology Arrangements

The District is a lessee for building space and equipment and recognizes a lease liability and an intangible right-to-use lease asset based on the criteria dictated in GASB Statement No. 87 – *Leases*. In addition, the District contracts for the right-to-use of subscription-based information technology and recognizes a SBITA liability and right-to-use SBITA lease asset based on the criteria dictated in GASB Statement No. 96 - *Subscription- Based Information Technology*.

At the commencement of a lease, the District determines if the lease is a financed purchased lease, or a right-to-use lease based on the criteria in GASB Statement No. 87 – *Leases*. The District then measures the lease liability at the present value of payments expected to be made during the lease term. During the lease term, the lease liability is reduced by the principal portion of lease payments made. The lease liabilities are reported with long-term obligations on the statement of net position.

At the commencement of a SBITA, the District determines if an agreement meets the criteria in GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements*. The District then measures the SBITA liability at the present value of payments expected to be made during the lease term. During the lease term, the lease liability is reduced by the principal portion of SBITA payments made. The SBITA liabilities are reported with long-term obligations on the statement of net position.

An intangible right-to-use lease or SBITA asset is initially measured as the amount of the lease or SBITA liability adjusted for lease or SBITA payments made at or before the lease or SBITA commencement date, plus certain initial direct costs. The intangible right-to-use lease or SBITA asset is amortized on a straight-line basis over the term of the lease or SBITA. The intangible right-to-use lease or SBITA asset is reported with the District’s capital assets in a stand-alone Leased Assets (Right to Use) or SBITA Assets (Right to Use) category.

The District utilizes estimates and judgements to determine (1) the discount rate used to discount expected lease payments or SBITA to present value, (2) lease or SBITA term, and (3) lease or SBITA payments.

The District uses the interest rate charged by the lessor as the discount rate when the lessor provides it. If the interest rate is not provided, the District uses its estimated incremental borrowing rate as the discount rate.

The lease or SBITA term includes the non-cancellable period of the lease or SBITA. Lease or SBITA payments included in the measurement of the lease or SBITA liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

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

(m) **Leases (continued)**

The District accounts for lease or and non-lease or SBITA components separately when possible. In cases where the lease or SBITA does not provide separate cost information for lease and non-lease or SBITA components, the District treats the components as a single lease or SBITA unit if it is impractical to estimate cost information.

The District monitors changes in circumstances that would require re-measurement of the lease or SBITA asset and liability.

The District has elected to recognize payments for short-term leases or SBITAs with a lease or SBITA term of 12 months or less as expenses as incurred.

The District is a lessor for building space, furniture and radio tower space and recognizes a lease receivable and deferred revenue based on the criteria dictated in GASB Statement No. 87 – Leases. The District measures the lease receivable at the present value of payments expected to be received during the lease term. During the lease term, the lease receivable is reduced by the principal portion of lease payments received. The lease receivable is reported with accounts receivable on the statement of net position.

Deferred inflows related to leases is initially measured as the amount of the lease receivable adjusted for lease payments received at or before the lease commencement date. Lease revenue is recognized on a straight-line basis over the term of the lease.

The District has elected to recognize payments received for short-term leases with a lease term of 12 months or less as revenue as earned. The methodology previously described for discount rate, lease term, lease payments, lease and non-lease components and re-measurement of the lease receivable and deferred lease inflows applies to the District's lessor arrangements.

(n) **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 30th.

(o) **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

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

(1) Summary of Significant Accounting Policies (continued)

(p) Deferred Outflows/Inflows of Resources (continued)

revenue relates to funds received but not earned for an extended time period over future fiscal years.

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

(q) 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.

(r) Classification of Revenue

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

(1) Summary of Significant Accounting Policies (continued)

(r) Classification of Revenue (continued)

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.

(s) 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/amortization, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, unspent bond proceeds or other borrowings that are attributable to the acquisition, construction or improvement of those assets and any capital related deferred inflows of resources.

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

- Restricted net position for debt service can only be used to repay debt service costs (principal and interest) as they are levied for that specific purpose.
- Restricted net position for student financial assistance or student organizations can only be used for student financial assistance activities or student organizations, respectively.
- Restricted net position for the District's proportional share of the net pension asset held in trust by the Wisconsin Retirement System.

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, 2023 and 2022

(1) Summary of Significant Accounting Policies (continued)

(t) Reclassifications

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.

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

(u) Adoption of New Accounting Standards:

In May 2020, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA.

Net position as of July 1, 2022, has been restated as a result of the implementation of the Government Accounting Standards Board (GASB) Statement No. 96 – *Subscription-Based Information Technology Arrangements*, which required the District to record a SBITA subscription liability and intangible right-to-use asset. The details of this restatement are as follows:

	District's Net Position	District's Assets	District's Liabilities
June 30, 2021, Previously Reported	\$ 75,210,155	\$ 194,394,284	\$ 104,573,590
Prior Period Adjustment for GASB 96, <i>Subscription Based Information Technology Arrangements</i>	(3,930)	1,896,362	1,900,292
Net Position - July 1, 2022, Restated	\$ 75,206,225	\$ 196,290,646	\$ 106,473,882

(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:

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

(2) Cash and Cash Equivalents (continued)

	2023	2022
Cash and Cash Equivalents		
Cash on hand	\$ 23,904	\$ 47,265
Demand deposits	38,656,764	36,674,356
Wisconsin Local Government Investment Pool	9,672,973	9,740,426
Total Cash and Cash Equivalents	\$ 48,353,641	\$ 46,462,047

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

	2023	2022
Restricted for		
Capital Projects	\$ 9,818,813	\$ 9,320,097
Debt Service	4,039,319	4,050,769
	13,858,132	13,370,866
Unrestricted	34,495,509	33,091,181
Total Cash and Cash Equivalents	\$ 48,353,641	\$ 46,462,047

Custodial Credit Risk – Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution the District will not be able to recover its deposits or will be not be able to recover collateral securities that are in the possession of an outside party. Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for time and savings deposits and \$250,000 for demand deposits per official custodian per depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of \$250,000 per official custodian per depository institution. Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund’s total coverage, total recovery of insured losses

may not be available. The cash and demand deposits were fully insured by an irrevocable Public Unit Deposit Letter of Credit issued from Johnson Financial Group. The value of the collateral for the deposits as of June 30, 2023, and 2022 was \$38,144,566 and \$36,711,769, 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).

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

(2) Cash and Cash Equivalents (continued)

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

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

<u>June 30, 2023</u>	Fair	Investment Maturities (in Years)	
<u>Investment Type</u>	<u>Value</u>	<u>Less than 1</u>	<u>1-2</u>
Wisconsin Local Government Investment Pool	<u>\$ 9,672,973</u>	<u>\$ 9,672,973</u>	<u>\$ -</u>
<u>June 30, 2022</u>	Fair	Investment Maturities (in Years)	
<u>Investment Type</u>	<u>Value</u>	<u>Less than 1</u>	<u>1-2</u>
Wisconsin Local Government Investment Pool	<u>\$ 9,740,426</u>	<u>\$ 9,740,426</u>	<u>\$ -</u>

The District has invested funds in the Wisconsin Local Government Investment Pool (LGIP). The LGIP is an investment pool managed by the State of Wisconsin Investment Board (SIF), which allows governments within the state to pool their funds for investment purposes. The SIF is not registered with the Securities and Exchange Commission but operates under the statutory authority of Wisconsin Chapter 25. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. As of June 30, 2023, and 2022, 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

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

(2) Cash and Cash Equivalents (continued)

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, 2023, and June 30, 2022, 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, 2023 and 2022 mature in less than one year.

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

(3) Property Tax

The District's property tax is apportioned each fall, based on the equalized value as established by the State of Wisconsin - Department of Revenue, to the various collecting municipalities within the service area. The District records as revenue its share of the property tax in the year it is levied.

The combined tax rate for the fiscal years ended June 30, 2023, and 2022, were as follows:

	2023		2022	
	Mill Rate	Amount Levied	Mill Rate	Amount Levied
Operating levy	0.38744	\$ 23,520,094	0.44218	\$ 23,378,376
Debt service levy	0.25007	15,181,000	0.27926	14,765,000
 Total Property Tax Levy		\$ 38,701,094		\$ 38,143,376

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

(3) Property Tax (continued)

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 \$137,601 and \$122,404 in state aid revenue in lieu of property tax for the year ended June 30, 2023, and 2022, respectively. The debt service property tax mill rate per \$1,000 of equalized valuation is not limited by state law.

Property tax revenue recognized in the financial statements total \$39,172,340 and \$38,190,484 for the years ended June 30, 2023, and 2022, 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, 2023 and 2022

(4) Capital Assets

The following are the changes in the District's capital assets for the years ended June 30, 2023 and 2022:

	2023			Balance June 30, 2023
	Balance July 1, 2022	Additions	Disposals	
Capital assets, not being depreciated/amortized:				
Land	\$ 2,379,913	\$ -	\$ -	\$ 2,379,913
Construction in progress	2,629,247	6,333,495	3,596,159	5,366,583
Total capital assets not depreciated/amortized	<u>5,009,160</u>	<u>6,333,495</u>	<u>3,596,159</u>	<u>7,746,496</u>
Capital assets, being depreciated/amortized:				
Land improvements	13,284,392	2,038,905	-	15,323,297
Buildings and improvements	141,290,709	1,698,067	-	142,988,776
Intangible assets	5,217,239	874,767	-	6,092,006
Equipment	56,109,546	4,771,999	180,337	60,701,208
Leased Assets (Right to Use)	5,511,469	1,491,722	-	7,003,191
Leasehold interest	958,193	-	-	958,193
Subscription Assets (Right to Use)	2,629,609	747,554	492,107	2,885,056
Leasehold improvement	5,048,369	86,910	-	5,135,279
Total capital assets being depreciated/amortized	<u>227,471,210</u>	<u>11,709,924</u>	<u>672,444</u>	<u>241,087,006</u>
Total capital assets	<u>232,480,370</u>	<u>18,043,419</u>	<u>4,268,603</u>	<u>248,833,502</u>
Less accumulated depreciation/amortization for:				
Land improvements	5,903,386	914,022	-	6,817,408
Buildings and improvements	70,200,483	6,641,623	-	76,842,106
Intangible assets	2,723,159	508,452	-	3,231,611
Equipment	39,288,629	4,087,774	127,370	43,249,033
Leased Assets (Right to Use)	1,592,384	976,500	-	2,568,884
Leasehold interest	909,376	48,812	-	958,188
Subscription Assets (Right to Use)	685,618	791,304	492,107	984,815
Leasehold improvement	2,899,583	321,739	-	3,221,322
Total accumulated depreciation/amortization	<u>124,202,618</u>	<u>14,290,226</u>	<u>619,477</u>	<u>137,873,367</u>
Net capital assets	108,959,706	<u>\$ 3,753,193</u>	<u>\$ 3,649,126</u>	110,960,135
Less capital related debt premium	(3,092,604)			(3,146,400)
Plus capital project funds borrowed but not spent	7,989,293			8,066,528
Less capital asset related debt	(70,810,000)			(70,210,000)
Less right-to-use subscriptions	(1,900,292)			(1,628,947)
Less right-to-use leases	(3,023,086)			(3,524,492)
Less Capital asset related debt	<u>(68,936,397)</u>			<u>(70,443,311)</u>
Net investment in capital assets	<u>\$ 40,023,309</u>			<u>\$ 40,516,824</u>

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

(4) Capital Assets (continued)

The beginning balances have been updated to reflect the implementation of GASB 96, *Subscription-Based Information Technology Arrangements*. See note 8 for additional detail.

	2022			
	Balance July 1, 2021	Additions	Disposals	Balance June 30, 2022
Capital assets, not being depreciated/amortized:				
Land	\$ 2,379,913	\$ -	\$ -	\$ 2,379,913
Construction in progress	3,738,124	8,571,461	9,680,338	2,629,247
Total capital assets not depreciated/amortized	<u>6,118,037</u>	<u>8,571,461</u>	<u>9,680,338</u>	<u>5,009,160</u>
Capital assets, being depreciated/amortized:				
Land improvements	12,370,187	914,205	-	13,284,392
Buildings and improvements	130,043,784	11,246,925	-	141,290,709
Intangible assets	3,415,950	1,801,289	-	5,217,239
Equipment	52,260,266	4,139,393	290,113	56,109,546
Subscription Assets (Right to Use)	2,536,844	92,765	-	2,629,609
Leased Assets (Right to Use)	5,219,087	322,021	29,639	5,511,469
Leasehold interest	958,193	-	-	958,193
Leasehold improvement	4,882,438	165,931	-	5,048,369
Total capital assets being depreciated/amortized	<u>211,686,749</u>	<u>18,682,529</u>	<u>319,752</u>	<u>230,049,526</u>
Total capital assets	<u>217,804,786</u>	<u>27,253,990</u>	<u>10,000,090</u>	<u>235,058,686</u>
Less accumulated depreciation/amortization for:				
Land improvements	5,083,498	819,888	-	5,903,386
Buildings and improvements	63,969,916	6,230,567	-	70,200,483
Intangible assets	2,404,203	322,620	-	2,726,823
Equipment	35,680,013	3,865,171	256,555	39,288,629
Subscription Assets (Right to Use)	-	681,954	-	681,954
Leased Assets (Right to Use)	784,057	837,966	29,639	1,592,384
Leasehold interest	860,565	48,811	-	909,376
Leasehold improvement	2,577,374	322,209	-	2,899,583
Total accumulated depreciation/amortization	<u>111,359,626</u>	<u>13,129,186</u>	<u>286,194</u>	<u>124,202,618</u>
Net capital assets	106,445,160	<u>\$ 14,124,804</u>	<u>\$ 9,713,896</u>	110,856,068
Less capital related debt premium	(2,780,350)			(3,092,604)
Plus capital project funds borrowed but not spent	7,740,265			7,989,293
Less capital asset related debt	(68,950,000)			(70,810,000)
Less right-to-use subscriptions	(2,536,843)			(1,900,292)
Less right-to-use leases	(3,856,766)			(3,023,086)
Less Capital asset related debt	<u>(67,846,851)</u>			<u>(70,836,689)</u>
Net investment in capital assets	<u>\$ 38,598,309</u>			<u>\$ 40,019,379</u>

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

(5) Long-Term Obligations

The following is a summary of the changes in long-term obligations for the years ended June 30, 2023, and 2022:

	<u>July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2023</u>	<u>Due Within One Year</u>
General Obligation Debt	\$ 70,810,000	\$ 13,000,000	\$ 13,600,000	\$ 70,210,000	\$ 12,475,000
Plus Deferred Premium	3,092,604	639,809	586,013	3,146,400	-
Lease Liability - Right to Use	3,023,086	1,491,722	990,316	3,524,492	834,351
Subscription Liability - Right to Use	1,900,292	669,624	940,969	1,628,947	476,921
	<u>\$ 78,825,982</u>	<u>\$ 15,801,155</u>	<u>\$ 16,117,298</u>	<u>\$ 78,509,839</u>	<u>\$ 13,786,272</u>

	<u>July 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2022</u>	<u>Due Within One Year</u>
General Obligation Debt	\$ 68,950,000	\$ 18,370,000	\$ 16,510,000	\$ 70,810,000	\$ 12,950,000
Plus Deferred Premium	2,780,350	983,860	671,606	3,092,604	-
Lease Liability - Right to Use	3,856,766	23,245	856,925	3,023,086	865,380
Subscription Liability - Right to Use	2,536,844	92,765	729,316	1,900,292	940,969
	<u>\$ 78,123,960</u>	<u>\$ 19,469,870</u>	<u>\$ 18,767,847</u>	<u>\$ 78,825,982</u>	<u>\$ 14,756,349</u>

The beginning balances have been updated to reflect the implementation of GASB Statement No. 96, *Subscription- Based Information Technology Arrangements*.

General obligation debt outstanding at June 30, 2023 and 2022, consists of the following notes:

	<u>2023</u>	<u>2022</u>
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).	\$-0-	\$115,000
	2,100,000	3,090,000

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

(5) Long-Term Obligations (continued)

	<u>2023</u>	<u>2022</u>
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).	\$365,000	\$540,000
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).	530,000	780,000
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).	900,000	1,200,000
General obligation promissory notes, 2.00%, payable in annual installments of \$150,000 to \$190,000, plus interest, to April 1, 2026 (issued for \$1,500,000 on September 6, 2016 through R.W. Baird & Co., to finance district general repairs).	545,000	715,000
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).	365,000	480,000
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).	650,000	800,000

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

(5) Long-Term Obligations (continued)

	<u>2023</u>	<u>2022</u>
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 facility remodeling projects).	\$490,000	\$605,000
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).	2,550,000	3,565,000
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).	650,000	800,000
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).	725,000	890,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of \$145,000 to \$190,000, plus interest, to April 1, 2027 (issued for \$1,500,000 on March 14, 2018 through R.W. Baird & Co., to finance various facility remodeling projects).	725,000	890,000
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).	\$665,000	\$965,000
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).	1,500,000	3,470,000

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

(5) Long-Term Obligations (continued)

	<u>2023</u>	<u>2022</u>
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).	1,100,000	1,300,000
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).	1,100,000	1,300,000
General obligation promissory notes, 3.00% to 4.00%, payable in annual installments of \$200,000 to \$400,000, plus interest, to April 1, 2029 (issued for \$1,000,000 on April 10, 2019 through R.W. Baird & Co., to finance various facility remodeling projects).	1,000,000	1,000,000
General obligation promissory notes, 3.00% to 4.00%, payable in annual installments of \$200,000 to \$500,000, plus interest, to April 1, 2029 (issued for \$1,500,000 on May 1, 2019 through R.W. Baird & Co., to finance the Kenosha Academic Building 2nd floor remodel).	1,000,000	1,000,000
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).	5,065,000	5,795,000
General obligation promissory notes, 3.00%, payable in annual installments of \$200,000 to \$240,000, plus interest, to April 1, 2029 (issued for \$1,500,000 on August 1, 2019 through R.W. Baird & Co., to finance general repairs).	1,300,000	1,500,000

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

(5) <u>Long-Term Obligations (continued)</u>	<u>2023</u>	<u>2022</u>
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).	\$1,300,000	\$1,500,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of \$200,000 to \$230,000, plus interest, to April 1, 2029 (issued for \$1,500,000 on March 11, 2020 through R.W. Baird & Co., to finance the EVOC Track expansion).	1,300,000	1,500,000
General obligation promissory notes, 3.00%, payable in annual installments of \$200,000 to \$240,000, plus interest, to April 1, 2029 (issued for \$1,500,000 on May 5, 2020 through R.W. Baird & Co., to finance the Kenosha Academic Building 2nd floor remodel).	1,300,000	1,300,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of \$200,000 to \$240,000, plus interest, to April 1, 2030 (issued for \$1,500,000 on June 10, 2020 through R.W. Baird & Co., to finance the Kenosha Academic Building 2nd floor remodel and general repairs).	1,300,000	1,300,000
General obligation promissory notes, 2.00%, payable in annual installments of \$340,000 to \$450,000, plus interest, to April 1, 2030 (issued for \$4,000,000 on August 5, 2020 through Baird, to finance the acquisition of equipment and various facility remodeling projects).	2,805,000	3,145,000
General obligation promissory notes, 1.00% to 2.00%, payable in annual installments of \$230,000 to \$260,000, plus interest, to April 1, 2030 (issued for \$1,500,000 on September 15, 2020 through R.W. Baird & Co., to finance a remodel of the Racine Lake Building Dean and LSC offices along with repairs and signage).	\$975,000	\$975,000
General obligation promissory notes, 1.00% to 2.00%, payable in annual installments of \$225,000 to \$275,000, plus interest, to April 1, 2030 (issued for \$1,500,000 on January 6, 2021 through R.W. Baird & Co., to finance the Lincoln Building Expansion).	1,500,000	1,500,000

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

(5) <u>Long-Term Obligations (continued)</u>	<u>2023</u>	<u>2022</u>
General obligation promissory notes, 1.00% to 2.00%, payable in annual installments of \$400,000 to \$495,000, plus interest, to April 1, 2030 (issued for \$4,000,000 on February 4, 2021 through R.W. Baird & Co., to finance the Lincoln Building remodel and the acquisition of equipment).	\$3,190,000	\$3,600,000
General obligation promissory notes, 1.00% to 2.00%, payable in annual installments of \$200,000 to \$2,425,000, plus interest, to April 1, 2030 (issued for \$5,490,000 on April 15, 2021 through R.W. Baird & Co., to finance the Elkhorn North Building Remodel and debt refundings).	1,500,000	3,065,000
General obligation promissory notes, 2.00%, payable in annual installments of \$130,000 to \$170,000, plus interest, to April 1, 2031 (issued for \$1,500,000 on May 12, 2021 through R.W. Baird & Co., to finance general repairs and maintenance).	1,235,000	1,370,000
General obligation promissory notes, 2.00%, payable in annual installments of \$100,000 plus interest, to April 1, 2031 (issued for \$1,000,000 on June 15, 2021 through R.W. Baird & Co., to finance the Elkhorn Culinary Lab remodel and general repairs).	800,000	900,000
General obligation promissory notes, 1.25% to 2.00%, payable in annual installments of \$280,000 to \$600,000 plus interest, to April 1, 2031 (issued for \$4,000,000 on August 5, 2021 through BNY Mellon Capital Markets, to finance the Lincoln Building 2nd floor remodel and the acquisition of equipment).	3,235,000	3,770,000
General obligation promissory notes, 2.00%, payable in annual installments of \$165,000 to \$175,000 plus interest, to April 1, 2031 (issued for \$1,500,000 on September 5, 2021 through R.W. Baird & Co., to finance the Lincoln Building 3rd floor remodel).	1,335,000	1,500,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of \$285,000 to \$2,420,000 plus interest, to April 1, 2031 (issued for \$7,370,000 on February 15, 2022 through R.W. Baird & Co., to finance the acquisition of equipment, fire suppression, and general repairs).	5,715,000	7,370,000

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

5) Long-Term Obligations (continued)

	<u>2023</u>	<u>2022</u>
General obligation promissory notes, 3.00%, payable in annual installments of \$160,000 to \$215,000 plus interest, to April 1, 2032 (issued for \$1,500,000 on April 7, 2022 through R.W. Baird & Co., to finance general repairs).	\$1,500,000	\$1,500,000
General obligation promissory notes, 4.00%, payable in annual installments of \$355,000 to \$400,000 plus interest, to April 1, 2032 (issued for \$1,500,000 on May 12, 2022 through R.W. Baird & Co., to finance parking lot and site improvements).	1,500,000	1,500,000
General obligation promissory notes, 4.00%, payable in annual installments of \$235,000 to \$265,000 plus interest, to April 1, 2028 (issued for \$1,000,000 on June 15, 2022 through R.W. Baird & Co., to finance Culinary Lab updates and general repairs).	1,000,000	1,000,000
General obligation promissory notes, 3.00% - 4.00%, payable in annual installments of \$360,000 to \$540,000 plus interest, to April 1, 2032 (issued for \$4,000,000 on August 1, 2022 through R.W. Baird & Co., to finance Science Wing Remodel, signage, general repairs and equipment.)	4,000,000	-0-
General obligation promissory notes, 4.00%, payable in annual installments of \$150,000 plus interest, to April 1, 2032 (issued for \$1,500,000 on September 8, 2023 through R.W. Baird & Co., to finance general repairs and signage.)	1,350,000	-0-
General obligation promissory notes, 4.00%-5.00%, payable in annual installments of \$250,000 to \$500,000 plus interest, to April 1, 2027 (issued for \$1,500,000 on January 5, 2023 through R.W. Baird & Co., to finance North Building expansion.)	1,000,000	-0-
General obligation promissory notes, 2.00% - 4.00%, payable in annual installments of \$300,000 to \$560,000 plus interest, to April 1, 2032 (issued for \$4,000,000 on February 9, 2023 through Fidelity Capital Markets, to finance Elkhorn North Building roof repairs and equipment.)	4,000,000	-0-

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

5) Long-Term Obligations (continued)

	<u>2023</u>	<u>2022</u>
General obligation promissory notes, 4.00% to 5.00%, payable in annual installments of \$235,000 to \$265,000 interest, to April 1, 2033 (issued for \$1,000,000 on April 13, 2023 through R.W. Baird & Co., to finance general repairs)	\$1,000,000	\$-0-
General obligation promissory notes, 4.00% to 5.00%, payable in annual installments of \$250,000 plus interest, to April 1, 2029 (issued for \$1,000,000 on June 13, 2032 through R.W. Baird & Co., to finance general repairs)	<u>1,000,000</u>	<u>-0-</u>
Total General Long-Term Obligation Debt	<u>\$ 70,210,000</u>	<u>\$70,810,000</u>

Current Refunding

During February 2022, the District refunded general obligation promissory note issues from 2014 and 2015. The District issued general obligation promissory notes in the amount of \$7,370,000 on February 15, 2022. The debt service requirement on the old debt balance totaled \$3,608,113. The debt service requirement on the new debt balance totaled \$3,535,468. The refunding resulted in a decrease in debt service of \$72,644, with an estimated economic gain on the refunding of \$70,910 when the change in debt service payments are discounted using an effective interest of 1.3207821% through October 1, 2024.

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>
2024	\$ 12,475,000	\$ 2,002,532	\$ 14,477,532
2025	11,585,000	1,650,444	13,235,444
2026	10,485,000	1,319,594	11,804,594
2027	9,255,000	1,018,744	10,273,744
2028	8,095,000	754,094	8,849,094
2029-2033	18,315,000	1,087,787	19,402,787
	<u>\$ 70,210,000</u>	<u>\$ 7,833,195</u>	<u>\$ 78,043,195</u>

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

(5) Long-Term Obligations (continued)

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, 2023, the 5% limitation was \$3,214,668,131 and the District's outstanding general obligation debt (net of resources available to pay principal and interest) was \$69,808,387. The 5% limit, as of June 30, 2022, was \$2,840,021,882 and the District's outstanding general obligation debt (net of resources available to pay principal and interest) was \$70,323,357.

Chapter 67.03(9) of the Wisconsin State Statutes limits bonded indebtedness of the District to 2% of the equalized value of the taxable property located in the District. As of June 30, 2023, the 2% limitation was \$1,285,867,252 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, 2022, was \$1,136,008,753 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. ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

(b) Vesting

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

(c) Benefits Provided

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

(6) Retirement System (continued)

(d) Post-Retirement Adjustments

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.

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0

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.

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

(6) Retirement System (continued)

(d) Post-Retirement Adjustments (continued)

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, 2023, and 2022, respectively, the WRS recognized \$3,543,540 and \$3,438,337 in contributions from the District.

Contribution rates for the reporting periods are:

<u>Employee Category</u>	<u>December 31, 2022</u>		<u>December 31, 2021</u>	
	<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives and elected officials)	6.50%	6.50%	6.75%	6.75%
Protective with Social Security	6.50%	12.00%	6.75%	11.75%
Protective without Social Security	6.50%	16.40%	6.75%	16.35%

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

At June 30, 2023 and 2022, the District reported a liability of \$15,773,492 and an asset of \$24,604,053, respectively, for its proportionate share of the net pension liability (asset). The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021, rolled forward to December 31, 2022.

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, 2022, the District's proportion was 0.29774207%, which was a decrease of 0.00751217% from its proportion measured of 0.30525424% as of December 31, 2021. At December 31, 2021, the District's proportion was .30525424%, which was a decrease of 0.00437608% from its proportion measured of 0.30963032% as of December 31, 2020.

For the years ended June 30, 2023, and 2022, the District recognized pension expense of \$8,058,508 and pension revenue of \$2,122,318, respectively.

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

(6) Retirement System (continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 25,122,288	\$ 33,005,044
Net differences between projected and actual earnings on pension plan investments	26,795,521	-0-
Changes in assumptions	3,101,721	-0-
Changes in proportion and differences between employer contributions and proportionate share of contributions	125,952	14,404
Employer contributions subsequent to the measurement date	1,730,769	-0-
Total	\$ 56,876,251	\$ 33,019,448

At June 30, 2022, 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	\$ 39,746,603	\$ 2,866,159
Net differences between projected and actual earnings on pension plan investments	-0-	55,041,313
Changes in assumptions	4,590,273	-0-
Changes in proportion and differences between employer contributions and proportionate share of contributions	9,370	21,019
Employer contributions subsequent to the measurement date	1,566,862	-0-
Total	\$ 45,913,108	\$ 57,928,491

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

(6) Retirement System (continued)

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

\$1,730,769 reported as deferred outflows related to pension resulting from the WRS employer's contributions subsequent to the measurement date at June 30, 2023, will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2024. 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:	(Revenue) Expense
2024	\$ 942,096
2025	4,586,894
2026	4,707,747
2027	11,889,295
	\$ 22,126,032

\$1,566,862 reported as deferred outflows related to pension resulting from the WRS employer's contributions subsequent to the measurement date at June 30, 2022, will be recognized as a reduction of the net pension asset in the year ended June 30, 2023. 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:	(Revenue) Expense
2023	\$ (1,147,089)
2024	(6,677,504)
2025	(2,940,734)
2026	(2,816,918)
	\$ (13,582,245)

(f) Actuarial Assumptions

The total pension liability in the December 31, 2022, and 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

(6) Retirement System (continued)

(f) Actuarial Assumptions (continued)

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net Pension Liability (Asset)	December 31, 2022
Experience Study:	Jan 1, 2018 – Dec 31, 2020 Published Nov 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation:	3.0%
Seniority/Merit:	0.1% - 5.6%
Mortality:	2020 WRS Experience Mort Table
Post-retirement Adjustments*	1.7%

The total pension asset in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2020
Measurement Date of Net Pension Asset	December 31, 2021
Experience Study:	Jan 1, 2018 – Dec 31, 2020 Published Nov 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Inflation:	3.0%
Seniority/Merit:	0.1% - 5.6%
Mortality:	2020 WRS Experience Mort Table
Post-retirement Adjustments*	1.7%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% 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 2021 using a three-year period from January 1, 2018, to December 31, 2020. The Total Pension Liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

(f) Actuarial Assumptions (continued)

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

Asset Allocation Targets and Expected Returns						
As of December 31, 2022						
<u>Core Fund Asset Class</u>	<u>Asset Allocation</u>		<u>Long-Term Expected Nominal Rate of Return %</u>		<u>Long-Term Expected Real Rate of Return %</u>	
	<u>%</u>					
Public Equities	48	%	7.6	%	5	%
Public Fixed Income	25		5.3		2.7	
Inflation Sensitive	19		3.6		1.1	
Real Estate	8		5.2		2.6	
Private Equity/Debt	15		9.6		6.9	
Total Core Fund	115	%	7.4	%	4.8	%
Variable Fund Asset Class						
U.S. Equities	70	%	7.2	%	4.6	%
International Equities	30		8.1		5.5	
Total Variable Fund	100	%	7.7	%	5.1	%
Asset allocations are managed within established ranges, target percentages may differ from actual monthly allocations						
New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%						
The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.						

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

(6) Retirement System (continued)

(f) Actuarial Assumptions (continued)

<u>Core Fund Asset Class</u>	Asset Allocation %		Long-Term Expected Nominal Rate of Return %		Long-Term Expected Real Rate of Return %	
Global Equities	52	%	6.8	%	4.2	%
Fixed Income	25		4.3		1.8	
Inflation Sensitive Assets	19		2.7		0.2	
Real Estate	7		5.6		3	
Private Equity/Debt	12		9.7		7	
Total Core Fund	115	%	6.6	%	4	%
<u>Variable Fund Asset Class</u>						
U.S. Equities	70	%	6.3	%	3.7	%
International Equities	30		7.2		4.6	
Total Variable Fund	100	%	6.8	%	4.2	%
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						
The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.						

Single Discount rate. A single discount rate of 6.8% was used to measure the Total Pension Liability for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.05% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% 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

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

(6) Retirement System (continued)

(f) Actuarial Assumptions (continued)

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.

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 6.80 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 (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

<u>June 30, 2023</u>	<u>1% Decrease to Discount Rate (5.8%)</u>	<u>Current Discount Rate (6.8%)</u>	<u>1% Increase to Discount Rate (7.8%)</u>
Proportionate share of the net pension liability (asset)	\$52,351,708	\$15,773,492	(\$9,389,182)
<u>June 30, 2022</u>	<u>1% Decrease to Discount Rate (5.8%)</u>	<u>Current Discount Rate (6.8%)</u>	<u>1% Increase to Discount Rate (7.8%)</u>
Proportionate share of the net pension liability (asset)	\$17,458,320	(\$24,604,053)	(\$54,881,136)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

The District reported a payable as of June 30, 2023 and 2022 in the amount of \$703,624 and \$542,118, respectively, for the outstanding amount of contributions to the pension plan.

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

(7) Other Post-Employment Benefits (OPEB) – FY 2023

(a) Plan Description

The Plan provides comprehensive medical and dental benefits as well as life insurance to eligible retirees and their spouses on a pay-as-you-go basis. To be eligible, participants must have been hired prior to July 1, 2014 and obtained any of the following: 25 years of service and age 55; 20 years of service and age 56; 15 years of service at age 57; or 10 years of service and age 62. The plan is administered by the District and does not issue a stand-alone audited financial report. Membership of the plan at June 30 was as follows:

Participant Count

Inactive employees or beneficiaries currently receiving benefit payments	480
Active employees	<u>611</u>
Total Participants	<u><u>1,091</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 pays full medical and dental premiums for eligible retirees and dependents retired prior to October 1, 2004. Retirees on or after October 1, 2004, who were eligible as of June 30, 2020, and elected coverage have a portion of their premiums paid by the District with the amount depending on the date of retirement. Coverage ends at age 65. All other employees hired before July 1, 2014 that meet the retirement age and service requirements have the choice of having a portion of their medical premiums paid for 3 years (though not above the age of Medicare eligibility) or contributions to a retiree HRA account of \$1,000 per full service year plus \$20 per hour of sick time at retirement. Gateway Technical College also maintains a life insurance policy on all retirees which meet the same eligibility guidelines. The benefit amount is one times salary, rounded to the next \$1,000 with a maximum benefit of \$150,000 for retirees prior to July 1, 2012 and \$50,000 for all other retirees. The pre-65 benefit amount is reduced 75% at age 65, 50% at age 66, and 25% at age 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, 2023 and 2022

(7) Other Post-Employment Benefits (OPEB) – FY 2023 (continued)

(c) Contributions

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

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

* See plan descriptions for additional detailed eligibility requirements

(d) Total OPEB Obligation

The District's total OPEB liability was measured as of June 30, 2023, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total OPEB liability in the June 30, 2023, 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
Healthcare cost trend rates:	9.00 percent graded down to 5.0 percent for the years beginning July 1, 2032 and later.

Pre-2012 Total Dataset Employee and Retiree Amount-Weighted with MP-2021 generational mortality improvement after 2012 base mortality year.

The long-term expected rate of return on OPEB plan investments was valued at 4.13%.

Discount rate. The discount rate used to measure the total OPEB liability was 4.13% and is based off the S&P municipal bond 20-year high-grade rate index. No assets have been accumulated in an irrevocable trust.

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

(7) Other Post-Employment Benefits (OPEB) – FY 2023 (continued)

(d) Total OPEB Obligation (continued)

	Increase (Decrease)
	Total OPEB Liability
Balance at July 1, 2022	\$ 20,120,675
Changes for the year:	
Service cost	398,321
Interest	814,400
Differences between expected and actual experience	(1,374,429)
Changes in Assumptions	(1,690,074)
Benefit payments	(1,139,392)
Net changes	<u>(2,991,174)</u>
Balance at June 30, 2023	<u>\$ 17,129,501</u>

(e) Changes in the Total OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.13 percent) or 1-percentage-point higher (5.13 percent) than the current rate:

	1% Decrease to Discount Rate (3.13%)	Current Discount Rate (4.13%)	1% Increase to Discount Rate (5.13%)
Total OPEB Liability	\$ 18,326,966	\$ 17,129,501	\$ 16,086,347

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	\$ 16,759,576	\$ 17,129,501	\$ 17,528,094

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

(7) Other Post-Employment Benefits (OPEB) – FY 2023 (continued)

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$476,361. At June 30, 2023, the District reported deferred outflows of resources of \$998,973 and deferred inflows of resources of \$4,964,869 related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 369,301	\$ 1,480,909
Changes in assumptions	629,672	3,483,960
Total	\$ 998,973	\$ 4,964,869

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

Year ended June 30:	(Revenue) Expense
2024	(1,085,375)
2025	(983,317)
2026	(1,065,883)
2027	(713,453)
2028	(117,868)
	\$ (3,965,896)

(g) Payable to the OPEB Plan

At June 30, 2023, the District reported a payable of \$0 for the outstanding amount of contributions to the Plan required for the year ended June 30, 2023.

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

(7) Other Post-Employment Benefits (OPEB) – FY 2022

(a) Plan Description

The Plan provides comprehensive medical and dental benefits as well as life insurance to eligible retirees and their spouses on a pay-as-you-go basis. To be eligible, participants must have been hired prior to July 1, 2014 and obtained any of the following: 25 years of service and age 55; 20 years of service and age 56; 15 years of service at age 57; or 10 years of service and age 62. The plan is administered by the District and does not issue a stand-alone audited financial report. Membership of the plan at June 30 was as follows:

Participant Count

Inactive employees or beneficiaries currently receiving benefit payments	470
Active employees	<u>610</u>
 Total Participants	 <u><u>1,080</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 pays full medical and dental premiums for eligible retirees and dependents retired prior to October 1, 2004. Retirees on or after October 1, 2004, who were eligible as of June 30, 2020, and elected coverage have a portion of their premiums paid by the District with the amount depending on the date of retirement. Coverage ends at age 65. All other employees hired before July 1, 2014 that meet the retirement age and service requirements have the choice of having a portion of their medical premiums paid for 3 years (though not above the age of Medicare eligibility) or contributions to a retiree HRA account of \$1,000 per full service year plus \$20 per hour of sick time at retirement. Gateway Technical College also maintains a life insurance policy on all retirees which meet the same eligibility guidelines. The benefit amount is one times salary, rounded to the next \$1,000 with a maximum benefit of \$150,000 for retirees prior to July 1, 2012 and \$50,000 for all other retirees. The pre-65 benefit amount is reduced 75% at age 65, 50% at age 66, and 25% at age 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, 2023 and 2022

(7) Other Post-Employment Benefits (OPEB) – FY 2022 (continued)

(c) Contributions

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

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

* See plan descriptions for additional detailed eligibility requirements

(d) Total OPEB Obligation

The District's total OPEB liability was measured as of June 30, 2022, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total OPEB liability in the June 30, 2022, 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
Healthcare cost trend rates:	9.00 percent graded down to 5.0 percent for the years beginning July 1, 2031 and later.

Pri-2012 Total Dataset Employee and Retiree Amount-Weighted with MP-2021 generational mortality improvement after 2012 base mortality year.

The long-term expected rate of return on OPEB plan investments was valued at 4.09%.

Discount rate. The discount rate used to measure the total OPEB liability was 4.09% and is based off the S&P municipal bond 20-year high-grade rate index. No assets have been accumulated in an irrevocable trust.

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

(7) Other Post-Employment Benefits (OPEB) – FY 2022 (continued)

(d) Total OPEB Obligation (continued)

	Increase (Decrease)
	Total OPEB Liability
Balance at July 1, 2021	\$ 22,965,252
Changes for the year:	
Service cost	704,440
Interest	493,776
Differences between expected and actual experience	395,459
Changes in Assumptions	(3,340,700)
Benefit payments	(1,097,552)
Net changes	(2,844,577)
Balance at June 30, 2022	\$ 20,120,675

(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 (3.09 percent) or 1-percentage-point higher (5.09 percent) than the current rate:

	1% Decrease to Discount Rate (3.09%)	Current Discount Rate (4.09%)	1% Increase to Discount Rate (5.09%)
Total OPEB Liability	\$ 21,550,160	\$ 20,120,675	\$ 18,861,728

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	\$ 19,158,365	\$ 20,120,675	\$ 21,195,267

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

(7) Other Post-Employment Benefits (OPEB) – FY 2022 (continued)

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

For the year ended June 30, 2022, the District recognized OPEB expense of \$1,339,948. At June 30, 2022, the District reported deferred outflows of resources of \$1,801,360 and deferred inflows of resources of \$3,439,113 related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 622,336	\$ 638,686
Changes in assumptions	1,179,024	2,800,427
Total	\$ 1,801,360	\$ 3,439,113

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

Year ended June 30:	(Revenue) Expense
2023	\$ (147,030)
2024	(496,047)
2025	(393,994)
2026	(476,554)
2027	(124,128)
	\$ (1,637,753)

(g) Payable to the OPEB Plan

At June 30, 2022, the District reported a payable of \$0 for the outstanding amount of contributions to the Plan required for the year ended June 30, 2022.

(8) Subscription Based Information Technology Arrangements

The District implemented GASB 96, *Subscription Based Information Technology Arrangements* in fiscal year 2023.

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

(8) Subscription Based Information Technology Arrangements (continued)

During fiscal year 2023, one of the significant arrangements the District entered into was for Zoom Phone with a term of 5 years, an interest rate of 4 percent and annual payments of \$103,819.45. The arrangement has an expiration in 2028. An initial liability was recorded in the amount of \$480,673. The Entity has information technology arrangements for subscriptions under long-term, non-cancelable arrangements. The arrangements expire at various dates through 2028.

Total future minimum payments under these arrangements are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 476,921	\$ 65,158	\$ 542,079
2025	509,146	46,081	555,227
2026	543,054	25,715	568,769
2027	99,826	3,993	103,819
	<u>\$ 1,628,947</u>	<u>\$ 140,947</u>	<u>\$ 1,769,894</u>

Right-to-use assets acquired through outstanding right-to-use assets are shown below, by underlying asset class.

<u>Year ended June 30:</u>	<u>2023</u>	<u>2022</u>
Computer Software	\$ 2,885,056	2,629,609
Less: accumulated depreciation	<u>(984,815)</u>	<u>(685,618)</u>
	<u>\$ 1,900,241</u>	<u>\$ 1,943,991</u>

(9) Risk Management

The District maintains a risk management program that 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.

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

(9) Risk Management (continued)

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 \$500,000,000; 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 2023 and 2022, the District paid a premium of \$660,924 and \$648,257 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 governed by a board of trustees consisting of one trustee from each member college. Member entities include all sixteen WTCS technical colleges.

The WTCS Insurance Trust has purchased the following levels of coverage from Arthur J. Gallagher Risk Management Services, Inc. for its participating members:

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

(9) Risk Management (continued)

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 \$180,000, \$200,000 and
- \$715,000 with \$250 not in motion deductible and in motion deductibles based on physical damage value of \$1,000, \$1,000 and \$5,000; hangar keeper's liability coverage at \$250,000 per aircraft/\$250,000 per occurrence; \$5,000 deductible/negligent instruction liability at \$1,000,000 per occurrence.

Arthur J. Gallagher Risk Management Services, Inc.

- Multimedia liability: \$5,000,000 limit each claim; \$10,000 deductible each claim.
- Storage Tank Pollution Liability: \$1,000,000 aggregate; \$1,000,000 limit each confirmed release; \$5,000 deductible.
- Veterinary Services Professional Liability: \$3,000,000 aggregate; \$1,000,000 limit each claim; \$1,000 deductible.

(10) Leases

Lease Liability: Right-to-Use Asset Agreements

The District leases building space and equipment for various terms under long-term, noncancelable lease arrangements and is required to make various monthly principal and interest payments. The District used the incremental borrowing rate as the interest rate for the right-to-use asset agreements if an interest rate was not provided in the lease agreement.

The District subleases building space at the Lakeview Advanced Technology Center with variable lease payments based on CPI, a term of 18 years, an interest rate of 2% and an expiration date in 2023. The District also leases aircraft from Christiansen Aviation with variable lease payments based on flight hours, five-year lease terms, 2% interest rates and expiration dates in 2024 and 2026.

During fiscal year 2022, the District entered into one new right-to-use lease arrangement for printers/copiers with a term of two years, an interest rate of 4% and monthly payments of \$1,112. The lease expires in 2024. An initial lease liability was recorded in the amount of \$23,245.

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

(10) Leases (continued)

Lease Liability: Right-to-Use Asset Agreements (continued)

During fiscal year 2023, the District entered into a new right-to-use lease arrangement to lease building space with the financing of a buildout with a term of ten years, an interest rate of 4% and monthly payments of \$14,720. The lease expires in 2033. An initial lease liability was recorded in the amount of \$1,491,722.

Total principal and interest costs for such leases were \$1,108,437 and \$929,925 for the fiscal years ended June 30, 2023, and 2022. The future minimum lease payments for these agreements are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 834,351	\$ 99,202	\$ 933,552
2025	403,282	82,484	485,766
2026	330,374	71,299	401,673
2027	282,661	61,539	344,200
2028	292,014	52,139	344,153
2029 - 2033	1,042,864	117,623	1,160,487
2034 - 2038	192,406	25,394	217,800
2039 - 2043	<u>146,540</u>	<u>5,920</u>	<u>152,460</u>
Total	<u>\$ 3,524,492</u>	<u>\$ 515,600</u>	<u>\$ 4,040,091</u>

These lease agreements qualify as right-to-use assets for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the date of their inception. Right-to-use lease assets included in capital assets are as follows:

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

(10) Leases (continued)

Lease Liability: Right-to-Use Asset Agreements (continued)

	2023	2022
Leased Asset - Buildings	\$4,489,957	\$2,998,235
Leased Asset - Equipment	2,513,234	2,513,234
Subtotal	7,003,191	5,511,469
Less: Accumulated Amortization	2,568,884	1,592,384
Total	\$4,434,307	\$3,919,085

Lease Receivable

The District, acting as lessor, leases building space, furniture and radio tower space under long-term, non-cancelable lease agreements. The District used the incremental borrowing rate as the interest rate for the right-to-use asset agreements if an interest rate was not provided in the lease agreement. The leases expire at various dates between 2023 and 2042 and have an interest rate of 2%.

The District recognized \$140,358 and \$162,409 of total interest and lease revenue for the fiscal years ended June 30, 2023 and 2022. Total future minimum lease payments to be received under these lease agreements are as follows:

Year Ending June 30	Principal	Interest	Total
2024	\$ 41,466	\$ 17,875	\$ 59,341
2025	39,259	16,972	56,231
2026	38,368	16,164	54,532
2027	38,628	15,347	53,975
2028	39,773	14,568	54,340
2029 - 2033	220,960	59,865	280,825
2034 - 2038	263,812	35,915	299,727
2039 - 2043	219,766	9,067	228,833
Total	\$ 902,032	\$ 185,773	\$ 1,087,805

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

(13) Commitments and Contingent Liabilities

Childcare 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 childcare center. The Foundation entered into a lease agreement with a childcare 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, 2023, the District has commitments outstanding for construction projects of approximately \$4,867,966. As of June 30, 2022, the commitments for construction projects were \$2,919,162.

(14) Subsequent Events

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

Subsequent to June 30, 2023, the District issued \$5,500,000 in General Obligation Promissory Notes:

<u>Date</u>	<u>Interest Rate</u>	<u>Amount</u>	<u>Purpose</u>
8/1/2023	4%-5%	\$ 2,500,000	Proceeds to be used for \$2,500,000 in equipment
10/12/2023	5%	1,500,000	Proceeds to be used for building improvement projects.
11/8/2023	5%-5.75%	1,500,000	Proceeds to be used for building improvement projects.

Gateway Technical College Foundation, Inc.
(A Component Unit of Gateway Technical College District)
Notes to Financial Statements
June 30, 2023 and 2022

Note A. Nature of Organization

The Foundation was formed in 1977, under Chapter 181 of the Wisconsin Statutes as a Wisconsin not-for-profit corporation, without stock. The Foundation is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Foundation qualifies as a publicly supported organization.

The Foundation is dedicated to supporting, promoting, and facilitating the educational and cultural activities of Gateway Technical College District. The Foundation receives contributions and bequests from individuals, families, corporations, or nonprofit agencies. These contributions and bequests are invested, and most funds are managed as perpetual endowments, meaning only income, and not the principal, is disbursed. Other funds may disburse principal according to donor wishes. The Board authorizes grants to various organizations for charitable purposes.

Note B. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the standards of FASB ASC 958, *Not-for-Profit Entities*. Under FASB ASC 958, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Net assets of the Foundation and changes therein are classified and reported as follows:

Without Donor Restrictions—Net assets that are not subject to donor-imposed restrictions as to use.

With Donor Restrictions—Net assets subject to donor-imposed restrictions either in perpetuity, restricted for specific purposes, or restricted by the passage of time.

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

This information is an integral part of these Financial Statements.

Gateway Technical College Foundation, Inc.
(A Component Unit of Gateway Technical College District)
Notes to Financial Statements
June 30, 2023 and 2022

Note B. Summary of Significant Accounting Policies (cont.)

Restricted and Unrestricted Revenue and Support (cont.)

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. The amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions as needed. Promises to give are recorded at net realizable value if expected to be collected in one year, and at fair value, which is measured as the present value of their future cash flows, if expected to be collected in more than one year. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Management has evaluated promises to give at the end of the year and believes all outstanding promises to give will be collected; therefore, management deems an allowance not necessary.

Investments

The Foundation carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities. Gains and investment income that are limited to a specific use by donor-imposed restrictions are reported as increases in unrestricted net assets if the restrictions are met in the current year.

Return Objectives and Risk Parameters (Investment Policy)

The Board of Directors (Board) of the Gateway Technical College Foundation, Inc. (Foundation) believes the most effective method for management of permanent funds is through a total return concept. Under this concept, investment objectives are established to provide the Foundation with income to meet its current needs and also provide reasonable opportunities for long-term growth in the asset base. The Board has appointed an Investment Committee (Committee) and delegated to it responsibility for administrative matters concerning the investment of the funds within the Foundation. Given the Committee's assumptions about current and projected capital market conditions, investment objectives for the Foundation are as follows.

Return Type

Relative	The investments should produce a total return meeting or exceeding the median return from a universe of Managers with similar asset allocations. Historically, this range has been 8–10%.
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This information is an integral part of these Financial Statements.

Gateway Technical College Foundation, Inc.
(A Component Unit of Gateway Technical College District)
Notes to Financial Statements
June 30, 2023 and 2022

Note B. Summary of Significant Accounting Policies (cont.)

Return Objectives and Risk Parameters (Investment Policy) (cont.)

Real The total return after investment expenses should equal or exceed an average annual “real” rate of return of 5%. The “real” return is defined as a return above the rate of inflation as measured by the Consumer Price Index (CPI).

Benchmark The total return of the investments, before investment expenses, is expected to meet or exceed the composite performance of the relevant security markets on a three- to five-year annualized basis.

The Committee believes diversification is, in large part, accomplished through the selection of asset mix and Managers. The following mix is for the Foundation as a whole. The Committee is responsible for maintaining investments within the established ranges. The target allocation to alternative investments will be determined by the Board and be funded from equities or fixed income based on the specific investment. The investment manager will make the appropriate changes to any blended benchmark as the overall portfolio changes. Alternative investments utilized should offer a degree of liquidity, have a value that is readily ascertainable at any point in time, and should not be subject to UBTI.

Asset Class	Target Asset Mix	Asset Mix Range
Equities	55%	45–65%
Fixed Income	28%	20–50%
Alternative Investments	15%	0–20%
Cash or Cash Equivalents	2%	0–10%

Risk levels, as measured by the standard deviation of quarterly returns over a three-year period, of a Manager should be within 10% of a comparable universe and/or the benchmark index. That guideline applies to the investments of the Foundation taken as a whole, weighted by the policy asset mix (50/50 mix). To minimize the likelihood of erosion in asset value due to declining security markets, a loss greater than 10% in any one year will result in a review and possible change in investment policy. It is anticipated that a loss greater than this may occur no more than once in twenty years.

Spending Policy and How the Investment Objectives Relate to the Spending Policy

In order to facilitate the Foundation income planning and annual support of their programs, the Foundation’s intent is to annually distribute a minimum of \$500 from each fund. If the donor(s) does not fully utilize the annually defined earnings attributable to their fund, the remainder will remain in their fund to accrue for future market value change.

Types of Funds

Resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups.

This information is an integral part of these Financial Statements.

Gateway Technical College Foundation, Inc.
(A Component Unit of Gateway Technical College District)
Notes to Financial Statements
June 30, 2023 and 2022

Note B. Summary of Significant Accounting Policies (cont.)

Types of Funds (cont.)

General Fund—Many contributors to the Foundation do not establish a fund but contribute to the General Fund of the Foundation for the unrestricted use of the Foundation.

Income from this fund is used for administrative costs and grants.

Scholarship Fund—A scholarship fund is established when the donor specifies that the income or principal of the fund is to be used for one or more scholarships for students attending Gateway Technical College, Inc. Distributions from the funds are at the discretion of the Foundation's Board of Directors.

Emergency Fund—For this type of fund, at the time the fund is established, the general purpose of the fund is to support the needs of the students attending Gateway. This is the type of fund that permits the Foundation to respond most readily to varying Gateway students' needs. Distributions from the funds are at the discretion of the Foundation's Board of Directors.

Acorn Fund—This fund allows a donor to build a fund over a five-year period to reach the minimum required amount of \$10,000. Once the requirement is met, gifting can begin.

Capital and Project Fund—For this type of fund, at the time the fund is established, the general purpose of the fund is to support capital projects. This is the type of fund that permits the Foundation to respond most readily to the needs of Gateway Technical College, Inc. Distributions from the funds are at the discretion of the Foundation's Board of Directors.

Property

Property is recorded at cost at the date of acquisition, or fair value at the date of donation in the case of gifts. Depreciation of the property is provided over the estimated useful lives of the property at 39 years on a straight-line basis. Depreciation for the years ended June 30, 2023 and 2022 was \$57,181 and \$59,321, respectively.

Costs of maintenance and repairs are charged to expense, while costs of significant renewals and betterments are capitalized.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Foundation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investment Pools—Income Allocation

The Foundation maintains one master investment account for the majority of its investments. The investment income earned on this and all other investments, net of trustee fees, is allocated to the individual funds quarterly on the basis of the fund balance at the end of the quarter.

Gateway Technical College Foundation, Inc.
(A Component Unit of Gateway Technical College District)
Notes to Financial Statements
June 30, 2023 and 2022

Note B. Summary of Significant Accounting Policies (cont.)

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Significant estimates used in preparing these financial statements include those assumed in the valuing of investments at fair value. An estimate regarding a possible loss on these investments cannot be made due to the fluctuating nature of market conditions. It is at least reasonably possible that the estimates will change within the next year depending on market conditions.

Uncertain Tax Positions

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Foundation may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained upon examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Foundation and various positions related to the potential sources of unrelated business income tax (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the years ended June 30, 2023 and 2022. Accordingly, there is no accrued interest or penalties associated.

Open Tax Years

The Foundation's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2020, 2021, and 2022 are subject to examination by the Internal Revenue Service, generally for three years after they were filed. None of the Foundation's federal or state returns are currently under examination.

Note C. Endowment Funds Held by Gateway Technical College Foundation, Inc.

Interpretation of Relevant Law

The Board of Directors of Gateway Technical College Foundation, Inc., has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Gateway Technical College Foundation, Inc., classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

This information is an integral part of these Financial Statements.

Gateway Technical College Foundation, Inc.
(A Component Unit of Gateway Technical College District)
Notes to Financial Statements
June 30, 2023 and 2022

Note C. Endowment Funds Held by Gateway Technical College Foundation, Inc. (cont.)

Interpretation of Relevant Law (cont.)

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- The investment policies of the Organization

Endowment Net Asset Composition by Type of Fund as of June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	\$ -	\$ 10,295,137	\$ 10,295,137
Board-Designated Endowment Funds	931,197	-	-
	<u>\$ 931,197</u>	<u>\$ 10,295,137</u>	<u>\$ 11,226,334</u>

Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets,			
Beginning of Year	\$ 831,925	\$ 8,968,436	\$ 9,800,361
Investment Income—Net Appreciation (Realized and Unrealized)	265,206	1,156,952	1,422,158
Contributions	68,402	173,810	242,212
Appropriation of Endowment Assets for Expenditure	(238,397)	-	(238,397)
Reclassification Endowment Net Assets,	4,061	(4,061)	-
End of Year	<u>\$ 931,197</u>	<u>\$ 10,295,137</u>	<u>\$ 11,226,334</u>

This information is an integral part of these Financial Statements.

Gateway Technical College Foundation, Inc.
(A Component Unit of Gateway Technical College District)
Notes to Financial Statements
June 30, 2023 and 2022

Note C. Endowment Funds Held by Gateway Technical College Foundation, Inc. (cont.)

Endowment Net Asset Composition by Type of Fund as of June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	\$ -	\$ 8,968,436	\$ 8,968,436
Board-Designated Endowment Funds	831,925	-	831,925
	<u>\$ 831,925</u>	<u>\$ 8,968,436</u>	<u>\$ 9,800,361</u>

Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets,			
Beginning of Year	\$ 528,069	\$ 11,737,308	\$ 12,265,377
Investment Income—Net Depreciation (Realized and Unrealized)	217,269	(2,430,326)	(2,213,057)
Contributions	153,094	122,866	275,960
Appropriation of Endowment Assets for Expenditure	(527,919)	-	(527,919)
Reclassification Endowment Net Assets, End of Year	<u>461,412</u>	<u>(461,412)</u>	<u>-</u>
	<u>\$ 831,925</u>	<u>\$ 8,968,436</u>	<u>\$ 9,800,361</u>

Note D. Investments

Assets of Recurring Fair Value as of June 30, 2023

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value	Cost	Unrealized Appreciation (Depreciation)
Fixed Income Securities	\$ 5,291,007	\$ -	\$ -	\$ 5,291,007	\$ 5,567,102	\$ (276,095)
Domestic Equities	6,078,975	-	-	6,078,975	5,179,469	899,506
International Equities	2,875,733	-	-	2,875,733	2,645,200	230,533
Complements	1,682,917	201,227	68,072	1,952,216	2,212,274	(260,058)
	<u>\$ 15,928,632</u>	<u>\$ 201,227</u>	<u>\$ 68,072</u>	<u>\$ 16,197,931</u>	<u>\$ 15,604,045</u>	<u>\$ 593,886</u>

This information is an integral part of these Financial Statements.

Gateway Technical College Foundation, Inc.
(A Component Unit of Gateway Technical College District)
Notes to Financial Statements
June 30, 2023 and 2022

Note D. Investments (cont.)

Investment return as of June 30, 2023, is summarized as follows:

	Cost
Interest/Dividend Income	\$ 583,965
Change in Unrealized Gains (Losses)	688,672
Realized Gain (Loss)	<u>149,565</u>
	<u><u>\$ 1,422,202</u></u>

Expenses relating to investment revenues, including custodial fees and advisory fees, amounted to \$84,748 and have not been netted against investment revenues in the accompanying Statement of Activities.

Assets of Recurring Fair Value as of June 30, 2022

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value	Cost	Unrealized Appreciation (Depreciation)
Fixed Income Securities	\$ 3,553,376	\$ -	\$ -	\$ 3,553,376	\$ 3,877,200	\$ (323,824)
Domestic Equities	5,665,178	-	-	5,665,178	5,360,036	305,142
International Equities	2,515,435	-	-	2,515,435	2,672,545	(157,110)
Complements	<u>1,806,658</u>	<u>199,207</u>	<u>68,072</u>	<u>2,073,937</u>	<u>2,281,112</u>	<u>(207,175)</u>
	<u><u>\$ 13,540,647</u></u>	<u><u>\$ 199,207</u></u>	<u><u>\$ 68,072</u></u>	<u><u>\$ 13,807,926</u></u>	<u><u>\$ 14,190,893</u></u>	<u><u>\$ (382,967)</u></u>

Investment return as of June 30, 2022, is summarized as follows:

	Cost
Interest/Dividend Income	\$ 856,171
Change in Unrealized Gains (Losses)	(3,528,594)
Realized Gain (Loss)	<u>459,367</u>
	<u><u>\$ (2,213,056)</u></u>

Expenses relating to investment revenues, including custodial fees and advisory fees, amounted to \$79,433 and have not been netted against investment revenues in the accompanying Statement of Activities.

This information is an integral part of these Financial Statements.

Gateway Technical College Foundation, Inc.
(A Component Unit of Gateway Technical College District)
Notes to Financial Statements
June 30, 2023 and 2022

Note E. Concentration of Credit Risk

The Foundation maintains cash balances at Johnson Bank and Trust in Kenosha, Wisconsin. Accounts at the bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At various times throughout the year, the Foundation had cash balances that exceeded FDIC limits. As of June 30, 2023 and 2022, the Foundation had \$909,125 and \$603,239, respectively, on deposit, of which \$659,125 and \$353,239 was not insured by the FDIC.

The Foundation has deposited cash equivalents and investments with Johnson Trust as Master Custodian. As of June 30, 2023, and 2022, there was a certificate of insurance with coverage of financial institution bond for any one loss of \$10,000,000 and professional liability with a per loss of \$10,000,000 subject to aggregate.

The Foundation's operations are located in Kenosha, Wisconsin. The Foundation's major sources of revenue and support are derived from contributions and investment income.

Note F. FASB Accounting Standards Codification 842—Leases

The Foundation recognizes and measures its leases in accordance with FASB ASC 842, *Leases*. The Foundation is a lessor in two noncancellable operating leases for building space with Gateway Technical College in Kenosha, Wisconsin. The Foundation determines if an arrangement is a lease, or contains a lease, at inception of the contract and when the terms of an existing contract are changed.

As of June 30, 2023, the Foundation was party to the following lease agreements with Gateway Technical College:

Lease for building space located at 3620 30th Avenue, Kenosha, Wisconsin. The lease commenced on December 1, 2014, for a period of 120 months, with monthly lease payments of \$1,609.38.

Lease for building space located at 3217 34th Avenue, Kenosha, Wisconsin. The lease commenced on August 1, 2020, for a period of 120 months. Lease payments are \$2,660.61 per month through July 31, 2025 and increasing to \$2,800.00 per month through July 31, 2030.

Total future minimum lease receipts for these leases as of June 30, 2023, are as follows:

Year Ending June 30,	Amount
2024	\$51,245
2025	39,976
2026	33,461
2027	33,600
2028	33,600
Thereafter	70,000
Total	<u><u>\$261,882</u></u>

This information is an integral part of these Financial Statements.

Gateway Technical College Foundation, Inc.
(A Component Unit of Gateway Technical College District)
Notes to Financial Statements
June 30, 2023 and 2022

Note F. FASB Accounting Standards Codification 842—Leases (cont.)

The Foundation entered into a ground lease with Gateway Technical College, which began on January 1, 2002, and terminated during the year ended June 30, 2023, without an option to renew. Under this lease, the premises were used for a childcare center and program laboratory space with the tenants being Every Child's Place, Inc., and Gateway Technical College. The construction of the building was at the expense of the Foundation. The Foundation agreed to pay \$1 annually for the land rent commencing on January 1, 2002. Upon termination of this lease, the title to the building, improvements, and appurtenances constructed or erected by the Foundation during the term of the lease vested in Gateway Technical College, and the Foundation ceased to have any interest in, and relinquished all rights to, the building. During the year ended June 30, 2023, the Foundation transferred assets with a Net Book Value of \$28,218 to Gateway Technical College in accordance with the terms of the lease and recognized this amount in the Statement of Activities as additional support for the College.

Note G. Donated Services

Donated services are recognized as in-kind services in accordance with FASB ASC 958, *Not-for-Profit Entities*, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. As of June 30, 2023 and 2022, \$206,408 and \$257,846, respectively, has been reflected in the financial statements for donated services. The Foundation generally pays for services requiring specific expertise. Donated services for the year ended June 30, 2023, include payroll services in the amount of \$186,774, audit services in the amount of \$7,861, and donated supplies in the amount of \$11,773. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Foundation that are not recognized in the financial statements since they do not meet the criteria for recognition under FASB ASC 958, *Not-for-Profit Entities*.

Note H. Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

This information is an integral part of these Financial Statements.

Gateway Technical College Foundation, Inc.
(A Component Unit of Gateway Technical College District)
Notes to Financial Statements
June 30, 2023 and 2022

Note I. Promises to Give

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

Promises to give expected to be collected for the year ended June 30,

	2023	2022
Less than One Year	\$ 1,214,579	\$ 1,262,500
More than One Year and Less than Five Years	<u>1,181,588</u>	<u>2,375,000</u>
	2,396,167	3,637,500
Less Discount (1.25 rate) on Promises to Give	<u>14,588</u>	<u>29,687</u>
Net Promises to Give	2,381,579	3,607,813
Less Amounts Representing Current Portions	<u>1,214,579</u>	<u>1,262,500</u>
Promises to Give, Net, More than One Year	<u><u>1,167,000</u></u>	<u><u>\$ 2,345,313</u></u>

Note J. Functional Classification of Expenses

The Foundation's functional classification of expenses is listed below:

	2023	2022
Program Activities	\$1,080,335	\$1,100,211
Supporting Activities		
Management and General	189,863	174,401
Fundraising	<u>56,561</u>	<u>59,531</u>
Total Supporting Activities	<u>246,424</u>	<u>233,932</u>
Total Operating Expenses	<u><u>\$1,326,759</u></u>	<u><u>\$1,334,143</u></u>

This information is an integral part of these Financial Statements.

Gateway Technical College Foundation, Inc.
(A Component Unit of Gateway Technical College District)
Notes to Financial Statements
June 30, 2023 and 2022

Note K. Liquidity and Availability of Financial Assets

The Foundation does not have a formal liquidity and cash management policy in place but has started to develop such policy. The Organization generally maintains financial assets in liquid form, such as cash and cash equivalents, so that at least \$100,000 is on hand to pay operating expenses. The Foundation also has a formal investment policy in accordance with which it invests its assets. The Foundation expects over the long term that the combination of yield and appreciation will provide annual cash flow sufficient to both meet current needs and build stabilization reserves, and to achieve growth of principal.

As of June 30, 2023, the Foundation had \$2,120,012 of financial assets available to meet the cash needs for general expenditures within one year of the statement of financial position date. These financial assets primarily consisted of cash and cash equivalents of \$905,433 and current promises to give of \$1,214,579.

Note L. Net Assets with Donor Restrictions

The Foundation's net assets with donor restrictions are available for the following purposes as of June 30, 2023 and 2022:

	2023	2022
Subject to Expenditure for Specified Purpose:		
Scholarships	\$ 6,138,765	\$ 4,980,949
Subject to the Foundation's Spending Policy:		
Scholarships	125,000	125,000
Perpetual in Nature:		
Scholarships—Endowment	12,042,784	12,224,191
	<u>12,042,784</u>	<u>12,224,191</u>
Total Net Assets with Donor Restrictions	<u>\$ 18,306,549</u>	<u>\$ 17,330,140</u>

Note M. Subsequent Events

Management has evaluated all subsequent events through August 31, 2023, for possible inclusion of a disclosure in the financial statements.

On February 17, 2022, an SEC complaint was filed regarding a fraudulent scheme with one of the investments that the Foundation invests in. The founder and former CIO of the investment knowingly inflated the value of the assets held by manipulating a third-party pricing model that was used to value swaps held by the fund. The fund has suspended redemption of the funds and is in liquidation process. To obtain a conservative value of the investment and to account for uncertainty and opportunity costs, the Foundation has worked with its investment advisor. The investigation is still pending, and accordingly, as of August 31, 2023, the remaining value of the fund was estimated to be \$68,072 and is reflected in these financial statements.

This information is an integral part of these Financial Statements.

REQUIRED SUPPLEMENTARY INFORMATION

GATEWAY TECHNICAL COLLEGE

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

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 398,321	\$ 704,440	\$ 680,003	\$ 687,697	\$ 645,276	\$ 587,898
Interest	814,400	493,776	563,270	688,907	699,366	815,970
Benefit payments	(1,139,392)	(1,097,552)	(1,228,216)	(1,118,804)	(1,218,587)	(1,646,192)
Changes of benefit terms	-	-	-	(2,207,505)	-	-
Differences between expected and actual experience	(1,374,429)	395,459	288,870	(1,422,676)	(24,123)	1,457,283
Changes in assumptions	(1,690,074)	(3,340,700)	1,259,947	(224,346)	1,024,998	1,462,422
Net change in total OPEB liability	(2,991,174)	(2,844,577)	1,563,874	(3,596,727)	1,126,930	2,677,381
Total OPEB liability - beginning	20,120,675	22,965,252	21,401,378	24,998,105	23,871,175	21,193,794
Total OPEB liability - ending	\$ 17,129,501	\$ 20,120,675	\$ 22,965,252	\$ 21,401,378	\$ 24,998,105	\$ 23,871,175
Covered-employee payroll	\$ 48,122,630	\$ 44,997,830	\$ 44,016,382	\$ 44,184,940	\$ 43,187,900	\$ 40,911,888
District's total OPEB liability as a percentage of covered-employee payroll	35.60%	44.71%	52.17%	48.44%	57.88%	58.35%

GATEWAY TECHNICAL COLLEGE

Schedule of Employer Contributions
Other Postemployment Benefits
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018
Actuarially determined contribution (ADC)	\$ 1,960,759	\$ 1,960,759	\$ 1,933,374	\$ 2,139,746	\$ 2,026,533	\$ 2,057,976
Contributions in relation to the ADC	1,097,552	1,097,552	1,228,216	1,148,804	1,218,587	1,646,192
Contribution deficiency (excess)	<u>\$ 863,207</u>	<u>\$ 863,207</u>	<u>\$ 705,158</u>	<u>\$ 990,942</u>	<u>\$ 807,946</u>	<u>\$ 411,784</u>
Covered-employee payroll	\$ 48,122,630	\$ 44,997,830	\$ 44,016,382	\$ 44,184,940	\$ 43,187,900	\$ 40,911,888
Contributions as a percentage of covered-employee payroll	2.28%	2.44%	2.79%	2.60%	2.82%	4.02%

Key Methods and Assumption Used to Calculate ADC

	Entry Age Normal	Entry Age Normal	Entry Age Normal	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value
Actuarial cost method	30 year Level Dollar	30 year Level Dollar	30 year Level Dollar			
Asset valuation method	4.13%	4.09%	2.18%	2.66%	2.79%	2.98%
Amortization method	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Discount rate						
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, 2023

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

Plan Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll Plan Year	Proportionate Share of the Net Position Liability(Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/2015	0.3276965%	\$ 5,325,004	\$ 46,039,216	11.57%	98.20%
12/31/2016	0.3244030%	2,673,855	46,491,250	5.75%	99.12%
12/31/2017	0.3191383%	(9,475,595)	46,347,544	20.44%	102.93%
12/31/2018	0.3141638%	11,176,963	47,548,247	23.51%	96.45%
12/31/2019	0.3104454%	(10,010,177)	49,566,851	20.20%	102.96%
12/31/2020	0.3096303%	(19,330,650)	51,693,784	37.39%	105.26%
12/31/2021	0.3052542%	(24,604,053)	50,945,373	48.30%	106.02%
12/31/2022	0.2977421%	15,773,492	51,998,263	30.33%	95.72%

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

Schedule of Contributions
Last 10 Fiscal Years*

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll Fiscal Year	Contributions as a Percentage of Covered Payroll
6/30/2016	\$ 3,097,538	\$ 3,097,538	\$ -	\$ 46,235,719	6.70%
6/30/2017	3,095,524	3,095,524	-	46,205,511	6.70%
6/30/2018	3,174,648	3,174,648	-	47,033,912	6.75%
6/30/2019	3,216,986	3,216,986	-	48,567,201	6.62%
6/30/2020	3,323,018	3,323,018	-	49,966,764	6.65%
6/30/2021	3,362,433	3,362,433	-	49,813,819	6.75%
6/30/2022	3,438,337	3,438,337	-	51,825,994	6.63%
6/30/2023	3,543,540	3,543,540	-	53,341,274	6.64%

* 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, 2023

Note A - Governmental Accounting Standards Board Statement No. 75

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

Single-employer defined postemployment benefit plan:

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

	<u>Discount Rate</u>
6/30/2023	4.13%
6/30/2022	4.09%
6/30/2021	2.18%
6/30/2020	2.66%
6/30/2019	2.79%
6/30/2018	2.98%

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

Note B - Wisconsin Retirement System

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

6/30/2023	No significant change in assumptions were noted from the prior year
6/30/2022	<u>LT Expected Rate of Return</u> : Decreased from 7% to 6.8% <u>Discount Rate</u> : Decreased from 7% to 6.8% <u>Mortality Table</u> : Changed from Wisconsin 2018 to 2020 WRS Experience <u>Post-Retirement Adj</u> : Decreased from 1.9% to 1.7%
6/30/2021	No significant change in assumptions were noted from the prior year
6/30/2020	No significant change in assumptions were noted from the prior year
6/30/2019	No significant change in assumptions were noted from the prior year
6/30/2018	<u>LT Expected Rate of Return</u> : Decreased from 7.2% to 7% <u>Discount Rate</u> : Decreased from 7.2% to 7% <u>Inflation</u> : Decreased from 3.2% to 3% <u>Seniority/Merit</u> : Decreased from 0.2%-5.6% to 0.1%-5.6% <u>Mortality Table</u> : Changed from 2012 to 2018 <u>Post-Retirement Adj</u> : Decreased from 2.1% to 1.9%
6/30/2017	No significant change in assumptions were noted from the prior year
6/30/2016	No significant change in assumptions were noted from the prior year
6/30/2015	No significant change in assumptions were noted from the prior year

SUPPLEMENTARY INFORMATION

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

GENERAL FUND

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

GATEWAY TECHNICAL COLLEGE DISTRICT

General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the year ended June 30, 2023

	<u>Budget Amounts</u>		Actual on a Budgetary Basis	Variance with Final Budget- Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Local government - tax levy	\$ 20,416,663	\$ 20,486,094	\$ 20,957,340	\$ 471,246
Intergovernmental revenue:				
State	43,763,297	43,798,163	43,381,194	(416,969)
Federal	30,000	30,000	2,368	(27,632)
Tuition and fees:				
Statutory program fees	14,306,572	14,306,572	13,278,083	(1,028,489)
Material fees	727,750	727,750	729,307	1,557
Other student fees	1,603,961	1,603,961	1,523,075	(80,886)
Miscellaneous - institutional revenue	<u>6,788,646</u>	<u>6,788,646</u>	<u>8,534,341</u>	<u>1,745,695</u>
 Total revenues	 <u>87,636,889</u>	 <u>87,741,186</u>	 <u>88,405,708</u>	 <u>664,522</u>
<u>Expenditures</u>				
Instruction	60,474,108	59,901,108	59,240,299	660,809
Instructional resources	1,162,935	1,162,935	1,097,322	65,613
Student services	12,572,500	11,872,500	11,753,197	119,303
General institutional	9,002,035	10,079,332	10,019,724	59,608
Physical plant	<u>7,550,311</u>	<u>7,850,311</u>	<u>7,804,793</u>	<u>45,518</u>
 Total expenditures	 <u>90,761,889</u>	 <u>90,866,186</u>	 <u>89,915,335</u>	 <u>950,851</u>
 Revenues over (under) expenditures	 <u>(3,125,000)</u>	 <u>(3,125,000)</u>	 <u>(1,509,627)</u>	 <u>1,615,373</u>
<u>Other financing uses</u>				
Transfers in	<u>3,125,000</u>	<u>3,125,000</u>	<u>2,125,000</u>	<u>(1,000,000)</u>
 Net change in fund balance	 -	 -	 615,373	 615,373
<u>Fund balance</u>				
Beginning of year	<u>32,538,122</u>	<u>32,538,122</u>	<u>32,538,122</u>	<u>-</u>
 End of year	 <u>\$ 32,538,122</u>	 <u>\$ 32,538,122</u>	 <u>\$ 33,153,495</u>	 <u>\$ 615,373</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, 2023

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Over (Under)
	Original	Final		
<u>Revenues</u>				
Local government - tax levy	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ -
Intergovernmental revenue:				
State	1,967,293	1,967,293	1,429,411	(537,882)
Federal	7,058,033	7,089,283	7,083,743	(5,540)
Miscellaneous - institutional revenue	<u>82,500</u>	<u>82,500</u>	<u>137,765</u>	<u>55,265</u>
Total revenues	<u>11,107,826</u>	<u>11,139,076</u>	<u>10,650,919</u>	<u>(488,157)</u>
<u>Expenditures</u>				
Instruction	6,055,169	5,678,419	4,609,049	1,069,370
Student services	2,061,106	2,386,106	2,371,386	14,720
General institutional	476,051	536,051	527,285	8,766
Physical plant	-	3,000	2,381	619
Public services	<u>390,500</u>	<u>410,500</u>	<u>405,793</u>	<u>4,707</u>
Total expenditures	<u>8,982,826</u>	<u>9,014,076</u>	<u>7,915,894</u>	<u>1,098,182</u>
<u>Other financing uses</u>				
Transfers out	<u>(2,125,000)</u>	<u>(2,125,000)</u>	<u>(2,125,000)</u>	<u>-</u>
Net change in fund balance	-	-	610,025	610,025
<u>Fund balance</u>				
Beginning of year	<u>2,667,407</u>	<u>2,667,407</u>	<u>2,667,407</u>	<u>-</u>
End of year	<u>\$ 2,667,407</u>	<u>\$ 2,667,407</u>	<u>\$ 3,277,432</u>	<u>\$ 610,025</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, 2023

	<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	\$ 1,879,000	\$ 1,879,000	\$ 2,217,428	\$ 338,428
Federal	19,540,000	19,540,000	16,045,207	(3,494,793)
Tuition and fees - other student fees	812,000	812,000	810,084	(1,916)
Miscellaneous - institutional revenue	<u>2,403,000</u>	<u>2,428,000</u>	<u>1,736,630</u>	<u>(691,370)</u>
Total revenues	<u>24,634,000</u>	<u>24,659,000</u>	<u>20,809,349</u>	<u>(3,849,651)</u>
<u>Expenditures</u>				
Student services	24,623,500	24,623,500	20,679,467	3,944,033
General institutional	<u>10,500</u>	<u>35,500</u>	<u>33,985</u>	<u>1,515</u>
Total expenditures	<u>24,634,000</u>	<u>24,659,000</u>	<u>20,713,452</u>	<u>3,945,548</u>
Net change in fund balance	-	-	95,897	95,897
<u>Fund balance</u>				
Beginning of year	<u>1,383,120</u>	<u>1,383,120</u>	<u>1,383,120</u>	<u>-</u>
End of year	<u>\$ 1,383,120</u>	<u>\$ 1,383,120</u>	<u>\$ 1,479,017</u>	<u>\$ 95,897</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, 2023

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Intergovernmental revenue:				
State	\$ 200,000	\$ 200,000	\$ -	\$ (200,000)
Federal	-	-	1,182,408	1,182,408
Miscellaneous - institutional revenue	<u>150,000</u>	<u>150,000</u>	<u>398,568</u>	<u>248,568</u>
Total revenues	<u>350,000</u>	<u>350,000</u>	<u>1,580,976</u>	<u>1,230,976</u>
<u>Expenditures</u>				
Instruction	2,645,000	2,645,000	1,966,836	678,164
Instructional resources	15,000	15,000	-	15,000
Student services	10,000	10,000	-	10,000
General institutional	2,455,000	2,655,000	2,593,269	61,731
Physical plant	8,200,000	11,300,000	11,202,941	97,059
Public services	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total expenditures	<u>13,350,000</u>	<u>16,650,000</u>	<u>15,763,046</u>	<u>886,954</u>
<u>Other financing sources</u>				
Long-term debt issued	13,000,000	13,000,000	13,000,000	-
Leases Issued	<u>-</u>	<u>1,491,722</u>	<u>1,491,722</u>	<u>-</u>
Total other financing sources	<u>13,000,000</u>	<u>14,491,722</u>	<u>14,491,722</u>	<u>-</u>
Net change in fund balance	-	(1,808,278)	309,652	2,117,930
<u>Fund balance</u>				
Beginning of year	<u>3,504,374</u>	<u>3,504,374</u>	<u>3,504,374</u>	<u>-</u>
End of year	<u>\$ 3,504,374</u>	<u>\$ 1,696,096</u>	<u>\$ 3,814,026</u>	<u>\$ 2,117,930</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, 2023

	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	\$ 16,170,000	\$ 16,170,000	\$ 16,170,000	\$ -
Miscellaneous - institutional revenue	<u>5,000</u>	<u>5,000</u>	<u>163,415</u>	<u>158,415</u>
Total revenues	<u>16,175,000</u>	<u>16,175,000</u>	<u>16,333,415</u>	<u>158,415</u>
<u>Expenditures</u>				
Physical plant				
Principal retirement	14,355,373	14,605,373	14,590,316	15,057
Interest	2,164,851	2,164,851	2,139,552	25,299
Financing costs	<u>268,222</u>	<u>268,222</u>	<u>254,806</u>	<u>13,416</u>
Total expenditures	<u>16,788,446</u>	<u>17,038,446</u>	<u>16,984,674</u>	<u>53,772</u>
<u>Other financing sources</u>				
Proceeds of debt premium	<u>560,000</u>	<u>560,000</u>	<u>639,809</u>	<u>79,809</u>
Net change in fund balance	(53,446)	(303,446)	(11,450)	291,996
<u>Fund balance</u>				
Beginning of year	<u>4,050,769</u>	<u>4,050,769</u>	<u>4,050,769</u>	<u>-</u>
End of year	<u>\$ 3,997,323</u>	<u>\$ 3,747,323</u>	<u>\$ 4,039,319</u>	<u>\$ 291,996</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, 2023

	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	181,000	181,000	217,152	36,152
Miscellaneous - institutional revenue	<u>399,000</u>	<u>399,000</u>	<u>253,882</u>	<u>(145,118)</u>
Total revenues	<u>625,000</u>	<u>625,000</u>	<u>516,034</u>	<u>(108,966)</u>
<u>Operating Expenses</u>				
Auxiliary services	<u>625,000</u>	<u>625,000</u>	<u>457,599</u>	<u>167,401</u>
Change in net position	-	-	58,435	58,435
<u>Net Position</u>				
Beginning of year	<u>952,553</u>	<u>952,553</u>	<u>952,553</u>	<u>-</u>
End of year	<u>\$ 952,553</u>	<u>\$ 952,553</u>	<u>\$ 1,010,988</u>	<u>\$ 58,435</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, 2023

ASSETS	General Fund	Special Revenue Funds Operating	Non-Aidable	Capital Projects Fund	Debt Service Fund	Enterprise Fund	Total	Reconciling Items	Statement of Net Position
ASSETS									
Cash and cash equivalents	\$ 34,495,509	\$ -	\$ -	\$ 9,818,813	\$ 4,039,319	\$ -	\$ 48,353,641	\$ -	\$ 48,353,641
Receivables:									
Property taxes	9,647,800	-	-	-	-	-	9,647,800	-	9,647,800
Accounts, net of reserve of \$260,000	1,513,640	2,476	-	-	-	-	1,516,116	-	1,516,116
Federal and state aid	198,465	1,808,756	-	-	-	-	2,007,221	-	2,007,221
Lease	18,516	881,880	-	1,635	-	-	902,031	-	902,031
Due from other funds	-	1,704,861	1,495,469	-	-	1,037,738	4,238,068	(4,238,068)	-
Prepaid expenditures	428,609	53,408	-	-	-	-	480,017	-	480,017
Capital assets	-	-	-	-	-	-	-	248,833,502	248,833,502
Less: accumulated depreciation/amortization	-	-	-	-	-	-	-	(137,873,367)	(137,873,367)
Total Assets	46,300,539	4,451,381	1,495,469	9,820,448	4,039,319	1,037,738	67,144,894	106,722,067	173,866,961
DEFERRED OUTFLOWS OF RESOURCES									
Deferred outflows related to OPEB	-	-	-	-	-	-	-	998,973	998,973
Deferred outflows related to pensions	-	-	-	-	-	-	-	56,876,251	56,876,251
Total deferred outflows of resources	-	-	-	-	-	-	-	57,875,224	57,875,224
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 46,300,539	\$ 4,451,381	\$ 1,495,469	\$ 9,820,448	\$ 4,039,319	\$ 1,037,738	\$ 67,144,894	\$ 164,597,291	\$ 231,742,185
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND EQUITY									
Liabilities									
Accounts payable	\$ 2,980,546	\$ -	\$ 3,780	\$ 76,261	\$ -	\$ 26,750	\$ 3,087,337	\$ -	\$ 3,087,337
Accrued payroll and benefits	2,112,959	125,138	12,672	-	-	-	2,250,769	-	2,250,769
Accrued vacation	764,732	-	-	-	-	-	764,732	-	764,732
Accrued interest payable	-	-	-	-	-	-	-	500,950	500,950
Due to other funds	4,238,068	-	-	-	-	-	4,238,068	(4,238,068)	-
Unearned revenues	2,680,182	933,582	-	1,619	-	-	3,625,383	(2,643,505)	981,856
Other post-employment benefits liability	-	-	-	-	-	-	-	17,129,501	17,129,501
Net pension liability	-	-	-	-	-	-	-	15,773,492	15,773,492
Long-term liabilities	-	-	-	-	-	-	-	78,509,839	78,509,839
Total liabilities	12,786,467	1,058,720	16,452	77,880	-	26,750	13,966,269	105,032,209	118,998,478
Deferred Inflows of Resources									
Deferred inflows related to OPEB	-	-	-	-	-	-	-	4,964,869	4,964,869
Deferred inflows related to pensions	-	-	-	-	-	-	-	33,019,448	33,019,448
Deferred inflows related to leases	-	-	-	-	-	-	-	847,249	847,249
Total deferred inflows of resources	-	-	-	-	-	-	-	38,831,566	38,831,566
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	12,786,467	1,058,720	16,452	77,880	-	26,750	13,966,269	143,863,775	157,830,044
Fund balances / net position									
Net investment in capital assets	-	-	-	-	-	-	-	40,516,824	40,516,824
Net position	-	-	-	-	-	1,010,988	1,010,988	25,928,851	26,939,639
Unreserved/unrestricted	-	-	-	-	-	-	-	(480,017)	-
Fund balances:									
Reserved for prepaid expenditures	428,609	53,408	-	-	-	-	480,017	-	480,017
Reserved for student organizations	-	-	2,208,041	-	-	-	2,208,041	-	2,208,041
Reserved for student financial assistance (deficit)	-	-	(729,024)	-	-	-	(729,024)	729,024	-
Reserved for capital projects	-	-	-	3,814,026	-	-	3,814,026	(3,814,026)	-
Reserved for debt service	-	-	-	-	4,039,319	-	4,039,319	(500,950)	3,538,369
Reserved for OPEB - Other post employment benefits	4,370,000	-	-	-	-	-	4,370,000	(4,370,000)	-
Unreserved - Designated for:									
State aid fluctuations	709,268	-	-	-	-	-	709,268	(5,882,586)	709,268
Subsequent year	5,168,785	713,801	-	-	-	-	5,882,586	-	-
Operations	22,478,835	2,510,223	-	-	-	-	24,989,058	(24,989,058)	-
Reserve for encumbrances	33,153,497	3,277,432	1,479,017	3,814,026	4,039,319	1,010,988	46,774,279	27,137,862	73,912,141
Total Liabilities, Deferred Inflows of Resources, and Fund Equity	\$ 46,300,539	\$ 4,451,381	\$ 1,495,469	\$ 9,820,448	\$ 4,039,319	\$ 1,037,738	\$ 67,144,894	\$ 164,597,291	\$ 231,742,185

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, 2023

	General Fund	Special Revenue Funds Operating	Non-Aidable	Capital Projects Fund	Debt Service Fund	Enterprise Funds	Total	Reconciling Items	Statement of Revenues, Expenses and Changes in Net Position
Revenues									
Local government - tax levy	\$ 20,957,340	\$ 2,000,000	\$ -	\$ -	\$ 16,170,000	\$ 45,000	\$ 39,172,340	-	\$ 39,172,340
Intergovernmental revenue:									
State	43,381,194	1,429,411	2,217,428	-	-	-	47,028,033	-	47,028,033 (1)
Federal	2,368	7,083,743	16,045,207	1,182,408	-	-	24,313,726	-	24,313,726 (2)
Tuition and fees:									
Statutory program fees	13,278,083	-	-	-	-	-	13,278,083	(4,937,533)	8,340,550
Material fees	729,307	-	-	-	-	-	729,307	(300,834)	428,473
Other student fees	1,523,075	-	810,084	-	-	217,152	2,550,311	(601,668)	1,948,643
Miscellaneous - institutional revenue	8,534,340	137,765	1,736,630	398,568	163,415	253,882	11,224,600	(1,302,254)	9,922,346 (3)
Total revenues	<u>88,405,707</u>	<u>10,650,919</u>	<u>20,809,349</u>	<u>1,580,976</u>	<u>16,333,415</u>	<u>516,034</u>	<u>138,296,400</u>	<u>(7,142,289)</u>	<u>131,154,111</u>
Expenditures									
Instruction	59,240,298	4,609,049	-	1,966,836	-	-	65,816,183	564,260	66,380,443
Instructional resources	1,097,322	-	-	-	-	-	1,097,322	43,481	1,140,803
Student services	11,753,197	2,371,386	20,679,467	-	-	-	34,804,050	(18,964,244)	15,839,806
General institutional	10,019,724	527,285	33,985	2,593,269	-	-	13,174,263	(1,869,188)	11,305,075
Physical plant	7,804,793	2,381	-	11,202,941	-	-	19,010,115	(10,469,768)	8,540,347
Student aid	-	-	-	-	-	-	-	12,185,390	12,185,390
Public services	-	405,793	-	-	-	-	405,793	22,279	428,072
Depreciation	-	-	-	-	-	-	-	14,290,226	14,290,226
Auxiliary services	-	-	-	-	-	457,599	457,599	4,515	462,114
Debt Service:									
Principal	-	-	-	-	14,590,316	-	14,590,316	(14,592,235)	(1,919)
Interest and debt issuance costs	-	-	-	-	2,394,358	-	2,394,358	(543,735)	1,850,623
Total expenditures	<u>89,915,334</u>	<u>7,915,894</u>	<u>20,713,452</u>	<u>15,763,046</u>	<u>16,984,674</u>	<u>457,599</u>	<u>151,749,999</u>	<u>(19,329,019)</u>	<u>132,420,980</u>
Revenues over (under) expenditures	<u>(1,509,627)</u>	<u>2,735,025</u>	<u>95,897</u>	<u>(14,182,070)</u>	<u>(651,259)</u>	<u>58,435</u>	<u>(13,453,599)</u>	<u>12,186,730</u>	<u>(1,266,869)</u>
Other financing sources (uses)									
Long-term debt issued	-	-	-	13,000,000	-	-	13,000,000	(13,000,000)	-
Debt premium	-	-	-	-	639,809	-	639,809	(639,809)	-
Leases issued	-	-	-	1,491,722	-	-	1,491,722	(1,491,722)	-
Subscriptions purchased	-	-	-	-	-	-	-	-	-
Loss on disposal of capital assets	2,125,000	-	-	-	-	-	2,125,000	(27,215)	(27,215)
Transfers in	-	(2,125,000)	-	-	-	-	(2,125,000)	2,125,000	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>2,125,000</u>	<u>(2,125,000)</u>	<u>-</u>	<u>14,491,722</u>	<u>639,809</u>	<u>-</u>	<u>15,131,531</u>	<u>(15,158,746)</u>	<u>(27,215)</u>
Net change in fund balances	<u>615,373</u>	<u>610,025</u>	<u>95,897</u>	<u>309,652</u>	<u>(11,450)</u>	<u>58,435</u>	<u>1,677,932</u>	<u>(2,972,016)</u>	<u>(1,294,084)</u>
Fund balances/net position									
Beginning of year	<u>32,538,122</u>	<u>2,667,407</u>	<u>1,383,120</u>	<u>3,504,374</u>	<u>4,050,769</u>	<u>952,553</u>	<u>45,096,345</u>	<u>30,109,880</u>	<u>75,206,225</u>
End of year	<u>\$ 33,153,497</u>	<u>\$ 3,277,432</u>	<u>\$ 1,479,017</u>	<u>\$ 3,814,026</u>	<u>\$ 4,039,319</u>	<u>\$ 1,010,988</u>	<u>\$ 46,774,277</u>	<u>\$ 27,137,864</u>	<u>\$ 73,908,211</u>

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, 2023

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

Operating	\$ 3,751,024
Non-operating - State Appropriations	<u>43,277,009</u>
Total	<u>\$ 47,028,033</u>

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

Operating	\$ 16,368,152
Non-operating - Federal	<u>7,945,574</u>
Total	<u>\$ 24,313,726</u>

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

Contract revenue	\$ 7,485,450
Auxiliary enterprise revenues	237,017
Miscellaneous revenue	1,276,300
Investment income	<u>923,579</u>
Total	<u>\$ 9,922,346</u>

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

	<u>2023</u>	<u>2022</u>
Budgetary basis fund equity	\$ 46,774,279	\$ 45,096,345
Capital assets capitalized - cost	248,833,502	235,058,686
Accumulated depreciation/amortization on general fixed assets	(137,873,367)	(124,202,618)
General obligation debt	(70,210,000)	(70,810,000)
Lease liability	(3,524,492)	(3,023,086)
Subscription Liability	(1,628,947)	(1,900,292)
Other post employment benefits	(17,129,501)	(20,120,675)
Deferred outflows related to OPEB	998,973	1,801,360
Deferred inflows related to OPEB	(4,964,869)	(3,439,113)
Net pension liability	(15,773,492)	24,604,053
Deferred outflows related to pension	56,876,251	45,913,108
Deferred inflows related to pension	(33,019,448)	(57,928,491)
Accrued interest on long-term debt	(502,758)	(471,522)
Accrued interest on leases	1,808	(12,904)
Summer school tuition and fees	1,910,896	1,734,255
Unamortized debt premium	(3,146,400)	(3,092,604)
Unearned revenue for govt-wide basis	(114,640)	(186,379)
Encumbrances	<u>6,404,346</u>	<u>6,186,102</u>
Net position per basic financial statements	<u>\$ 73,912,141</u>	<u>\$ 75,206,225</u>

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)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net Investment in Capital Assets	\$40,516,824	\$ 40,019,379	\$ 36,061,465	\$ 34,187,240	\$ 46,129,842	\$ 38,096,687	\$ 33,578,192	\$ 29,405,384	\$ 28,043,849	\$ 22,835,246
Restricted	5,746,410	30,200,596	24,126,665	14,719,181	1,773,899	1,422,826	1,747,878	1,871,265	10,228,591	2,345,544
Unrestricted	<u>27,648,907</u>	<u>4,986,250</u>	<u>4,372,601</u>	<u>4,962,962</u>	<u>883,321</u>	<u>8,821,739</u>	<u>32,450,095</u>	<u>37,704,933</u>	<u>30,835,816</u>	<u>27,835,368</u>
Total Net Position	<u>\$73,912,141</u>	<u>\$ 75,206,225</u>	<u>\$ 64,560,731</u>	<u>\$ 53,869,383</u>	<u>\$ 48,787,062</u>	<u>\$ 48,341,252</u>	<u>\$ 67,776,165</u>	<u>\$ 68,981,582</u>	<u>\$ 69,108,256</u>	<u>\$ 53,016,158</u>

GATEWAY TECHNICAL COLLEGE DISTRICT

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Operating Revenues										
Student tuition and program fees, net of scholarship allowances	\$ 10,171,666	\$ 11,585,539	\$ 11,212,027	\$ 9,889,474	\$ 10,831,143	\$ 10,688,633	\$ 10,236,726	\$ 10,893,182	\$ 8,358,987	\$ 9,242,102
Federal grants ⁽¹⁾	16,368,152	21,792,729	16,354,334	13,767,204	13,702,153	25,492,038	23,463,690	28,229,715	32,707,370	36,656,284
State grants	3,751,024	3,113,578	3,732,051	3,493,792	3,934,751	3,136,499	3,550,591	4,473,934	4,228,572	3,271,663
Local grants	-	-	-	-	-	92,447	74,948	99,930	102,347	-
Contract revenue	7,485,450	6,650,117	4,118,837	4,689,288	5,334,506	4,500,392	3,203,392	3,169,078	2,648,419	2,149,357
Auxiliary enterprise revenues	237,017	185,822	266,025	299,343	292,977	286,708	276,482	297,187	267,355	257,997
Miscellaneous - institutional revenue	1,276,300	1,296,615	1,693,975	1,476,176	1,166,144	1,273,257	1,391,155	1,317,622	1,424,325	1,442,389
Total operating revenues	39,835,609	44,624,400	37,377,249	33,615,277	35,261,674	45,469,974	42,197,579	48,480,648	49,737,375	53,019,792
Operating Expenses										
Instruction	66,380,443	58,301,060	55,335,023	57,201,437	60,245,160	58,960,476	55,694,295	57,310,939	55,474,683	55,803,389
Instructional resources	1,140,803	1,056,204	1,022,827	1,124,875	1,268,595	1,290,041	1,285,524	1,291,616	1,254,306	1,181,202
Student services	15,839,806	12,793,854	13,785,305	15,544,161	14,593,819	15,027,460	15,133,896	14,134,379	13,332,974	11,529,142
General institutional	11,305,075	9,126,615	11,055,417	10,499,436	11,377,155	11,174,034	9,892,887	9,924,868	8,767,271	8,384,731
Physical plant	8,540,347	7,679,710	8,144,872	6,341,421	9,065,927	8,078,510	8,208,117	7,737,633	7,887,141	7,509,972
Student aid	12,185,390	20,470,596	12,736,637	13,518,512	16,074,582	17,297,573	14,857,458	19,033,629	20,997,405	24,333,329
Public services	428,072	375,779	334,535	399,054	407,167	345,341	345,972	333,587	374,190	357,437
Auxiliary services	462,114	535,578	545,117	636,343	427,679	463,117	422,896	483,319	509,387	440,292
Depreciation/amortization	14,290,226	13,129,186	10,791,025	10,116,853	9,193,288	8,174,908	7,366,157	6,802,725	5,976,124	4,997,183
Total operating expenses	130,572,276	123,468,582	113,750,758	115,382,091	122,653,371	120,811,451	113,207,202	117,052,695	114,573,481	114,536,677
Operating loss	(90,736,667)	(78,844,182)	(76,373,509)	(81,766,814)	(87,391,697)	(75,341,477)	(71,009,623)	(68,572,047)	(64,836,106)	(61,516,885)
Non-Operating Revenues (Expenses)										
Property taxes	39,172,340	38,190,484	39,261,271	36,778,620	34,852,092	33,180,261	31,938,159	30,422,589	28,771,203	60,150,673
State appropriations	43,277,009	42,467,122	39,836,926	39,939,154	39,333,811	38,669,011	39,350,827	38,923,246	38,467,085	5,499,903
Federal nonoperating grants ⁽¹⁾	7,945,574	7,193,520	8,053,659	9,701,777	9,941,945	-	-	-	-	-
Gain (loss) on sale of capital assets	(27,215)	(33,558)	(7,858)	-	15,000	(24,135)	(27,216)	(115,602)	(61,308)	35,400
Investment income	923,579	55,222	37,351	273,222	454,788	198,420	92,351	60,764	46,692	40,747
Interest expense and debt issuance costs	(1,848,704)	(1,654,892)	(1,809,502)	(1,777,066)	(1,718,436)	(1,609,316)	(1,640,096)	(1,569,534)	(1,556,932)	(1,449,331)
Total non-operating revenues (expenses)	89,442,583	86,217,898	85,371,847	84,915,707	82,879,200	70,414,241	69,714,025	67,721,463	65,666,740	64,277,392
Capital Contributions										
State and federal capital appropriations	-	3,179,778	1,496,423	1,061,052	4,484,674	106,828	90,181	472,336	184,384	297,698
Contributions	-	92,000	70,437	171,819	356,700	269,696	-	184,000	208,750	164,827
Donated capital assets	-	-	10,000	289,742	116,933	152,564	-	67,574	306,990	21,000
Total capital contributions	-	3,271,778	1,576,860	1,522,613	4,958,307	529,088	90,181	723,910	700,124	483,525
Cumulative effect of change in accounting principle ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾ in Net Position	\$ (1,294,084)	\$ 10,645,494	\$ 10,691,348	\$ 5,082,321	\$ 445,810	\$ (19,434,913)	\$ (1,205,417)	\$ (126,674)	\$ 16,092,098	\$ 3,244,032

(1) Reclassified FY20 and FY19 Pell grant revenue as nonoperating revenue per GASB and WTCS guidelines.
(2) The District implemented GASB 68 and 71 beginning with fiscal year ended June 30, 2015.
(3) The District implemented GASB 65 beginning with fiscal year ended June 30, 2013.
(4) The District implemented GASB 75 beginning with fiscal year ended June 30, 2018.
(5) The District implemented GASB 84 beginning with fiscal year ended June 30, 2021.
(6) The District implemented GASB 87 beginning with fiscal year ended June 30, 2022.

GATEWAY TECHNICAL COLLEGE

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

	2023	% of Total	2022	% of Total	2021	% of Total	2020	% of Total	2019	% of Total	2018	% of Total	2017	% of Total	2016	% of Total	2015	% of Total	2014	% of Total
Expense Classifications																				
Salaries and wages	\$ 58,146,336	46.5%	\$ 55,828,033	48.3%	\$ 53,212,679	46.0%	\$ 54,804,167	46.8%	\$ 52,831,152	42.5%	\$ 51,945,888	42.4%	\$ 50,750,747	44.2%	\$ 51,344,768	43.2%	\$ 50,731,715	43.7%	\$ 49,827,226	43.1%
Fringe benefits	20,364,835	16.3%	20,631,966	17.9%	20,828,635	18.0%	19,080,068	16.3%	18,590,626	14.9%	18,398,827	15.0%	18,528,651	16.1%	18,801,734	15.8%	18,895,006	16.3%	18,360,563	15.8%
Travel, memberships and subscriptions	1,166,767	0.9%	666,943	0.6%	687,190	0.6%	972,707	0.8%	1,428,835	1.1%	1,495,105	1.2%	1,173,732	1.0%	1,354,686	1.1%	1,464,452	1.3%	1,290,745	1.1%
Supplies and minor equipment	11,442,800	9.1%	2,054,462	1.8%	4,660,225	4.0%	6,776,792	5.8%	14,328,358	11.5%	13,149,991	10.7%	11,736,282	10.2%	11,638,941	9.8%	7,983,678	6.9%	7,550,554	6.5%
Contract services	8,858,176	7.1%	7,604,696	6.6%	6,558,304	5.7%	5,902,941	5.0%	6,028,748	4.8%	6,155,993	5.0%	5,028,221	4.4%	4,108,271	3.5%	4,236,256	3.6%	4,043,245	3.5%
Bank/Agency credit/collection fees	128,783	0.1%	121,470	0.1%	118,500	0.1%	112,938	0.1%	118,492	0.1%	117,082	0.1%	125,840	0.1%	113,000	0.1%	100,306	0.1%	110,854	0.1%
Rentals	56,584	0.0%	41,911	0.0%	974,758	0.8%	804,706	0.7%	713,315	0.6%	689,104	0.6%	621,270	0.5%	702,054	0.6%	732,774	0.6%	734,061	0.6%
Repairs and maintenance	512,679	0.4%	492,176	0.4%	446,405	0.4%	552,967	0.5%	653,633	0.5%	698,571	0.6%	666,439	0.6%	746,178	0.6%	818,435	0.7%	565,631	0.5%
Insurance	777,981	0.6%	537,966	0.5%	940,320	0.8%	764,806	0.7%	662,315	0.5%	594,661	0.5%	619,665	0.5%	594,002	0.5%	540,302	0.5%	581,160	0.5%
Utilities	2,103,743	1.7%	2,002,819	1.7%	2,062,456	1.8%	1,615,597	1.4%	1,735,647	1.4%	1,734,754	1.4%	1,638,070	1.4%	1,608,012	1.4%	1,669,042	1.4%	1,859,746	1.6%
Depreciation	14,290,226	11.4%	13,129,186	11.4%	10,791,025	9.3%	10,116,853	8.6%	9,193,288	7.4%	8,174,908	6.7%	7,366,157	6.4%	6,802,725	5.7%	5,976,124	5.1%	4,897,183	4.3%
Student aid	12,185,390	9.7%	20,470,596	17.7%	12,736,637	11.0%	13,518,512	11.5%	16,074,582	12.9%	17,297,573	14.1%	14,857,488	12.9%	19,033,456	16.0%	20,997,578	18.1%	24,333,329	21.0%
Bad Debt Expense	537,976	0.4%	(113,642)	-0.1%	(266,376)	-0.2%	359,037	0.3%	294,380	0.2%	358,994	0.3%	94,670	0.1%	180,618	0.2%	427,313	0.4%	182,380	0.2%
Total operating expenses	130,572,276	104.3%	123,468,582	106.8%	113,750,758	98.4%	115,382,091	98.5%	122,653,371	98.6%	120,811,451	98.7%	113,207,202	98.5%	117,052,695	98.6%	114,573,481	98.6%	114,536,677	98.8%
Interest expense & debt issuance costs ⁽¹⁾	1,926,634	1.5%	1,650,962	1.4%	1,809,502	1.6%	1,777,066	1.5%	1,718,436	1.4%	1,609,316	1.3%	1,640,096	1.4%	1,569,534	1.3%	1,556,932	1.3%	1,449,331	1.2%
(Gain)/Loss on disposal of assets	27,215	0.0%	33,558	0.0%	7,858	0.0%	-	0.0%	(15,000)	0.0%	24,135	0.0%	27,216	0.0%	115,602	0.1%	61,308	0.1%	(35,400)	0.0%
Total non-operating expenses	1,953,849	1.6%	1,684,520	1.5%	1,817,360	1.6%	1,777,066	1.5%	1,703,436	1.4%	1,633,451	1.3%	1,667,312	1.5%	1,685,136	1.4%	1,618,240	1.4%	1,413,931	1.2%
Total Expenses ⁽²⁾⁽³⁾	\$132,526,125	105.9%	\$125,153,102	108.3%	\$115,568,118	100.0%	\$117,159,157	100.0%	\$124,356,807	100.0%	\$122,444,902	100.0%	\$114,874,514	100.0%	\$118,737,831	100.0%	\$116,191,721	100.0%	\$115,950,608	100.0%

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

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

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

GATEWAY TECHNICAL COLLEGE DISTRICT

**Equalized Value and Tax Levy Distribution by Municipality
Fiscal Year 2023**

<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	\$ 291,053,000	0.479441 %	\$ 185,549
	Paris	308,873,100	0.508796	196,909
	Randall	775,121,900	1.276830	494,147
	Somers	104,143,200	0.171551	66,392
	Wheatland	480,840,800	0.792072	306,540
	Village of:			
	Bristol	839,312,700	1.382570	535,070
	Genoa City	432,100	0.000712	275
	Paddock Lake	331,927,800	0.546773	211,607
	Pleasant Prairie	4,963,685,600	8.176500	3,164,395
	Salem Lakes	1,897,450,000	3.125601	1,209,642
	Somers	965,622,900	1.590636	615,593
	Twin Lakes	1,164,039,300	1.917480	742,086
	City of Kenosha	8,335,487,600	13.730748	5,313,950
Racine	Town of:			
	Burlington	917,228,600	1.510918	584,742
	Dover	486,342,700	0.801135	310,048
	Norway	526,654,016	0.867538	335,747
	Waterford	885,983,300	1.459448	564,822
	Village of:			
	Caledonia	3,025,113,700	4.983161	1,928,538
	Elmwood Park	54,725,900	0.090148	34,888
	Mount Pleasant	3,884,717,500	6.399155	2,476,543
	North Bay	46,520,300	0.076631	29,657
	Raymond	702,205,900	1.156718	447,663
	Rochester	435,134,500	0.716781	277,402
	Sturtevant	723,574,300	1.191918	461,285
	Union Grove	434,404,900	0.715580	276,937
	Waterford	615,057,200	1.013162	392,105
	Wind Point	333,063,000	0.548643	212,331
	Yorkville	770,621,400	1.269417	491,278
City of:				
Burlington	1,275,950,700	2.101828	813,430	
Racine	4,442,557,500	7.318065	2,832,171	

GATEWAY TECHNICAL COLLEGE DISTRICT

**Equalized Value and Tax Levy Distribution by Municipality (continued)
Fiscal Year 2023**

<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	\$ 154,640,500	0.254734 %	\$ 98,585	
	Darien	254,509,900	0.419245	162,252	
	Delavan	1,434,331,200	2.362722	914,399	
	East Troy	1,034,175,000	1.703559	659,296	
	Geneva	1,409,702,200	2.322152	898,698	
	La Fayette	380,472,200	0.626738	242,555	
	La Grange	1,059,317,400	1.744975	675,325	
	Linn	2,626,756,800	4.326962	1,674,582	
	Lyons	603,330,300	0.993844	384,629	
	Richmond	371,080,200	0.611267	236,567	
	Sharon	103,229,100	0.170046	65,809	
	Spring Prairie	352,310,700	0.580349	224,601	
	Sugar Creek	545,522,300	0.898619	347,775	
	Troy	396,472,000	0.653094	252,755	
	Walworth	327,805,100	0.539982	208,979	
	Whitewater	394,714,800	0.650199	251,634	
		Village of:			
		Bloomfield	543,026,500	0.894508	346,184
		Darien	147,467,300	0.242918	94,012
		East Troy	481,309,100	0.792843	306,839
		Fontana	1,737,406,500	2.861967	1,107,613
		Genoa City	287,848,100	0.474162	183,506
		Mukwonago	30,726,000	0.050614	19,588
		Sharon	93,070,100	0.153311	59,333
		Walworth	312,593,300	0.514924	199,281
		Williams Bay	1,122,058,400	1.848326	715,323
		City of:			
		Burlington	10,442,300	0.017201	6,657
		Delavan	786,030,900	1.294800	501,102
		Elkhorn	1,041,460,300	1.715560	663,941
		Lake Geneva	1,896,649,900	3.124283	1,209,132
		Whitewater	<u>750,420,300</u>	<u>1.236140</u>	<u>478,400</u>
		Totals	<u>\$ 60,706,724,116</u>	<u>100 %</u>	<u>\$ 38,701,094</u>

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

GATEWAY TECHNICAL COLLEGE DISTRICT

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the		Collections in Subsequent Year	Total Collections to Date	
		Fiscal Year of the Levy Amount	Percentage of Levy		Amount	Percentage of Levy
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	10,154,893	36,765,641	100.00
2021	39,229,440	29,094,476	74.16	10,134,964	39,229,440	100.00
2022	38,142,213	28,601,744	74.99	9,541,631	38,143,375	100.00
2023	38,701,094	29,053,294	75.07	-	29,053,294	75.07

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
2022 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	\$ 8,335,487,600	\$ 5,318,937	13.74 %
Village of Pleasant Prairie	Kenosha	4,963,685,600	2,674,002	6.91
City of Racine	Racine	4,442,557,500	2,926,523	7.56
Village of Mount Pleasant	Racine	3,884,717,500	2,534,527	6.55
Village of Caledonia	Racine	3,025,113,700	1,918,302	4.96
Town of Linn	Walworth	2,626,756,800	1,636,037	4.23
Village of Salem Lakes	Kenosha	1,897,450,000	1,221,973	3.16
City of Lake Geneva	Walworth	1,896,649,900	1,185,567	3.06
Village of Fontana	Walworth	1,737,406,500	1,013,894	2.62
Town of Delavan	Walworth	<u>1,434,331,200</u>	<u>851,589</u>	<u>2.20</u>
Total Principal Taxing Districts		<u>\$ 34,244,156,300</u>	<u>\$ 21,281,351</u>	<u>54.99 %</u>
County:				
Racine		\$ 20,457,990,000	\$ 12,469,587	32.22 %
Kenosha		19,559,855,416	13,042,156	33.70
Walworth		<u>20,688,878,700</u>	<u>13,189,350</u>	<u>34.08</u>
		<u>\$ 60,706,724,116</u>	<u>\$ 38,701,094</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, 2023			Year Ended June 30, 2014		
			2022 Equalized Valuation	Rank	Percent of District Equalized Valuation	2013 Equalized Valuation	Rank	Percent of District Equalized Valuation
Racine (1)	FEWI Development Corporation	Commercial	\$ 509,982,700	1	0.84 %	\$ -	-	-
	S.C. Johnson & Son, Inc.	Manufacturing	123,162,200	2	0.20	112,768,521	1	0.31
	Score Corridor	Commercial	106,928,700	3	0.18	-	-	-
	NLP Grandview, LLC	Commercial	80,083,500	4	0.13	-	-	-
	Mount Pleasant Apartments	Apartments	64,972,700	5	0.11	-	-	-
	Enterprise Business Park LLC	Commercial	63,070,400	6	0.10	-	-	-
	SNH Medical Office Properties Trust	Commercial	46,948,000	7	0.08	-	-	0.00
	All Saints Health Care	Healthcare	44,345,700	8	0.07	42,651,730	5	0.00
	United, Natural Foods	Food Distributor	37,720,600	9	0.06	-	-	-
	Johnson Bank	Financial Services	25,661,700	10	0.04	-	-	-
	Racine Joint Venture (Regency Mall)	Retail	-	-	-	109,249,687	2	0.30
	Centerpoint Properties Trust(2)	Insurance	-	-	-	73,773,470	3	0.20
	Continental 81 Fund LLC	Retail-Wal-Mart Stores	-	-	-	44,120,047	4	0.12
	Aurora Medical Center	Health Care Services	-	-	-	33,100,358	6	0.09
	CNH Global(3)	Manufacturing	-	-	-	31,965,685	7	0.09
	Inland Southeast Mount Pleasant	Village Center Strip Mall	-	-	-	25,449,344	8	0.07
	Bombardier Motor Corp	Manufacturing	-	-	-	19,300,538	9	0.05
	High Ridge Improvements	DLC Management Corp	-	-	-	15,834,701	10	0.04
	Racine County Total		\$ 1,102,886,200		1.82 %	\$ 508,214,081		1.38 %
Kenosha (1)	Route 142 LLC/Uline	Shipping Supply Distribution	\$ 287,267,055	1	0.47	\$ 95,249,886	1	0.26 %
	Pleasant Prairie Premium Outlets LLC	Shopping Mall	217,568,100	2	0.36	74,828,326	2	0.20
	Uline, Inc. (Route 165 LLC)	Commercial	202,854,200	3	0.33	-	-	-
	Kenosha Owner/Amazon	Retail Distribution	179,996,167	4	0.30	-	-	-
	Haribo of America Manufacturing, LLC	Candy Manufacturer	141,570,800	5	0.23	-	-	-
	Aurora Health Care	Health Care	101,155,800	6	0.17	-	-	-
	Chocobco (Meijer Distribution, Inc.)	Retail	99,588,900	7	0.16	32,261,471	9	0.09
	Associated Wholesale Grocers	Food Products Supplier	85,527,812	8	0.14	-	-	-
	LPC Kenosha I LP/Amazon	Product Distribution	81,513,735	9	0.13	-	-	-
	JVM Kenosha Apartments	Multi-family housing	80,425,626	10	0.13	-	-	-
	Centerpoint Properties Trust(2)	Commercial	-	-	-	70,041,659	3	0.19
	Affiliated Foods Midwest Coop.	Manufacturing	-	-	-	52,030,938	4	0.14
	CV II Lakeview LLC	Commercial	-	-	-	47,613,757	5	0.13
	Chicagoland DC 2008 LLC	Food Products Supplier	-	-	-	45,095,673	6	0.12
	Southport Plaza Ltd. Partners	Commercial	-	-	-	35,817,888	7	0.10
	Inland Diversified Pleasant Prairie	Commercial	-	-	-	33,488,209	8	0.09
	Edward Rose Assoc. Apartments	Property Management	-	-	-	28,013,634	10	0.08
	Kenosha County Total		\$ 1,477,458,195		2.43 %	\$ 514,441,441		1.40 %
Walworth	DLK Enterprises, Inc.	Farm/Real Estate	\$ 44,105,900	1	0.07 %	\$ 29,840,800	1	0.08 %
	Art Mortgage Borrower Propco	Mortgage	38,623,500	2	0.06	28,271,200	3	0.08
	Grand Geneva, LLC	Resort	33,982,500	3	0.05	29,295,600	2	0.08
	Slag Industrial Holdings, LLC	Industrial	32,696,400	4	0.05	-	-	-
	SPEF VII, LLC	Commercial	31,300,000	5	0.05	-	-	-
	Kikkoman Foods, Inc.	Factory	25,855,700	6	0.04	21,264,600	4	0.06
	Store SPE Mills Fleet II 2017-7, LLC	Retail	21,201,600	7	0.03	-	-	-
	Honey Creek of East Troy, LLP	Real Estate	20,945,400	8	0.03	11,500,000	9	0.03
	Delavan Lake Lawn, LLC	Resort/Airport	20,632,400	9	0.03	-	-	-
	Fettig Industries, Inc.	Manufacturer	12,682,200	10	0.02	-	-	-
	Wal-Mart	Retail Store	-	-	-	13,661,900	5	0.04
	Paloma Geneva National, LLC	Golf course/Country Club	-	-	-	13,564,800	6	0.04
	Lake Geneva Shopping Center	Retail	-	-	-	13,301,100	7	0.04
	Lake Geneva Investors, LLC	Investor	-	-	-	13,251,100	8	0.04
	Lowe's Home Center	Retail	-	-	-	8,922,300	10	0.02
	Walworth County Total		\$ 282,035,600		0.46 %	\$ 182,873,400		0.50 %
Grand Total			\$ 2,862,379,995		4.72 %	\$ 1,205,528,922		3.28 %
Total District Equalized Valuation			\$ 60,706,724,116			\$ 36,730,173,803		

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

GATEWAY TECHNICAL COLLEGE DISTRICT

**Property Tax Rates⁽¹⁾ - All Overlapping Governments
(Per \$1,000 of General Property Full Values of Taxable Property)
Calendar Year Taxes are Payable 2014-2023**

County	Year	Gateway District Direct Rates			School Districts	Local Tax ⁽³⁾	County Tax	Other Taxes ⁽⁴⁾	Property Tax	State Tax Relief	Net Total
		Operational ⁽²⁾	Debt Service	Direct Rate	Elementary/Secondary						
Racine	2014	1.39	0.24	1.63	10.80	8.09	3.99	1.44	25.95	(1.76)	24.19
	2015	0.51	0.26	0.77	10.07	7.73	3.75	1.14	23.46	(1.70)	21.76
	2016	0.52	0.27	0.79	10.59	7.78	3.67	1.26	24.09	(1.87)	22.22
	2017	0.52	0.28	0.80	10.25	7.84	3.68	0.92	23.49	(1.82)	21.67
	2018	0.52	0.29	0.81	10.10	7.66	3.60	0.84	23.01	(1.94)	21.07
	2019	0.51	0.30	0.80	10.03	7.46	3.54	0.55	22.38	(1.87)	20.51
	2020	0.50	0.30	0.80	9.66	7.06	3.41	0.60	21.53	(1.77)	19.76
	2021	0.50	0.30	0.80	9.22	6.74	3.19	0.99	20.94	(1.65)	19.29
	2022	0.44	0.28	0.72	8.72	6.33	3.09	1.37	20.23	(0.06)	20.17
	2023	0.39	0.25	0.64	7.50	5.82	2.85	1.29	18.10	(0.07)	18.03
Kenosha	2014	1.39	0.24	1.63	12.41	7.40	5.29	2.15	28.88	(1.98)	26.90
	2015	0.51	0.26	0.77	11.00	6.88	4.93	1.91	25.49	(1.84)	23.65
	2016	0.52	0.27	0.79	10.54	6.77	4.82	2.27	25.19	(1.99)	23.20
	2017	0.52	0.28	0.80	9.86	6.58	4.70	2.44	24.38	(1.86)	22.52
	2018	0.52	0.29	0.81	9.67	6.39	4.59	2.38	23.84	(1.89)	21.95
	2019	0.51	0.30	0.80	9.12	6.19	4.39	2.25	22.75	(1.79)	20.96
	2020	0.50	0.30	0.80	8.49	5.91	4.17	2.18	21.55	(1.66)	19.89
	2021	0.50	0.30	0.80	8.55	5.76	4.03	2.18	21.32	(1.55)	19.77
	2022	0.44	0.28	0.72	7.56	5.40	3.78	2.32	19.78	(0.09)	19.69
	2023	0.39	0.25	0.64	6.62	5.19	3.41	1.45	17.31	(0.06)	17.25
Walworth	2014	1.39	0.24	1.63	9.88	3.45	4.72	0.84	20.52	(1.67)	18.85
	2015	0.51	0.26	0.77	9.69	3.47	4.60	0.84	19.37	(1.64)	17.73
	2016	0.52	0.27	0.79	9.80	3.56	4.60	0.80	19.55	(1.84)	17.71
	2017	0.52	0.28	0.80	9.60	3.63	4.53	0.66	19.22	(1.79)	17.43
	2018	0.52	0.29	0.81	9.33	3.63	4.28	0.42	18.47	(1.91)	16.56
	2019	0.51	0.30	0.80	9.05	3.57	3.97	0.41	17.80	(1.78)	16.02
	2020	0.50	0.30	0.80	8.91	3.62	3.82	0.49	17.64	(1.70)	15.94
	2021	0.50	0.30	0.80	8.43	3.57	3.63	0.53	16.96	(1.59)	15.37
	2022	0.44	0.28	0.72	7.84	3.44	3.37	0.49	15.86	(0.01)	15.85
	2023	0.39	0.25	0.64	7.01	3.25	2.94	0.39	14.23	(0.01)	14.22

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

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

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

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

GATEWAY TECHNICAL COLLEGE DISTRICT

**Distribution of Real Property of Merged Equalized Values
Racine, Kenosha, and Walworth Counties⁽¹⁾
Calendar Years 2013-2022
(Figures in Thousands)**

Calendar Year	Residential	Commercial	Manufacturing	Agricultural	Swamp, Waste and Forest	Other	Personal Property	Total	District Equalized Valuation(2)	Total Direct Tax Rate
2013	29,672,937	6,520,623	1,030,748	87,647	182,408	609,307	754,730	38,858,400	36,730,173	1.63471
% of Total	76.4%	16.8%	2.7%	0.2%	0.5%	1.6%	1.9%			
2014	30,046,068	6,779,526	1,018,061	85,920	172,041	599,234	784,369	39,485,219	37,360,067	0.77031
% of Total	76.1%	17.2%	2.6%	0.2%	0.4%	1.5%	2.0%			
2015	30,316,996	7,013,667	1,066,217	86,108	145,026	603,999	815,903	40,047,916	38,022,996	0.79489
% of Total	75.7%	17.5%	2.7%	0.2%	0.4%	1.5%	2.0%			
2016	30,744,587	7,349,541	1,096,275	86,435	148,738	597,158	941,681	40,964,415	39,366,011	0.80281
% of Total	75.1%	17.9%	2.7%	0.2%	0.4%	1.5%	2.3%			
2017	31,396,251	7,622,884	1,070,556	86,863	158,974	598,748	931,441	41,865,717	40,911,627	0.81457
% of Total	75.0%	18.2%	2.6%	0.2%	0.4%	1.4%	2.2%			
2018	33,041,882	8,109,403	1,195,938	87,484	162,043	606,923	582,725	43,786,398	43,241,827	0.80433
% of Total	75.5%	18.5%	2.7%	0.2%	0.4%	1.4%	1.3%			
2019	35,009,135	8,648,596	1,196,368	86,939	164,678	619,171	582,861	46,307,748	46,065,079	0.79812
% of Total	75.6%	18.7%	2.6%	0.2%	0.4%	1.3%	1.3%			
2020	36,140,263	9,463,899	1,206,070	88,488	174,188	637,621	573,036	48,283,565	49,116,024	0.79871
% of Total	74.9%	19.6%	2.5%	0.2%	0.4%	1.3%	1.2%			
2021	38,735,647	10,370,194	1,268,371	91,405	180,896	674,616	599,345	51,920,474	52,871,126	0.72144
% of Total	74.6%	20.0%	2.4%	0.2%	0.3%	1.3%	1.2%			
2022	41,966,851	11,620,308	1,344,212	93,573	189,713	714,616	614,477	56,543,750	60,706,724	0.63751
% of Total	74.2%	20.6%	2.4%	0.2%	0.3%	1.3%	1.1%			

Source: Wisconsin Department of Revenue

⁽¹⁾ The District is comprised of almost all three counties. Kenosha and Walworth counties are 100% in the District while Racine county is approximately 97% within the District. Therefore, the above total column will be greater than the actual total equalized value for the District.

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

GATEWAY TECHNICAL COLLEGE DISTRICT

**Ratio of Net Debt to Equalized Value
and Net Debt Per Capita
Fiscal Years 2014-2023**

	Population ⁽¹⁾	Equalized Value- TID In ⁽²⁾	General Obligation Notes and Bonds	Premiums on Notes and Bonds	Net Debt ⁽³⁾		
					Amount	Ratio to Equalized Valuation	Per Capita
2014	465,556	\$ 38,398,101,253	\$ 48,155,000	\$ 1,004,388	\$ 49,159,388	\$ 0	\$ 105,593
2015	465,446	39,011,536,747	53,170,000	1,229,874	54,399,874	0	116,877
2016	465,545	39,949,946,311	56,325,000	1,585,443	57,910,443	0	124,393
2017	465,792	41,244,887,120	61,110,000	1,662,384	62,772,384	0	134,765
2018	468,435	42,993,548,858	63,630,000	1,753,743	65,383,743	0	139,579
2019	470,620	45,272,714,289	65,690,000	2,080,972	67,770,972	0	144,004
2020	470,366	48,444,885,444	67,705,000	2,513,877	70,218,877	0	149,286
2021	473,629	52,083,834,750	68,950,000	2,780,350	71,730,350	0	151,448
2022	474,539	56,800,437,642	70,810,000	3,092,604	73,902,604	0	155,736
2023	473,591	64,293,362,616	70,210,000	3,146,000	73,356,000	0	154,893

(1) Wisconsin Department of Administration, Demographic Services Center (2023 is a preliminary estimate)

(2) The equalized value includes the TID in.

(3) Includes general obligation promissory notes and bonds. Details regarding the District's outstanding debt can be found in the notes to the basic financial statements.

GATEWAY TECHNICAL COLLEGE DISTRICT

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

Calculation of Legal Debt Margin for Fiscal Year 2023

2023 Equalized Valuation - TID In	\$ 64,293,362,616
	x 5%
Total debt limit - 5% of total equalized valuation	<u>3,214,668,131</u>
Debt applicable to limit:	
Total gross indebtedness (includes general obligation notes and bonds)	\$ 70,210,000
Less Net Position Restricted for Debt Service (GAAP basis)	<u>(401,613)</u>
Total amount of debt applicable to debt limit	<u>69,808,387</u>
Legal debt margin	<u><u>\$ 3,144,859,744</u></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		
			2014	\$ 38,398,101	\$ 1,919,905	\$ -		
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
2021	52,083,835	2,604,192	-	68,950	357	68,593	2,535,599	2.63
2022	56,800,438	2,840,022	-	70,810	487	70,323	2,769,699	2.48
2023	64,293,363	3,214,668	-	70,210	402	69,808	3,144,860	2.17

(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, 2023**

	Jurisdiction ⁽¹⁾	Net Debt Outstanding	Applicable to Gateway Technical College District	
			Percentage ⁽²⁾	Amount
District:				
	Gateway Technical College District General Obligation Debt	\$ 70,210,000	100%	\$ 70,210,000
	Debt Premium	3,146,000	100%	2,780,350
	Total Direct Debt	<u>73,356,000</u>		<u>72,990,350</u>
Towns:				
	Racine County ⁽³⁾	1,789,308	Varies	756,012
	Kenosha County	997,071	100%	997,071
	Walworth County	24,150,525	100%	24,150,525
	Town Total	<u>26,936,904</u>		<u>25,903,608</u>
Villages:				
	Racine County	173,000,079	100%	173,000,079
	Kenosha County	88,427,079	100%	88,427,079
	Walworth County	100,751,598	100%	100,751,598
	Village Total	<u>362,178,756</u>		<u>362,178,756</u>
Cities:				
	Racine County	120,211,884	100%	120,211,884
	Kenosha County	214,763,056	100%	214,763,056
	Walworth County	86,329,960	100%	80,126,236
	City Total	<u>421,304,900</u>		<u>415,101,176</u>
Counties:				
	Racine County	163,350,000	96.63%	157,845,105
	Kenosha County	157,215,000	100%	157,215,000
	Walworth County	-	100%	-
	County Total	<u>320,565,000</u>		<u>315,060,105</u>
School Districts:				
	Racine County	291,331,847	96.63%	281,513,964
	Kenosha County	217,607,974	100%	217,607,974
	Walworth County	143,501,358	100%	143,501,358
	School District Total	<u>652,441,179</u>		<u>642,623,296</u>
	Sanitary Districts Total	<u>22,398,198</u>	100%	<u>22,398,198</u>
	Total Direct and Overlapping debt	<u>\$ 1,879,180,937</u>		<u>\$ 1,856,255,489</u>

Source: Survey of each governmental unit-June 2023. (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 42.10% in the Gateway District.

GATEWAY TECHNICAL COLLEGE DISTRICT

**Demographic Statistics for Kenosha, Racine, and Walworth Counties
Historical Comparisons
2014-2023**

<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>
2014	465,556	204,729	18,957,535	40,564	7.0%	85,616
2015	465,446	205,314	19,815,475	42,435	5.6%	85,222
2016	465,545	205,900	20,399,596	43,723	4.8%	83,633
2017	465,792	207,179	21,480,919	46,009	4.2%	83,876
2018	468,435	202,983	22,903,378	48,882	3.3%	81,806
2019	470,620	209,546	23,539,068	50,212	3.8%	80,882
2020	470,366	211,002	24,654,380	52,623	7.0%	79,099
2021	473,629	210,889	27,048,650	57,392	4.3%	75,422
2022	474,539	212,221	(6)	(6)	3.3%	76,149
2023	473,591	(6)			(6)	76,006

- (1) Wisconsin Department of Administration, Demographic Services Center (preliminary estimates)
- (2) U.S. Department of Commerce Bureau of Economic Analysis
- (3) U.S. Department of Commerce Bureau of Economic Analysis (amounts in thousands, tri-county average)
- (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, 2023			Year Ended June 30, 2014		
			Number of Employees	Rank	Percent of District Population	Number of Employees	Rank	Percent of District Population
Racine	Racine Unified School District	Education	2,566	1	0.54	2,625	3	0.56
	S.C. Johnson & Son, Inc.	Manufacturing	2,500	2	0.53	2,720	1	0.58
	All Saints Health Care	Healthcare	2,150	3	0.45	2,701	2	0.58
	Advocate Aurora (Burlington & Greater Racine)	Healthcare	2,050	4	0.43	-	-	-
	CNH Global ⁽¹⁾	Manufacturer - heavy equipment	1,500	5	0.32	2,208	4	0.47
	Cree, Inc.	Manufacturer - lighting	1,100	6	0.23	1,000	10	0.21
	In-Sink-Erator Division	Manufacturer - Disposals	1,040	7	0.22	1,000	9	0.21
	The District ⁽²⁾	Vocational Education	1,021	8	0.22	-	-	-
	Racine County	Government	1,012	9	0.21	1,147	6	0.25
	Foxconn Industrial Internet	Manufacturer - Electronics	900	10	0.00	-	-	-
	Gateway Technical College	Education	-	-	-	1,160	5	0.25
	City of Racine	Government	-	-	-	1,110	7	0.24
	Wheaton Franciscan Healthcare	Hospital	-	-	-	1,079	8	0.23
		Racine County Subtotal		15,839		3.34		3.60
Kenosha	KTR/Amazon	Online/retail/distribution	3,750	1	0.79	-	-	-
	Uline, Inc. (Route 165 LLC)	Shipping supply distribution	3,000	2	0.63	-	-	-
	Kenosha Unified School District No. 1	Education	3,000	3	0.63	2,233	1	0.48
	Froedtert South, Inc. (fka UHS, Inc.)	Health Care Services	2,400	4	0.51	-	-	-
	Aurora Medical Center	Health Care Services	1,500	5	0.32	1,200	3	0.00
	Kenosha County	County Government	1,287	6	0.27	1,180	4	0.25
	City of Kenosha	Municipal Government	730	7	0.15	739	6	0.16
	Snap-On Tools Corporation	Manufacturer of hand tools	650	8	0.14	600	7	0.13
	University of Wisconsin-Parkside	Education	600	9	0.13	506	8	0.11
	Good Food Groups	Headquarters/food processing	500	10	0.11	750	5	-
	Kenosha Memorial Hospital	Health care services	-	-	-	2,000	2	0.43
	Jockey International	Manufacturer, clothing	-	-	-	350	9	0.08
	Ocean Spray Cranberries	Manufacturer	-	-	-	275	10	0.06
		Kenosha County Subtotal		17,417		3.68		2.11
Walworth	University of Wisconsin-Whitewater	Education	1,289	1	0.27	1,018	2	0.22
	Pentair, Inc./Sta-Rite Industries Inc	Manufacturer - pumps	950	2	0.20	900	3	0.19
	Aurora Burlington Clinic/Memorial Hospital	Medical Clinic/Hospital	933	3	0.20	500	6	0.11
	Walworth County	Government	860	4	0.18	812	4	0.17
	Birds Eyes Foods LLC	Manufacturer - Fruits and Vegetables	700	5	0.15	350	10	0.08
	Generac Power Systems, Inc.	Manufacturer of Generators	600	6	0.13	-	-	0.00
	Mercy Health System	Health Care Services	600	7	0.13	-	-	0.00
	Nestle Confection and Snacks	Food products	550	8	0.12	-	-	0.00
	Abbey Resort	Resort	490	9	0.10	490	8	0.11
	Novares	Manufacturer of plastic products	420	10	0.09	-	-	0.00
	Grand Geneva, LLC	Resort	-	-	-	1,100	1	0.24
	Miniature Precision Components	Automotive Parts	-	-	-	500	5	0.11
	Wal-Mart	Retail	-	-	-	500	7	0.11
	Elkhorn Area School District	Education	-	-	-	362	9	0.08
	Walworth County Subtotal⁽¹⁾		7,392		1.56		1.40	%
	Total		40,648		8.58		7.11	%

(1) Based on median of ranges.

GATEWAY TECHNICAL COLLEGE DISTRICT

**Employment Trends by Equal Employment Opportunity Categories
Historical Comparisons
2013-2022**

<u>Category</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019⁽¹⁾</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Administrative/Managerial:	79	82	80	80	80	86	71	72	86	86
Female percent	48	45	65	65	64	63	55	60	58	58
Minority percent	16	17	23	19	21	17	24	24	23	23
Faculty:	252	253	249	245	238	241	253	259	246	243
Female percent	49	48	59	58	58	58	58	58	55	56
Minority percent	12	12	15	16	16	13	17	17	16	16
Professional/Noninstructional:	33	30	29	31	32	27	108	105	36	35
Female percent	64	53	72	71	72	70	74	72	75	60
Minority percent	30	30	45	39	41	37	34	36	28	26
Secretarial/Clerical:	89	81	75	72	75	72	91	93	71	71
Female percent	80	77	95	94	93	94	92	90	96	96
Minority percent	28	23	28	29	28	28	29	32	37	37
Technical/Paraprofessional:	122	148	136	132	129	139	57	52	133	137
Female percent	42	56	45	59	57	58	35	33	55	55
Minority percent	20	27	31	33	33	30	24	27	34	34
Service/Maintenance:	40	40	39	35	39	39	44	45	42	40
Female percent	10	10	10	11	10	13	14	18	29	25
Minority percent	33	30	36	37	41	33	32	4	43	43
Total:	615	634	608	595	593	604	624	626	629	629
Female percent	50	48	58	62	62	62	60	60	60	60
Minority percent	16	18	24	24	24	24	24	25	24	24

(1) The District updated employee classifications.
Information provided by the Gateway Technical College District Human Resources Department.

GATEWAY TECHNICAL COLLEGE DISTRICT

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

Student Enrollment ⁽¹⁾

Fiscal Year Ended June 30	Aidable				Non-Aidable			Unduplicated Total
	Associate Degree	Technical Diploma	Vocational Adult	Non-Post- Secondary (ABE)	Collegiate Transfer	Community Service Program		
2014	10,704	2,409	5,902	4,863	-	-	20,142	
2015	9,718	2,136	5,409	4,110	-	-	18,336	
2016	9,280	2,054	5,316	3,818	-	-	17,636	
2017	8,857	2,039	4,469	3,231	-	-	16,260	
2018	8,847	2,063	4,508	2,647	-	9	16,146	
2019	8,583	2,217	3,876	2,613	-	-	15,393	
2020	8,093	2,186	4,308	2,433	-	-	15,173	
2021	7,590	1,959	2,665	1,685	-	-	12,255	
2022	7,054	2,466	3,193	1,790	-	-	12,738	
2023	6,834	2,561	3,329	1,788	-	-	12,866	

Full-Time Equivalents ⁽²⁾

Fiscal Year Ended June 30	Aidable				Non-Aidable			Total
	Associate Degree	Technical Diploma	Vocational Adult	Non-Post- Secondary (ABE)	Collegiate Transfer	Community Service Program		
1999	2,198	422	246	602	-	1	3,469	
2000	2,247	441	199	611	-	0	3,498	
2001	2,441	426	224	633	-	0	3,724	
2002	2,903	528	229	859	-	1	4,520	
2003	3,216	575	208	981	-	0	4,980	
2005	3,296	534	200	821	-	0	4,851	
2006	3,580	426	183	853	-	0	5,042	
2008	3,477	401	148	807	-	-	4,833	
2009	3,910	394	140	744	-	-	5,188	
2010	4,634	430	152	769	-	-	5,985	
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	-	-	0	
2017	3,644	446	103	344	-	-	4,537	
2018	3,658	504	111	290	-	-	4,563	
2019	3,547	526	113	292	-	-	4,478	
2020	3,458	537	109	279	-	-	4,383	
2021	3,193	459	71	181	-	-	3,904	
2022	2,917	560	77	211	-	-	3,764	
2023	2,852	602	83	228	26.40	-	3,792	

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 (CL1620A)

(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. (CL1620A)

GATEWAY TECHNICAL COLLEGE DISTRICT

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

Year	<u>Postsecondary/Vocational Adult⁽¹⁾</u>				<u>Non-Aidable⁽²⁾</u>	
	Resident Program Fees	Percent Change	Out-of-State Program Fees ⁽³⁾	Percent Change	Avocational Programs	Percent Change
2014	122.20	4.5	61.10	4.5	150.15	-
2015	125.85	3.0	62.95	3.0	154.00	2.6
2016	128.40	2.0	64.20	2.0	162.00	5.2
2017	130.35	1.5	65.18	1.5	162.00	-
2018	132.20	1.4	66.10	1.4	162.00	-
2019	134.20	1.5	67.10	1.5	134.20	(17.2)
2020	136.50	1.7	68.25	1.7	136.50	1.7
2021	138.90	1.8	69.45	1.8	138.90	1.8
2022	141.00	1.5	70.50	1.5	141.00	1.5
2023	143.45	1.7	71.73	1.7	143.45	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 6.0% of program fees.

Notes:

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

GATEWAY TECHNICAL COLLEGE DISTRICT

**Program Graduate Follow-Up Statistics⁽¹⁾
Historical Comparisons
Last Ten Fiscal Years**

<u>Year</u>	<u>Number of Graduates</u>	<u>Number of Respondents</u>	<u>Total Number in Labor Force</u>	<u>Percent Employed</u>	<u>Percent Employed in Related Occupation</u>	<u>Percent Employed in District</u>	<u>Average Hourly Salary⁽²⁾</u>	<u>Percent Satisfied with Training</u>
2012	2,271	1,887	1,475	86	58	75	16.69	97
2013	2,174	1,779	1,308	85	59	75	17.46	97
2014	2,167	1,758	1,199	87	64	68	17.39	98
2015	1,855	1,522	1,103	87	69	73	17.93	98
2016	1,772	1,469	1,034	91	73	76	18.72	98
2017	1,725	1,386	928	89	72	77	17.61	99
2018	1,645	1,259	799	92	82	75	19.00	98
2019	1,693	900	296	89	75	56	20.25	94
2020	2,216	1,504	810	88	71	70	25.07	95
2021	1,770	1,289	755	91	68	69	22.66	96
2022	1,999	1,310	650	91	73	70	24.68	96

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	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Racine	Racine Campus	10,080	10,080	10,080	10,080	10,080	10,880	10,880	10,880	10,880	10,880
	Lincoln Building ⁽¹⁾	81,127	81,127	81,127	81,127	81,127	81,127	81,127	81,127	81,127	81,127
	Lake Building	87,605	87,605	87,605	87,605	87,605	87,605	87,605	87,605	87,605	87,605
	Tech Building	68,786	68,786	68,786	68,786	68,786	68,786	68,786	68,786	68,786	68,786
	Racine Building	3,270	3,270	3,270	3,270	3,270	3,270	3,270	3,270	3,270	3,270
	Connecting Passages	250,868	250,868	250,868	250,868	250,868	251,668	251,668	251,668	251,668	251,668
	Racine Campus Sub-Total	89,149	89,149	89,149	89,149	89,149	53,370	53,370	53,370	53,370	53,370
	iMET (formerly CATI)	2,400	2,400	2,400	2,400	2,400	2,400	-	-	-	-
	The Cut-Barber/Cos (Lease)	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440
	Burn Building-Town of Dover (Land lease)	343,857	343,857	343,857	343,857	308,078	308,878	306,478	306,478	306,478	306,478
Racine County Subtotal	17,772	17,772	17,772	17,772	17,772	17,772	17,772	17,772	17,772	17,772	
Kenosha	Kenosha Campus	29,954	29,954	29,954	29,954	29,954	29,954	29,954	29,954	29,954	29,954
	Administration Building	28,352	28,352	28,352	28,352	28,352	28,352	28,352	28,352	28,352	28,352
	Conference Building	18,085	18,085	18,085	18,085	18,085	18,085	18,085	18,085	18,085	18,085
	Inspire Center ⁽²⁾	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000
	Child Care (ECP)	15,648	15,648	15,648	15,648	15,648	15,648	15,648	15,648	15,648	15,648
	Academic Building	45,187	45,187	45,187	45,187	45,187	45,187	45,187	45,187	45,187	45,187
	Horticultural Buildings ⁽³⁾	17,130	17,130	17,130	17,130	17,130	17,130	17,130	17,130	17,130	17,130
	Science Building	4,550	4,550	4,550	4,550	4,550	4,550	4,550	4,550	4,550	4,550
	Student Commons	13,160	13,160	13,160	13,160	13,160	13,500	-	-	-	-
	Storage Buildings	62,640	62,640	62,640	62,640	62,640	62,880	62,880	62,880	62,880	62,880
	Protective Services	344,478	344,478	344,478	344,478	344,478	345,058	331,558	331,558	318,158	310,273
	Technical Building	1,844	1,844	1,844	1,844	1,844	1,844	1,844	1,844	1,844	1,844
	Kenosha Campus Subtotal	38,755	38,755	38,755	38,755	38,755	38,755	38,755	38,755	38,755	38,755
Leased Facilities:	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	
Center for Sustainable Living	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	
Horizon Center (Aviation - Land Lease)	-	-	-	-	-	-	-	-	-	-	
Horizon Center Storage Bldg	-	-	-	-	-	-	-	-	-	-	
Lakeview Technology Center	-	-	-	-	-	-	-	-	-	-	
Kenosha County Job Center	-	-	-	-	-	-	-	-	-	-	
Gateway Medical Park - East	-	-	-	-	-	-	-	-	-	-	
Launch Box "1 Stop Center"	-	-	-	-	-	-	-	-	-	-	
SIM House	2,503	1,237	1,237	1,237	1,237	1,237	1,237	1,237	1,237	1,237	
Kenosha County Subtotal	403,380	402,114	402,576	402,576	402,576	403,156	389,656	390,220	384,212	372,422	
Walworth	Eikhorn Campus	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600
	Alternative High School	44,372	44,372	44,372	44,372	44,372	44,372	44,372	44,372	44,372	44,372
	South Building	49,341	49,341	49,341	49,341	49,341	49,341	49,341	49,341	49,341	49,341
	North Building	6,468	6,468	6,468	6,468	6,468	6,468	6,468	6,468	6,468	6,468
	Veterinary Science (priv Job Center)	1,673	1,673	1,673	1,673	1,673	1,673	1,673	1,673	1,673	1,673
	Garage Building	109,454	109,454	109,454	109,454	109,454	109,454	109,454	109,454	109,454	109,454
	Eikhorn Campus Subtotal	22,394	22,394	22,394	22,394	22,394	19,694	19,694	19,694	22,255	19,694
	Burlington Campus (Leased)	28,892	28,892	28,892	28,892	28,892	33,512	33,512	33,512	33,512	33,512
	380 Building	160,740	160,740	160,740	160,740	160,740	162,660	162,660	162,660	161,621	157,360
	496 Building	907,977	906,711	907,173	907,173	871,394	874,694	858,794	859,358	852,311	836,260
Walworth County Subtotal	907,977	906,711	907,173	907,173	871,394	874,694	858,794	859,358	852,311	836,260	
Total District Square Footage	343,857	343,857	343,857	343,857	308,078	308,878	306,478	306,478	306,478	306,478	

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
2023 FISCAL YEAR - INSURANCE SUMMARY (UNAUDITED)

Type of Coverage	Insurance Company	Policy Period	Details of Coverage*	Limits of Coverage	Annual Premium	
Property Coverage	DMI	7/1/22 - 7/1/23	Covers all real and personal property, all risk; \$25,000 deductible per occurrence.		\$ 175,970	
			Blanket Property Limit (Per Occurrence)	\$ 500,000,000		
			Certified Terrorism	\$ 500,000,000		
			Non-Certified Terrorism	\$ 500,000,000		
			Accounts Receivable	\$ 25,000,000		
			Fine Arts	\$ 15,000,000		
			Valuable Papers and Records	\$ 25,000,000		
			Extra Expenses	\$ 25,000,000		
			Electronic Data Processing Equipment	\$ 25,000,000		
			Miscellaneous Unnamed Locations	\$ 25,000,000		
			Newly Acquired Property (180 days reporting)	\$ 25,000,000		
			Building Ordinance including Demolition & ICC & Increased Time to Rebuild	\$ 25,000,000		
			Debris Removal - the greater of 25% of the loss or	\$ 25,000,000		
			Earth Movement and Volcanic Action (Annual Aggregate)	\$ 25,000,000		
			Flood and Water Damage (Annual Aggregate)	\$ 25,000,000		
			Flood in FEMA Zones Designated Using Letter A or V (Annual Aggregate)	\$ 25,000,000		
			Property in the Course of Construction	\$ 30,000,000		
			Transit	\$ 2,500,000		
			Ingress/Egress (1 mile limitation, 30 days limitation)	\$ 5,000,000		
			Interruption by Civil Authority (1 mile radius limitation, 30 day limitation)	\$ 5,000,000		
			Leasehold Interest	\$ 2,500,000		
			Service Interruption - Property Damage & Time Element Combined (Water, Communication Including Overhead Transmission Lines, Power Including Overhead Transmission Lines)	\$ 300,000,000		
			Mobile Equipment	\$ 1,000,000		
			Expediting Expenses	\$ 5,000,000		
			Pollutant Clean-Up and Removal (Annual Aggregate)	\$ 1,000,000		
			Claims Preparation Expenses (Subject to Max. 5% of Combined PD & TE Loss)	\$ 250,000		
			Defense Costs	\$ 250,000		
			Exhibition, Exposition, Fair or Trade Show	\$ 1,000,000		
			Fire Department Services Charges	\$ 250,000		
			Protection of Property	\$ 475,000		
Radioactive Contamination	\$ 250,000					
Royalties	\$ 250,000					
Equipment Breakdown	DMI	7/1/22 - 7/1/23	Comprehensive coverage; \$25,000 Deductible	\$ 100,000,000	\$ 10,511	
			Property Damage	Included		
			Business Income	Included		
			Civil Authority	Included		
			Extra Expense	Included		
			Off-Premises Equipment Breakdown	\$ 25,000		
			Service Interruption	\$ 1,000,000		
			Contingent Business Income	\$ 25,000		
			Perishable Goods (Spoilage/Ammonia Contamination)	\$ 250,000		
			Data Restoration	\$ 250,000		
			Demolition	\$ 1,000,000		
			Ordinance or Law	\$ 1,000,000		
			Expediting Expenses	\$ 250,000		
			Hazardous Substances	\$ 250,000		
			Newly Acquired Locations (365 days)	Policy Limit		
			Broad Comprehensive Coverage (Including Production Machines, Computer Equipment)	Included		
			Repair or Replacement	Yes		
Green Upgrade	\$ 25,000					
Workers' Compensation	DMI	7/1/22 - 7/1/23	Workers' Compensation - Wisconsin Benefits	Statutory	\$ 219,810	
			Employer's Liability	- Bodily injury by accident, each accident	\$ 100,000	
				- Bodily injury by disease, policy limit	\$ 500,000	
				- Bodily injury by disease, each employee	\$ 100,000	
General Liability (Includes Professional, Automobile, and Educators Legal Liability)	DMI	7/1/22 - 7/1/23	Each Occurrence Limit	\$ 5,000,000	\$ 89,415	
			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		
			Garage keepers Coverage (ACV up to...)	\$ 500,000		
			- Comprehensive Deductible (each customer auto/each event)	\$500 / \$2,500		
			- Collision Deductible (each customer auto)	\$ 500		
			Policy Deductible - per Occurrence	\$ 5,000		
			Automobile Physical Damage Deductible	Per College Choice		
			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
2023 FISCAL YEAR - INSURANCE SUMMARY (UNAUDITED)

Type of Coverage	Insurance Company	Policy Period	Details of Coverage*	Limits of Coverage	Annual Premium
Deadly Weapon Protection	DMI	7/1/22 - 7/1/23	Liability & Claim Expense		\$ 5,007
			- 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	
Network Security (Cyber Risk)	DMI	7/1/22 - 7/1/23	Policy Aggregate Limit of Liability	Per College Choice	\$ 86,977
			Coverage for Privacy Breach and Response Services	\$ 500,000	
			Computer Expert Services, Legal Services, Public Relations, 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	
Sabotage & Terrorism	DMI	7/1/22 - 7/1/23	Policy Deductible	\$ 20,000	\$ 3,679
			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	

TOTAL ANNUAL INSURANCE PREMIUMS PAID TO DISTRICTS MUTUAL INSURANCE: \$ 591,369

Crime	AIG (Written through the Trust)	7/1/22 - 7/1/23	Employee Theft	\$ 750,000	\$ 4,999		
			Forgery or Alteration	\$ 750,000			
			ERISA Fidelity	\$ 750,000			
			Inside Premises - Money Theft and Securities	\$ 750,000			
			Inside Premises - Robbery Safe Burglary - Other Property	\$ 750,000			
			Outside Premises	\$ 750,000			
			Computer Fraud	\$ 750,000			
			Funds Transfer Fraud	\$ 750,000			
			Money Orders and Counterfeit Money	\$ 750,000			
			Credit, Debit or Charge Card Forgery	\$ 750,000			
			Impersonation Fraud Coverage	\$ 100,000			
			Computer Fraud Insuring Agreement - Cost, Fees or Other Expenses	\$ 25,000			
			Employee Theft Insuring Agreement - Cost, Fees or Other Expenses	\$ 25,000			
			Deductible	\$ 15,000			

International Package**	Chubb Insurance Company	Varies By College	Foreign General Liability - Each Occurrence	\$ 1,000,000	\$ 3,000
			General Aggregate - Varies by College	\$ 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	
			Foreign Property		
			- Limit of Liability - per Occurrence	\$ 250,000	
			Contingent Auto Liability - Combined Single Limit		
			- Each Accident	\$ 1,000,000	
			- Auto Medical Payments	\$ 50,000	
			Foreign Hired Auto Physical Damage		
			- Any One Accident	\$ 50,000	
			- Any One Policy Period	\$ 50,000	

GATEWAY TECHNICAL COLLEGE
2023 FISCAL YEAR - INSURANCE SUMMARY (UNAUDITED)

Type of Coverage	Insurance Company	Policy Period	Details of Coverage*	Limits of Coverage	Annual Premium
			Foreign Employee Benefits Liability (\$1,000 Deductible)		
			- Each Claim	\$ 1,000,000	
			- Aggregate	\$ 1,000,000	
			Foreign Voluntary Workers' Compensation		
			- Third Country Nationals	Country of Origin	
			- Local Nationals	Employers Liability Only	
			- North American	State of Hire Benefits	
			Foreign Employers Liability		
			- Bodily injury by accident, each accident	\$ 1,000,000	
			- Bodily injury by disease, each employee	\$ 1,000,000	
			- Bodily injury by disease, policy limit	\$ 1,000,000	
			Executive Assistance (per covered person)	\$ 1,000,000	
			Kidnap and Extortion		
			- Extortion/Ransom Monies Payment-Each Covered Loss	\$ 250,000	
			- In-Transit Extortion / Ransom Monies Loss - Each Covered Loss	\$ 250,000	
			- Expenses - Each Covered Loss	\$ 250,000	
			- Legal Costs - Each Covered Loss	\$ 250,000	
			- Medical, Death or Dismemberment - Sublimit each Life	\$ 10,000	
			- Medical, Death or Dismemberment - Sublimit each Incident	\$ 100,000	
			- Incident Response - Each Covered Loss	\$ 250,000	
			Accidental Death and Dismemberment and Medical Expenses for Educational Service		
			- Accidental Death and Dismemberment	\$ 10,000	
			- Medical Expense - Per Covered Persons	\$ 10,000	
			- Aggregate Limit	\$ 2,000,000	
Business Travel Accident	CIGNA	7/1/22 - 7/1/23	Benefits for Scheduled Losses	\$ 100,000	\$ 184
(for Local Boards of Director Members)			- Aggregate	\$ 1,000,000	
			- Loss of Life		
			- Other Covered Losses as Scheduled		

TOTAL ANNUAL INSURANCE PREMIUMS PAID TO WISCONSIN TECHNICAL COLLEGE INSURANCE TRUST: \$ 8,183

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

** This coverage is provided on a request basis.

Deductible is Specified by Endorsement for Each College Location

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

Multimedia Liability	Arthur J. Gallagher	7/1/22 - 7/1/23	Errors and Omissions	\$	4,380
WGTD 91.1 FM (Year 3 of 3 year policy)			Maximum Limit of liability for each claim	\$ 5,000,000	
			Retentions each and every claim	\$ 10,000	
			Policy No. 8177-2134		
Storage Tank Pollution	Arthur J. Gallagher	7/1/22 - 7/1/23	Policy Aggregate Limit:	\$ 1,000,000	\$ 467
Insured Site: 4940 - 88th Avenue, Kenosha, WI 53144			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	Arthur J. Gallagher	7/1/22 - 7/1/23	Each occurrence limit	\$ 1,000,000	\$ 3,097
			Policy No. MKLV3PSM000607		
(Includes Professional Services: Veterinary Tech Student Practicum in a Clinical Setting Including Clinical Supervision by a Licensed			Aggregate	\$ 3,000,000	
			Deductible each claim:	\$ 1,000	

TOTAL ANNUAL INSURANCE PREMIUMS PAID TO ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES INC.: \$ 7,944

Aviation Insurance Coverages Purchased through Wenk Insurance Agency

Aviation Insurance	Wenk Aviation Insurance Agencies	7/1/22 - 7/1/23	Liability Coverage	\$	60,807
			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	\$180,000, 200,000 and 715,000	
			Deductibles: Not in motion (all aircraft)	\$ 250	
			Deductibles: In motion (respectively by aircraft physical damage value)	\$1,000, 1,000 and 5,000	
			Hangarkeepers (Per Aircraft; Per Occurrence)	\$ 250,000	
			Deductible	\$ 5,000	
			Products	\$ 1,000,000	
			Premises Medical Payments (Each Person / Aggregate)	\$5,000 / \$25,000	
			Liability for Negligent Instruction (Per Occurrence)	\$ 1,000,000	

TOTAL ANNUAL INSURANCE PREMIUMS PAID TO WENK INSURANCE AGENCY: \$ 60,807

TOTAL ANNUAL PREMIUMS: \$ 668,303

Administration Center

3520 - 30th Avenue
Kenosha, WI 53144-1690

Burlington Center

496 McCanna Pkwy.
Burlington, WI 53105-3623

SC Johnson iMET Center

2320 Renaissance Blvd.
Sturtevant, WI 53177-1763

Elkhorn Campus

400 County Road H
Elkhorn, WI 53121-2046

HERO Center

380 McCanna Pkwy
Burlington, WI 53105-3622

**Horizon Center for
Transportation Technology**

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

Inspire Center

3520 - 30th Avenue
Kenosha, WI 53144-1690

Kenosha Campus

3520 - 30th Avenue
Kenosha, WI 53144-1690

**LakeView Advanced
Technology Center**

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

Racine Campus

1001 South Main Street
Racine, WI 53403-1582

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