GATEWAY TECHNICAL COLLEGE

2019 Comprehensive Annual Financial Report

(with Independent Auditors' Report)

For the Fiscal Years Ended June 30, 2019 and 2018

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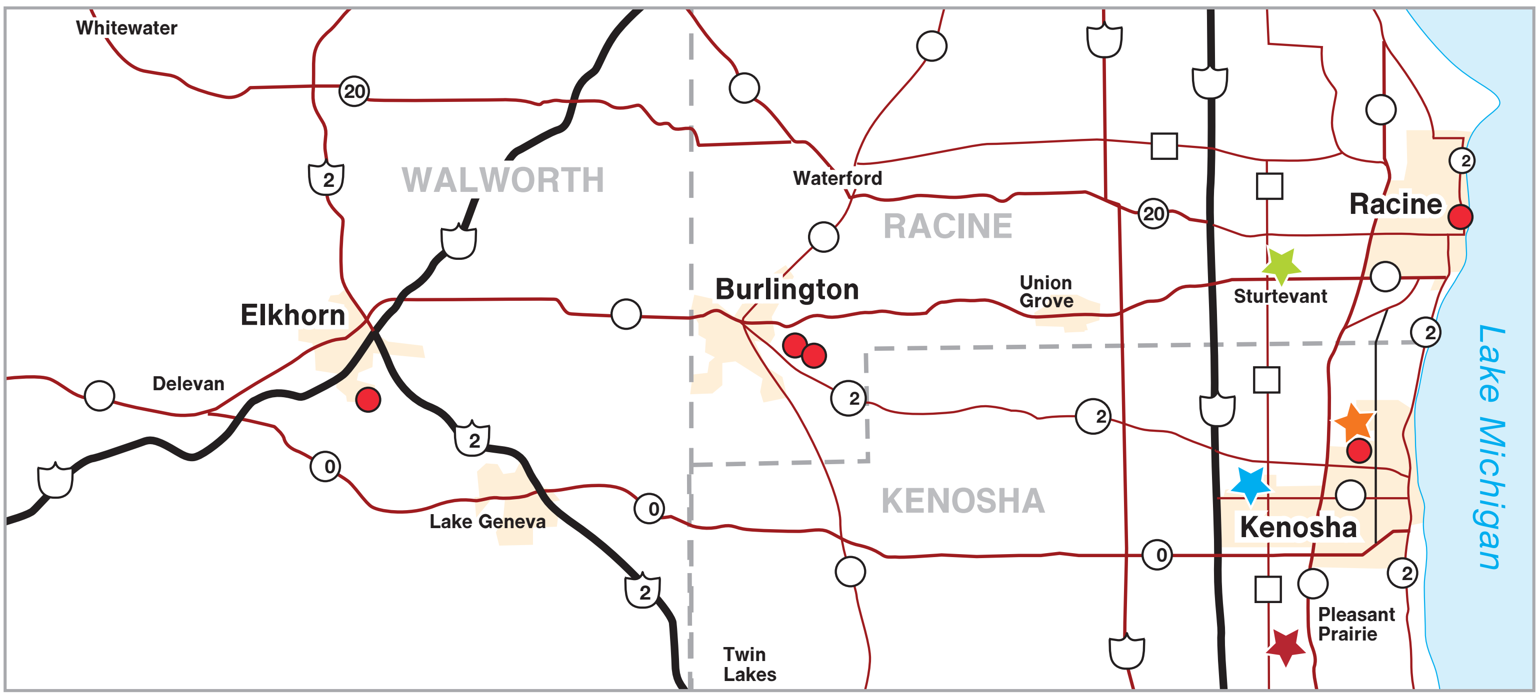
Gateway Technical College

Gateway Technical College



GATEWAY TECHNICAL COLLEGE DISTRICT

Racine/Kenosha/Elkhorn, Wisconsin

Comprehensive Annual Financial Report
For the Fiscal Years Ended June 30, 2019 and 2018
(With Independent Auditors' Report)

Official Issuing Report:

William Whyte
Sr. Vice President of Operations

Report Prepared By:

Sharon Johnson, CPA, Controller
Christopher Ziarko, CPA, Director of Accounting

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

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

GATEWAY TECHNICAL COLLEGE DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Years Ended June 30, 2019 and 2018

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Introductory Section

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

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Burlington, WI 53105-3623
262.767.5200

ELKHORN CAMPUS
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HERO (HEALTH AND EMERGENCY RESPONSE OCCUPATIONS) CENTER
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HORIZON CENTER FOR TRANSPORTATION TECHNOLOGY
4940 - 88th Avenue
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SC JOHNSON iMET (iNTEGRATED MANUFACTURING & ENGINEERING TECHNOLOGY) CENTER
Renaissance Business Park
2320 Renaissance Blvd.
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KENOSHA CAMPUS
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November 12, 2019

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

The Comprehensive Annual Financial Report (CAFR) of Gateway Technical College District (the District or Gateway) for the fiscal years ended June 30, 2019 and June 30, 2018 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

Gateway – Environment

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

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

Gateway remains firm in its commitment to provide a quality education to all students to positively impact their lives, and to also impact the communities which it serves. Gateway consistently strives to seek innovative ways to institute more flexible methods of education delivery, develop community and business partnerships as well as incorporate green career initiatives. Gateway continues to distinguish itself as an industry leader and one of the top technical colleges in the nation. We strive to make life-changing educational opportunities a reality.

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

Gateway serves more than 20,000 students, mainly from the counties of Kenosha, Racine and Walworth and remains an educational leader that aggressively ensures it delivers graduates who have learned real-world technical skills that get them hired.

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

Gateway Technical College Governance

Gateway Technical College is governed by a nine-member Board of Trustees, which is appointed by a committee comprised of the chairpersons of each of the three county boards—Kenosha, Racine, and Walworth. The Board of Trustees, with Administration, recently developed, approved, and are conducting business according to the following Ends Policies and Mission, Vision, and Values statements.

Board Ends Policy

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

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

Vision and Strategic Direction

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

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

Values

At Gateway Technical College, we value:

- Diversity of individuals and perspectives
- Positive climate for working and learning
- Innovation and risk-taking
- Honest and ethical behavior
- Quality and excellence in education

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

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

Significant Recognitions

Gateway received the 2019 Military Friendly School award for the eighth straight year. This award is given by Victory Media to the top 15 percent of colleges providing quality services and initiatives to embrace America's military service members, veterans, and their spouses to ensure their success as students.

Gateway Technical College was again named one of the top places to work among large employers in southeastern Wisconsin, according to the Milwaukee Journal-Sentinel's Top 100 Workplaces 2019 list. This is the eighth year of the survey, and Gateway was named among the top in that category for seven of those years, twice in the top 10.

Economic Condition & Development

Wisconsin's economy is running strong. The U.S. Bureau of Labor Statistics' unemployment and employment estimates showed Wisconsin's not-seasonally adjusted June 2019 unemployment rate at 3.5 percent, lower than the national rate of 3.8 percent. For the same time period, the unemployment rate in Kenosha County was 4.1 percent, Racine County 4.1 percent and Walworth County 3.5 percent. Those rates compare to June 2018 numbers of 4.1 percent in Kenosha County, 4.1 percent in Racine County, and 3.4 percent in Walworth County.

The economy of Gateway's three-county district of Walworth, Racine and Kenosha continues to run strong too, with companies either moving into the district or expanding.

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

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

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

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

Major Initiatives and Accomplishments

The commitment to excellence and innovation is a guiding force for Gateway Technical College faculty, staff, and administration. The following is a representative list of some of the major initiatives and accomplishments for the 2018-19 fiscal year.

- Gateway Technical College officially broke ground on the 36,000-square-foot expansion of its SC Johnson Integrated Manufacturing and Engineering Technology Center to support the educational training needs of Wisconn Valley employers, including Foxconn. The expansion added four new engineering labs, five new computer labs and eight new classrooms and provides the latest in Industry 4.0 and robotics training today.

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- Gateway Technical College honored three area residents who have been selected as this year's Dr. Martin Luther King Humanitarians. These individuals were recognized for their contributions to society, their school, business or profession, as well as their dedication to volunteerism or philanthropic life's work.
- With our industry partners, we are expanding programs and services and aligning postsecondary pathways for thousands of students. This year alone, more than 6,000 high school students completed Gateway Technical College courses for dual credit, saving families more than $2 million in tuition.
- Gateway recognized 1,332 prospective candidates for graduation from all semesters of the fiscal year during the May commencement ceremony.
- Gateway Technical College Foundation, at its annual award ceremony, awarded 256 scholarships totaling nearly $164,000 and benefiting 208 students by helping them fulfill their career and educational goals.

Leadership of a Model College

In fiscal year 2018-19, Gateway demonstrated its leadership in the community and on a national level in a variety of ways including the following:

- Gateway Technical College's leadership in the area of advanced manufacturing and Industry 4.0 curriculum and training helped it to co-host the national Manufacturing Skill Standards Council and Leadership Summit in June 2019.
- Gateway Diesel students in Spring 2019 began gaining the skills and certifications to work on Kubota equipment and help meet the increasing demand for qualified, early career technicians who work on the heavy equipment at dealerships and other businesses. Gateway is one of only five institutions nationally to be initially approved to provide this training, and was chosen because of its national reputation for automotive and diesel training as well as its cutting-edge equipment and facility.
- Gateway hosted the national NC3 training and leadership event in summer 2019.
- Gateway Technical College Vice President, Community and Government Relations was named as the 2018 Institutional Representative of the Year for the Wisconsin Women in High Education Leadership organization.
- A Gateway Learning Success coach was named one of two Racine Mirror 2019 Women of Worth 2019 Women of the Year winners. The award celebrates women who have helped to make a difference in Racine, exemplified extraordinary leadership, and have been a great asset to all.
- The WGTD Radio Theater, in its 15th season of live original radio theater broadcasts, was recognized by the Wisconsin Broadcasters Association by winning three WBA Awards for Excellence. Additionally, for the first time, the radio theater has been recognized by the national Hear Now: The Audio Fiction and Arts Festival, winning two Silver Medals. WGTD is a radio station on the Gateway campus, supported in part by Gateway.
- Gateway's CIO received an Info-Tech CIO Award for the Medium Business Division. The national award recognizes CIOs who received the highest satisfaction scores on Info-Tech's CIO Business Vision Survey.
- A Gateway Horticulture instructor was one of 12 winners in the final round of Foxconn's statewide Smart Cities-Smart Futures competition. She was the only winner among the

state's technical colleges. Her entry, which outlined a hydroponics system, was entered in the Food Category.

- A Gateway Technical College instructor and a Gateway student were among the 30 Round Two winners of Foxconn's statewide Smart Cities-Smart Futures contest and advanced to the third, and final, round of the competition.

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 2018-19 fiscal year. Since 2011, Gateway's service learning efforts have added value through experiences, products and projects totaling $1.3 million in fiscal value to the community working with 99 community partners.

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

- Several student clubs and human service class groups sponsored clothing drives for area charities in November and December.
- During this year's Martin Luther King Jr. Day of Service, 100 people spent 181 combined hours to pack 477 hygiene kits, create 285 scarves, and complete 50 blankets - all of which were donated to a local homeless shelter.
- Four Accounting students volunteered as tax preparers for the United Way of Kenosha County's and Racine County's Volunteer Income Tax Assistance (VITA) program.
- Children from the Kenosha Boys and Girls Club engaged in interactive and educational workshops hosted by students from Dental Assistant, Nursing, Physical Therapist Assistant, Barber, Cosmetology, and Veterinary Technician programs in the Spring 2019 semester.
- Several Arboriculture/Urban Forestry students participated in the local effort of the national Saluting Branches effort to fell, remove or prune trees at national veteran's cemeteries as a way to honor current and fallen service members.
- Nursing students in Renee Seymour's Intro to Clinical Care Management courses partnered with HALO in pressure checkups, providing a healthy and nutritious meal for over 100 clients, and hand washing activities with children.
- Students enrolled in – and alumni of – Gateway Technical College's Barbering program held its annual cut-a-thon to benefit the college's veteran's club in November at the barbering studio on the Kenosha Campus. They hold this popular event every year.
- Ten Gateway Arboriculture/Urban Forestry students participated in the Day of Service in March 2019 to remove dead trees and brush at the Eco-Justice Center of Racine.

Community Partnerships

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

The following are examples of Gateway's community partnerships:

- Evinrude and BRP helped Gateway to initiate its Motorcycle, Marine and Outdoor Power Products program as well as establish the BRP Evinrude Technology Institute on the college's Racine Campus. Evinrude and BRP contributed many different pieces of equipment and brought industry knowledge to ensure the lab provided cutting-edge curriculum for this in-demand career field.
- Wisconsin Oven announced in September 2018 its collaboration with Gateway to establish the Wisconsin Oven Universal Training Center. Gateway instructors provide hands-on training to new employees at the center on-site at Wisconsin Oven – and, students receive a $10/hour wage during the academy. Wisconsin Oven needed to boost the number of welders in its workforce, and looked to this innovative way of doing so.
- Gateway's summer camp program, offered with the Boys and Girls Clubs of Kenosha County in partnership with Snap-on Incorporated, included two week-long sessions with environmental themes.
- A total of seven students graduated from the HSED 5.09 program at the Racine Literacy Council and 15 from the HSED 5.09 program at Racine Workforce.
- Gateway worked with area high schools to connect students with their future education and work careers, resulting in 550 high school students visiting the college in 2018-19 to learn more about academic programs and college.

Green Initiatives

Gateway strives to be sustainable and "green" in its practices where practical, and has received local and national accolades for its leadership in this area. Its students engage in these practices throughout the communities served by the college through hands-on projects, while the college offers demonstrations and other opportunities for the public to learn how to live "greener." The college itself tries to operate sustainably and infuse these practices into program curriculum. Activities and accomplishments for the 2019 fiscal year include the following:

- The college expanded its educational demonstration area for the public through the addition of a "bat house" on the Kenosha Campus that explains the important role bats play in the ecosystem.
- The college has a Green Scholars program which provides students the opportunity to learn about sustainability, get involved in green and sustainable efforts and earn recognition when they graduate. Four students were recognized for this honor at our commencement ceremony.
- Gateway's summer camp program, offered with the Boys and Girls Clubs of Kenosha County in partnership with Snap-on Incorporated, included two week-long sessions with environmental themes. There are four camps, with two of the camps being held at the Center for Sustainable Living. A solar energy week included hands-on activities that include cooking in solar ovens and building and racing solar-powered cars. A sustainability week covers horticulture, native birds, renewable energy, recycling, and exploration of the Center for Sustainable Living.
- Gateway held several workshops for the public in its Center for Sustainable Living focused on green and sustainable living. Examples include workshops on birds, gardens, green cleaning products, and bees.

Facilities

Quality facilities and equipment help to provide the Gateway Experience in which students and the community engage. Fiscal year 2018-19 projects added resources and training opportunities to help students in their academic and career endeavors.

- Gateway broke ground on a 36,000-square-foot addition to its SC Johnson iMET Center, which will be part of a training and facility package to help train workers for area employers including Foxconn.
- The college opened a new barbering studio facility in Burlington in November 2018 to help meet the growing need for barbers and cosmetologists in the Burlington area of its district. Students learn the concepts of their future career in the classroom, and the studio then becomes a lab to apply what they've learned, and continue to gain skills through hands-on learning.
- Gateway opened its emergency vehicle operator course (EVOC), which will provide a training center for the college's Law Enforcement Academy as well as area law enforcement and emergency service professionals, benefiting both the college and the community

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.

- A Gateway student was among the 30 Round Two winners of Foxconn's statewide Smart Cities-Smart Futures contest and advanced to the third and final round of the competition. The student advanced in the Mobility and Transportation category, received a $1,500 award and was honored at a Foxconn recognition ceremony.
- Four Gateway Collegiate DECA team members took top-three honors at the 57th Wisconsin Collegiate DECA annual Spring Competitive Events. In all, eight Gateway students took honors at the event and qualified for the international competition.
- Five Gateway students won an Award of Excellence at the International Collegiate DECA Conference.
- Gateway's Surgical Technology program was awarded a Certificate of Merit by the National Board for Surgical Technology and Surgical Assisting after more than 90 percent of its graduates passed the national certification exam for Surgical Technologists.
- Gateway held a Student Leadership and Diversity Conference in March 2019 to help students maximize their leadership skills, networking relationships, and diversity issues.
- A total of 263 high school students successfully completed Gateway's Nursing Assistant program.
- For the 2018-19 academic year, 131 students graduated from the college's Adult High School program and 182 graduated from the GED/HSED program.
- Nine construction and industrial trades apprentices at Gateway Technical College received $1,500 Tools of the Trade Apprentice Scholarships from Ascendium. Across the state, 199 apprentices received $1,500 scholarships in Spring 2019.

Technology Initiatives

Gateway's information technology team continues to research alternative technologies in support of learning objectives. As a technical college, Gateway realizes the importance of offering skills training through the most up-to-date technology, as well as providing technology to its staff to better meet the needs of students, the community, and business partners. Some of the advancements in technology initiatives in fiscal year 2018-19 includes:

- Updated the college's VANguard video conferencing capabilities. A total of 375 students used in the technology in Fall 2018, an increase of 12 percent from the previous year.
- A new generator was installed at the SC Johnson iMET Center, to support the secondary IT server room for the college as well as life safety method for the facility (elevator, exit signs, and emergency lighting) in the event of a power outage.
- The college's technology team worked to implement technology needed for typical as well as advanced training equipment in several facilities around the district, including:
    - Installing technology at the college's new standalone Cosmetology/Barbering lab, The Cut.
    - Installing advanced technology needed for classroom and advanced manufacturing and the internet of things training equipment in the college's SC Johnson iMET Center.
    - Installed needed technology in the college's new board of trustee's room on its Kenosha Campus.

- Implemented a pediatric patient simulator for use by the college's Nursing programs.

Special Funding/Grants

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

- Gateway Technical College was one of 10 community colleges from across the country chosen through a competitive proposal process to receive a $100,000 Metallica Scholars Initiative grant funded by Metallica's All Within My Hearts Foundation. The grant supported telecommunications training.
- Gateway was awarded a $100,000 Wisconsin Department of Workforce Development Fast Forward grant to provide a Welding Academy for 34 high school students from schools located in Gateway's district. Students gained welding skills, industry certificates as well as up to 17 credits toward a Welding-Maintenance and Fabrication technical diploma.
- Gateway was awarded $98,824 to train up to 420 high school students from eight school districts to prepare them to earn certified nursing assistant or emergency medical technician certification credentials.
- A grant for $290,000 was awarded to Gateway to help 37 teachers from a minimum of seven districts obtain a teaching certification that meets Higher Learning commission standards.
- Gateway provided training to area companies totaling $334,861 and will train 419 workers as part of Workforce Advancement Training Grant initiatives. The grants will support a company's efforts for continuous improvement, increasing efficiency and productivity.

- Gateway received a $242,000 federal grant to provide academic and other support for low-income, first-generation or disabled students to increase retention and graduation rates.
- The Gateway Technical College Foundation received a $1.2 million bequest from the Beverly and Otto Tarnowski estate. This legacy gift is added to their 2013 gift of $804,000 to establish Tarnowski Hall at Gateway's SC Johnson iMET Center in Sturtevant. Combined, the Tarnowski support for Gateway students totals more than $2 million. The recent $1.2 million bequest was contributed to the college Foundation's student emergency fund, manufacturing program support, and the Gateway Promise program.
- Michael Kopper and Michele Whitfield contributed $2.85 million to the Gateway Technical College Foundation to fund scholarships for students in engineering and manufacturing-related programs as well as benefit students in the college's Promise program. The donation marked the largest contribution to the Foundation to date.
- Gateway Technical College Foundation surpassed its Gateway Promise program goal of $3 million, providing a way for students to reach their educational goals for many years to come. A total of $3.93 million was raised for the program over the past three years. The Gateway Promise program is an effort fill the gap between financial aid and the cost of tuition and fees so that eligible students can gain access to the life-changing impact of a college degree.

New Programs/Academic Initiatives

Gateway strives to be flexible in its course and service delivery to help students achieve their goals. The 2018-19 year certainly exemplified flexibility with the addition of new offerings as well as the continued positive impact of established programs.

- The finishing touches and approvals were put on three different programs in 2018-19 by Gateway, allowing the Fall 2018 semester students to start gaining skills for a future career. All three of the programs were created in response to industry need for workers with solid technical and smart technology skills, and received much media attention over the academic year from local, state, regional, national, and international media outlets. The new programs were:
    - Motorcycle, Marine and Outdoor Power Products technical diploma. Service technicians in this field perform preventative maintenance and basic repairs for equipment such as motorcycles, ATVs, dirt bikes, boats, and jet skis.
    - Supply Chain Management associate degree.
    - Advanced Manufacturing Technology associate degree, providing skills for graduates to enter into a high-tech manufacturing career, including knowledge of IIoT.
- Gateway also started a shared program with Lakeshore Technical College for a new Opthalmic Medical Assistant program.

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 are included in a separate document, titled "Single Audit Report".

Budgeting Controls

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

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

Other Information

Independent Audit

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

Certificates

Gateway has been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association (GFOA) for Gateway's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018. In order to be awarded such certificates, a college unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards, principles, and applicable legal requirements. The Certificate is valid for a period of one year only. We believe our current report continues to conform to the program's requirements and we will be submitting this report to GFOA for their review.

Acknowledgment

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

Respectfully submitted,

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

William R Whyte

William Whyte
Sr. Vice President of Operations

GATEWAY TECHNICAL COLLEGE

DISTRICT BOARD AND PRINCIPAL OFFICIALS
As of June 30, 2019

District Board

Chairperson	Bethany Ormseth	Employer Member
Vice Chairperson	R. Scott Pierce	School District Member
Secretary	Pamela Zenner-Richards	Additional Member
Treasurer	Ronald J. Frederick	Elected Official
Member	Jesse Adams	Employer Member
Member	Ram Bhatia	Additional Member
Member	William Duncan	Additional Member
Member	Roger Zacharias	Employee Member
Member	Vacant	Employee Member

Principal Officials

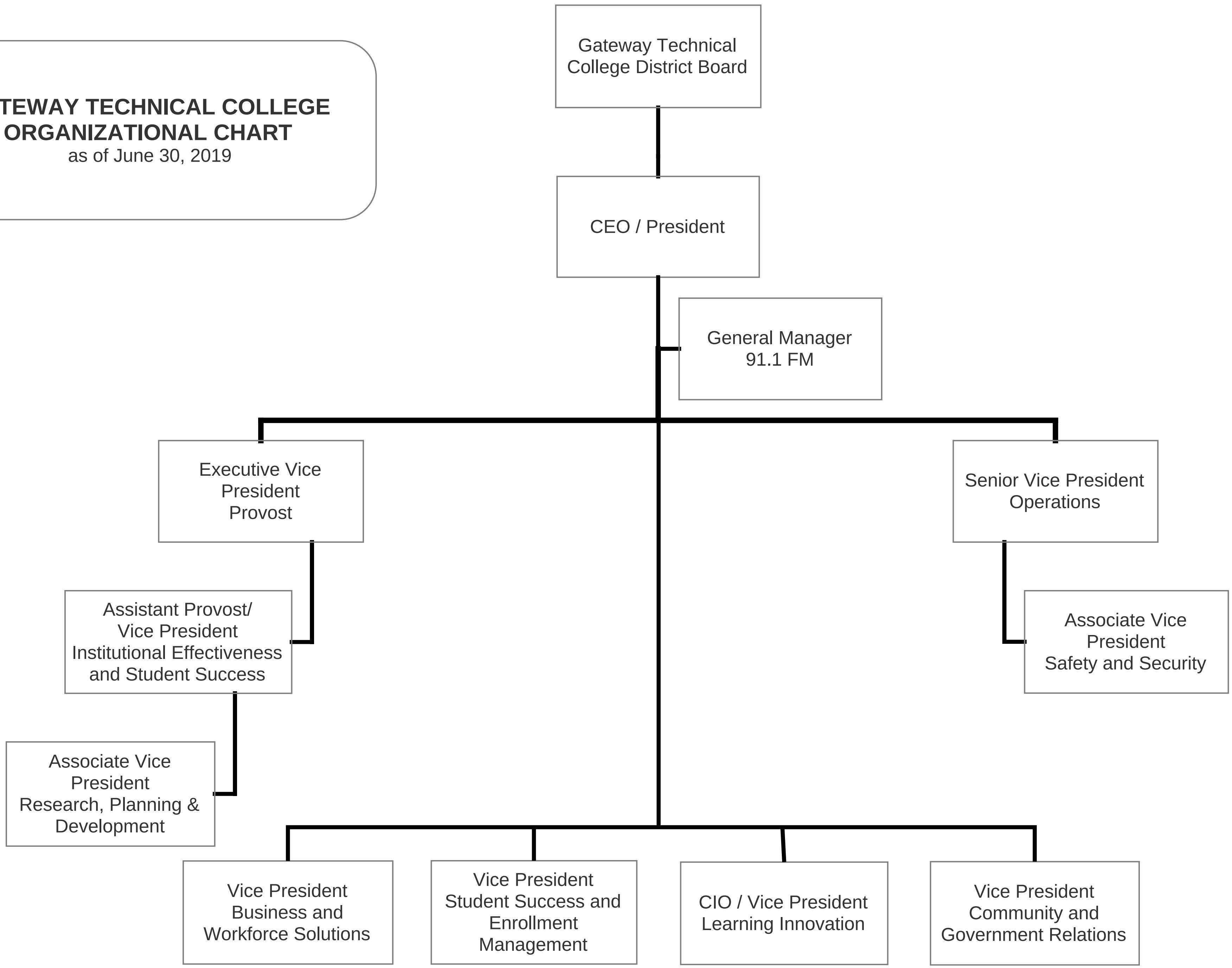
President / Chief Executive Officer	Bryan D. Albrecht, Ed.D.
Executive Vice President / Provost for Academic & Campus Affairs	Zina R. Haywood
Senior Vice President of Operations	William R. Whyte
Associate Provost/Vice President Institutional Effectiveness & Student Success	John Thibodeau, Ph.D.
Vice President Community and Government Relations	Stephanie L. Sklba
Vice President Learning Innovation / Chief Information Officer	Jeffrey D. Robshaw
Vice President Business & Workforce Solutions	Matthew Janisin
Vice President Student Services and Enrollment Management	Stacy Riley
Vice President Human Resources	Jacqueline Morris

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.

GATEWAY TECHNICAL COLLEGE ORGANIZATIONAL CHART
as of June 30, 2019



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Gateway Technical College

Wisconsin

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

Financial Section

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CliftonLarsonAllen LLP
CLAconnect.com

Independent auditors' report

To the District Board
Gateway Technical College District
Kenosha, Wisconsin

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the Gateway Technical College District, Kenosha, Wisconsin (the "District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Gateway Technical College Foundation, Inc. (the "Foundation") which represents one hundred percent of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Gateway Technical College Foundation, Inc., a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

OPINION

In our opinion based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2019 and 2018, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 19 through 31 and the schedules relating to pensions and other postemployment benefits on pages 87 through 89 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The financial information listed in the table of contents as supplementary information and the other information, such as the introductory and statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Prior Year Financial Information

The 2018 financial statements were audited by Schenck SC, whose practice became part of CliftonLarsonAllen LLP as of January 1, 2019, and whose report dated November 2, 2018, expressed an unmodified opinion on those financial statements.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2019, 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

CliftonLarsonAllen LLP

Sheboygan, Wisconsin
November 12, 2019

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, 2019.

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

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

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

Statements of Net Position

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

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

Stated in Thousands ($000)

	2019	2018	Incr (Decr) 2019-2018	2017	Incr (Decr) 2018-2017
Assets					
Cash and other current assets	$ 49,653	$ 51,946	$ (2,293)	$ 51,848	$ 98
Capital assets, net of accumulated depreciation	95,072	94,739	333	81,753	12,986
Total Assets	144,725	146,685	(1,960)	133,601	13,084
Deferred Outflows					
Deferred outflows related to pension and OPEB	31,270	17,957	13,313	18,780	(823)
Liabilities					
Current	20,825	18,803	2,022	16,567	2,236
Non-Current	90,991	78,827	12,164	59,602	19,225
Total Liabilities	111,816	97,630	14,186	76,169	21,461
Deferred Inflows					
Deferred inflows related to pension	15,392	18,671	(3,279)	8,436	10,235
Net Position					
Net investment in capital assets	46,130	38,096	8,034	33,578	4,518
Restricted	1,774	1,423	351	1,748	(325)
Unrestricted	883	8,822	(7,939)	32,450	(23,628)
Total Net Position	$ 48,787	$ 48,341	$ 446	$ 67,776	$ (19,435)

Total assets decreased $2.0 million or 1.3% in FY 2019 and increased $13.1 million or 9.8% in FY 2018. Total liabilities increased by $14.2 million or 14.5% in FY 2019 as compared to an increase of $21.5 million or 28.2% in FY 2018. Overall, the total net position increased by $.4 million or .9% in FY 2019 while FY 2018 experienced a $19.4 million or 28.7% decrease for the fiscal year.

Fiscal Year 2019 Compared to Fiscal Year 2018

- In FY 2019 cash and cash equivalents experienced a decrease of $3.1 million or 8.0% due to an increase of cash used to fund capital projects as compared to $.2 million or .5% increase in FY 2018

- Non-Current assets increased by $.3 million due to an increase in Capital assets, net of accumulated depreciation of $9.8 million or 11.5% which is offset by the recording of a pension liability in 2019 eliminating the of the pension asset recorded in FY18 of $9.5 million.

- Other assets increased by $.8 million or 6.9% due mainly to an increase in the property tax receivable at year end.

- Deferred outflows, which includes amounts related to the District's Wisconsin Retirement System and OPEB liability, increased $13.3 million in FY 2019 as compared to a decrease of $11.9 million in FY 2018. The increase is due to the change in deferred outflows related to the District's pension liability in FY 2019. In addition, the District implemented GASB Statement No. 75 during FY 2018. (Additional information can be found in footnote #'s 6 and 7 in the notes to the financial statements).

- Overall current liabilities increased 10.8% in FY 2019 compared to an increase of 13.5% in FY 2018. The increase in FY 2019 is due mainly to an increase general obligation debt and OPEB benefits payable at year end.

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

- Deferred inflows related to the Wisconsin Retirement System decreased by $3.3 million or 17.6% in FY 2019. The decrease is due to the change in deferred inflows related to the District's pension liability in FY 2019. (Additional information can be found in footnote 6 in the notes to the financial statements).

Fiscal Year 2018 Compared to Fiscal Year 2017

- In FY 2018 cash and cash equivalents experienced an increase of $.2 million or .5% as compared to $3.3 million or a 9.1% increase in FY 2017. Cash received from tuition and fees was relatively flat because enrollment was relatively flat for FY18 as compared to FY 17.

- Non-Current assets increased by $13.0 million due to an increase in Capital assets, net of accumulated depreciation of $3.5 million or 4.3% and the recording of a pension asset in FY18 of $9.5 million, a change from a pension liability in FY17.

- Other assets decreased by $.1 million or .8% due mainly to a decrease in prepaid expenses and federal and state aid receivables at year end.

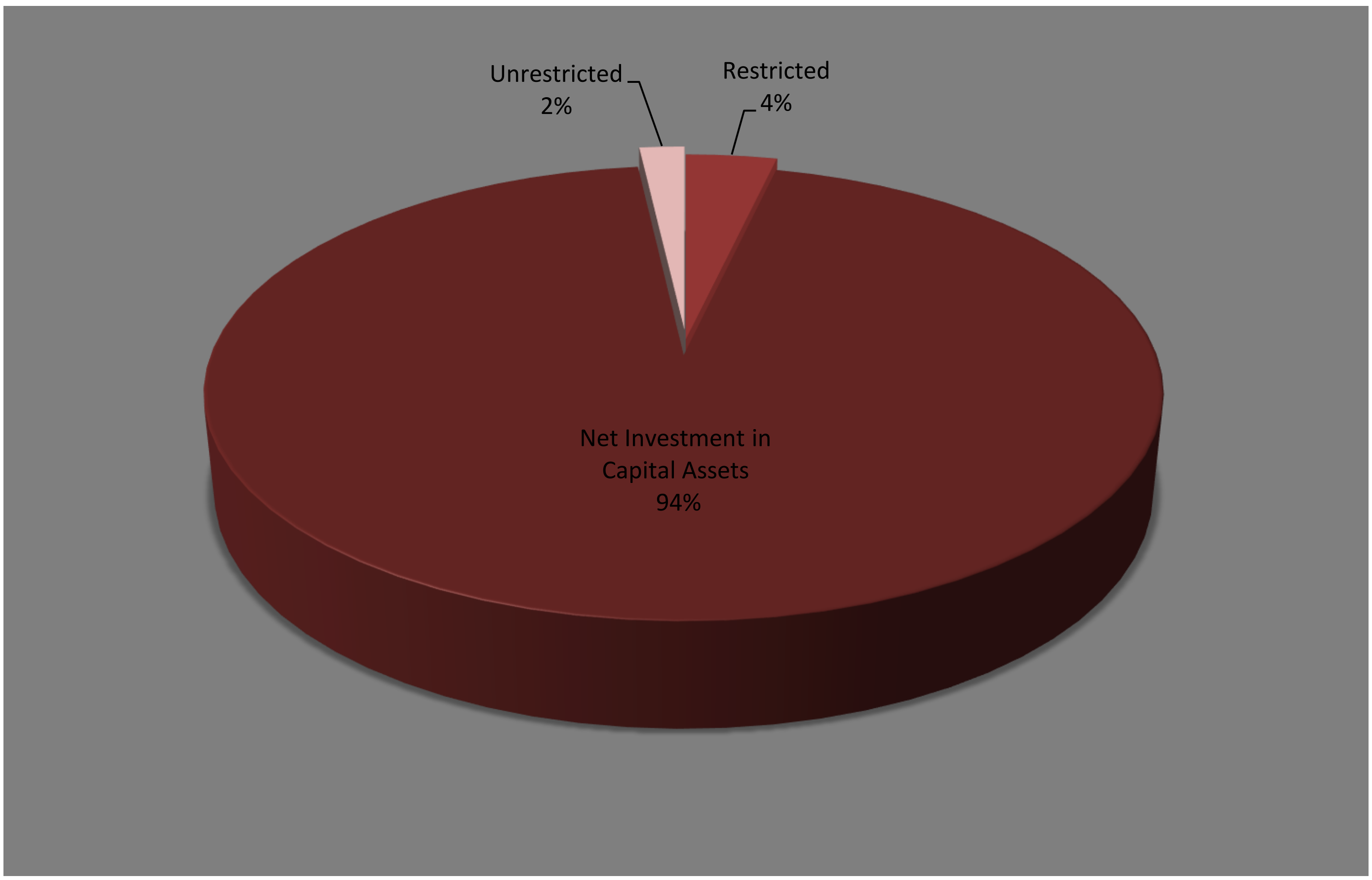
- Deferred outflows, which includes amounts related to the District's Wisconsin Retirement System and OPEB liability, decreased $.8 million in FY 2018 as compared to a decrease of $9.2 million in FY 2017. The decrease is due mainly to the change in deferred outflows related to the District's pension asset in FY 2018. In addition, the District implemented GASB Statement No. 75 during FY 2018. (Additional information can be found in footnote #'s 6 and 7 in the notes to the financial statements).

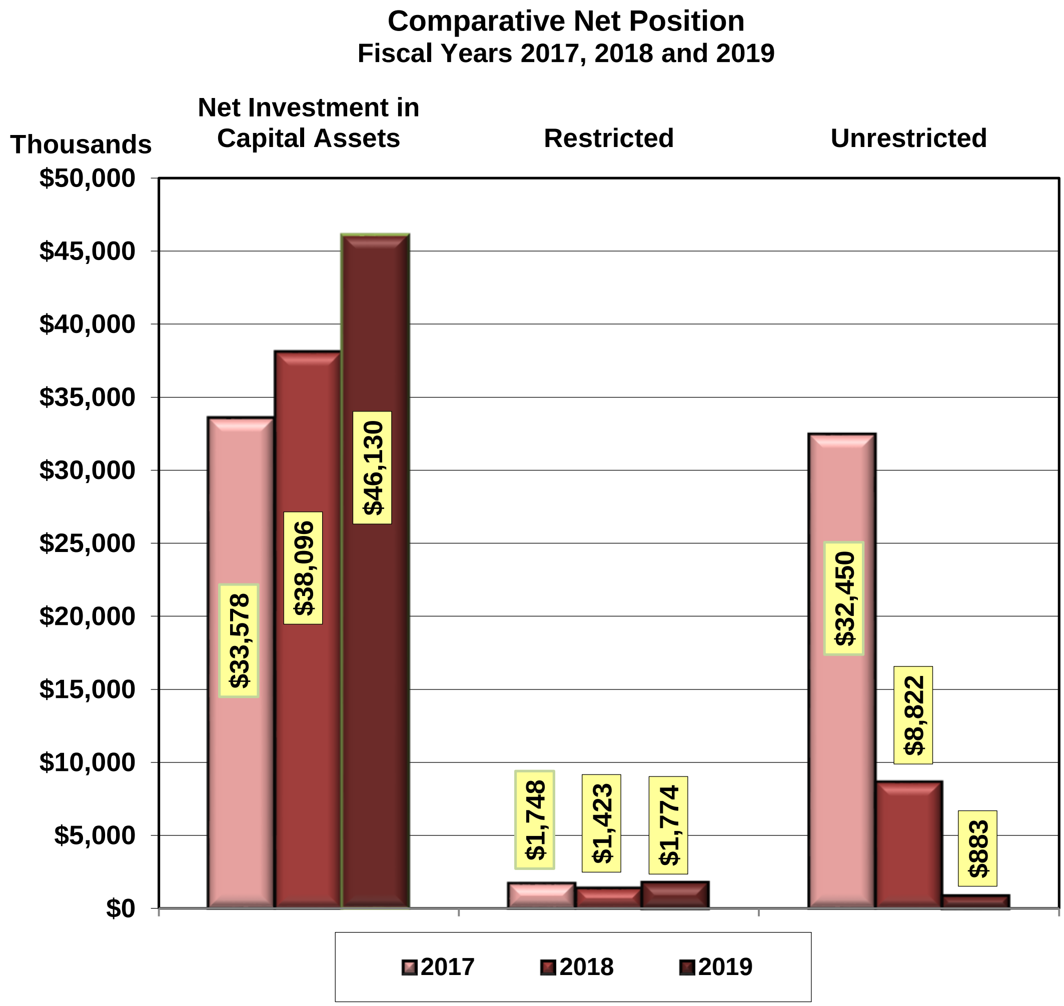
- Overall current liabilities increased 13.5% in FY 2018 compared to an increase of 4.1% in FY 2017. The increase in FY 2018 is due mainly to an increase general obligation debt payable at year end as well as in increase in accounts payable at year end.

- Deferred inflows related to the Wisconsin Retirement System increased by $10.2 million or 121.3% in FY 2018 (Additional information can be found in footnote 6 in the notes to the financial statements).

- Long-term liabilities increased 32.3% or $19.2 million in FY 2018 as compared to an increase of 3.1% or $1.8 million in FY 2017. The increase is due mainly to the implementation of GASB 75 in 2018. General obligation debt increased by approximately $1.3 million or 2.5% in FY 2018. The net pension liability recorded in FY 2017 is now a pension asset in FY 2018. (Additional information can be found in footnote #'s 6 and 7 in the notes to the financial statements)

Net Position
June 30, 2019





Statements of Revenues, Expenses and Changes in Net Position

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

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

Stated in Thousands ($000)

	2019	2018	Incr (Decr) 2019-2018	2017	Incr (Decr) 2018-2017
Operating Revenues					
Student fees	$ 10,831	$ 10,689	$ 142	$ 10,237	$ 452
Federal & state grants	27,579	28,628	(1,049)	27,015	1,613
Local Grants	-	92	(92)	75	17
Contract revenues	5,335	4,500	835	3,204	1,296
Auxiliary & miscellaneous revenues	1,459	1,560	(101)	1,667	(107)
Total Operating Revenues	45,204	45,469	(265)	42,198	3,271
Operating Expenses					
Instruction	60,245	58,961	1,284	55,694	3,267
Instructional resources	1,269	1,290	(21)	1,286	4
Student services	14,594	15,027	(433)	15,134	(107)
General institutional	11,377	11,174	203	9,893	1,281
Physical plant	9,066	8,078	988	8,208	(130)
Student aid	16,075	17,298	(1,223)	14,857	2,441
Public services	407	345	62	346	(1)
Auxiliary services	428	463	(35)	423	40
Depreciation	9,193	8,175	1,018	7,366	809
Total Operating Expenses	122,654	120,811	1,843	113,207	7,604
Non-operating Revenues (Expenses)					
Property taxes	34,852	33,180	1,672	31,938	1,242
State appropriations	39,334	38,669	665	39,351	(682)
Loss on disposal of capital assets	15	(24)	39	(27)	3
Investment income	454	198	256	92	106
Interest expense & debt issuance costs	(1,718)	(1,609)	(109)	(1,640)	31
Total Non-operating Revenues (Expenses)	72,937	70,414	2,523	69,714	700
Capital Contributions					
Federal & state capital grants	4,485	107	4,378	90	17
Other capital grants/donations	474	423	51	-	423
Total Capital Contributions	4,959	530	4,429	90	440
Net increase (decrease) in net position	446	(4,398)	4,844	(1,205)	(3,193)
Net Position - beginning of year	48,341	52,739		53,944	
Net Position - end of year	$ 48,787	$ 48,341		$ 52,739	

Operating Revenues include the charges for services offered by the District and other federal and state operating grants. During FY 2019 the District generated $45.2 million of operating revenue which is a .6% decrease or $.3 million less than in FY 2018. Significant changes for the fiscal years are as follows:

Fiscal Year 2019 Compared to Fiscal Year 2018

- Federal grants decreased by 7.3% or $1.8 million in FY 2019 compared to an increase in Federal grants of $2.0 million or 8.5% in FY 2018. The decrease in Federal grants is due to decreased federal loans and Pell grants received in FY 2019 versus FY 2018.

- State grants increased by 25.4% in FY19 or $.8 million in FY 19 compared to a decrease of 11.7% or $.4 million in FY 18.

- Contract revenues increased 18.5% or $.8 million in 2019 versus 2018 due to an increase in high school outreach.

Fiscal Year 2018 Compared to Fiscal Year 2017

- Federal grants increased by 8.5% or $2.0 million in FY 2018 compared to a decrease of 16.9% or ($4.8 million) in FY 2017. The increase is due to increased federal loans and Pell grants received in FY 2018 versus FY 2017.

- Contract revenues increased 40.5% or $1.3 million in 2018 versus 2017 due to an increase in high school outreach.

Operating Expenses are costs incurred for providing education, training and related services. Overall operating expenses increased 1.5% or $1.8 million in FY 2019 as compared to an increase of 6.7% or $7.6 million in FY 2018. Changes within operating expenses for the fiscal years are as follows:

Fiscal Year 2019 Compared to Fiscal Year 2018

- Supplies and minor expenses increased $1.2 million or 9.0% due to an increase in supplies and minor equipment purchases shifting from capital purchases because of an increased capital purchasing threshold.

- Depreciation expense increased by $1.0 million in FY 2019, up from an increase of .8 million in FY 2018

- Student aid expense decreased by $1.2 million due to a decrease in enrollment and fewer students applying for loans and Pell grants.

Fiscal Year 2018 Compared to Fiscal Year 2017

- Student aid expenses increased $2.4 million or 16.4%. The increase is due to a slight increase in FTE's in 2018 and more students applied for loans and Pell grants.

- Pension expense increased by $1.3 million in FY 2018, up from an increase of .4 million in FY 2017.

- Operating expenses were increased by $3.2 million due to the recording of the total

OPEB liability with the implementation of GASB 75 (Additional information can be found in footnote # 7 in the notes to the financial statements)

Non-Operating Revenues represent funds that are obtained to support operations, but are not directly related to operating activity. Wisconsin legislation subsidizes the operating expenses of the sixteen technical colleges by authorizing an allocation of state revenue and giving the colleges the authority to levy property taxes in the municipalities they serve. Overall, non-operating revenues, net of interest expense, increased by $2.5 million or 3.6% in FY 2019 compared to a $.7 million increase or 1.0% in FY 2018. The significant components of the fiscal years are as follows:

- Property taxes are a primary source of revenue for the District comprising 29.1% of our revenue source in FY 2019. Overall property tax revenues for the year were $34.8 million, an increase of $1.7 million or 5.0% more than recognized in FY 2018.

  The 2013 Wisconsin Act 20, among other things, eliminated the mill rate limitation that had been in place for technical districts in previous fiscal years and in its place introduced a tax levy limitation (the "Tax Levy Limit"). 2013 Wisconsin Act 145 signed into law March 24, 2014 replaces the tax levy limit with a revenue limit beginning in fiscal 2015. Act 145 also shifts a portion of funding for technical college districts in the state from property taxes levied to a state aid payment. This shift in revenues has been in place for the past three fiscal years. In FY 2019 there was an increase in the District's tax levy to $34.8 million, up from $33.2 million in FY 2018. State appropriations increased $.7 million or 1.7% compared to a $.7 million or 1.7% decrease in FY 2018. 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.

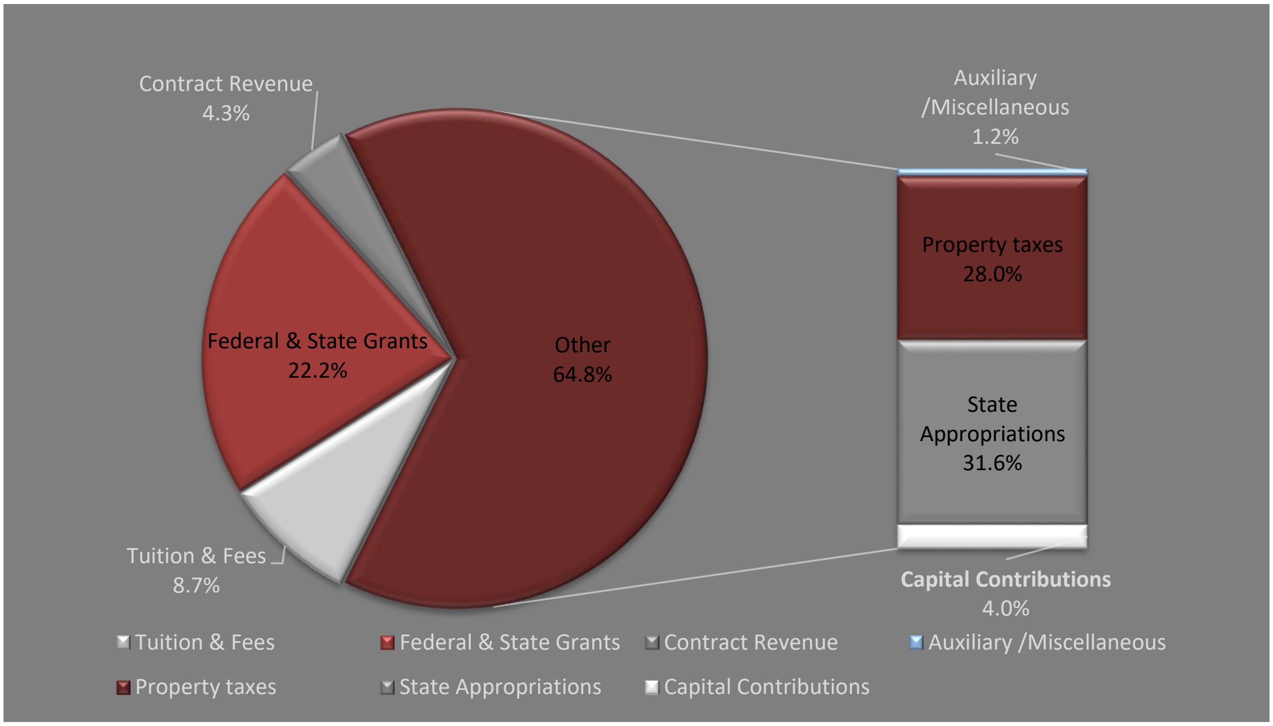
Non-Operating Expenses consist of interest expense and debt issuance costs on long-term debt. Debt issuance costs are recognized as an expense in the year they are incurred. FY 2018 reflected a decrease of approximately $30,800 or 1.9% for the expense, while FY 2019 reflects an increase of approximately $109,100 or 6.78%. As deferred bond premium is recognized, it is used to reduce debt issuance expenses.

Capital Contribution Revenue is revenue due to donations of cash or capital equipment and grant funds to be used exclusively for the purchase of capital assets. Overall contribution revenues increased by 837.1% in FY 2019 as compared to an increase of 486.7% in FY 2018. This increase was due to an increase in receipt of contributions and donations along with grant funds received from the state to fund an addition to the iMet center in FY 2019.

The following graphs represent the distribution of revenues and operating expenses for the fiscal year ended June 30, 2019.

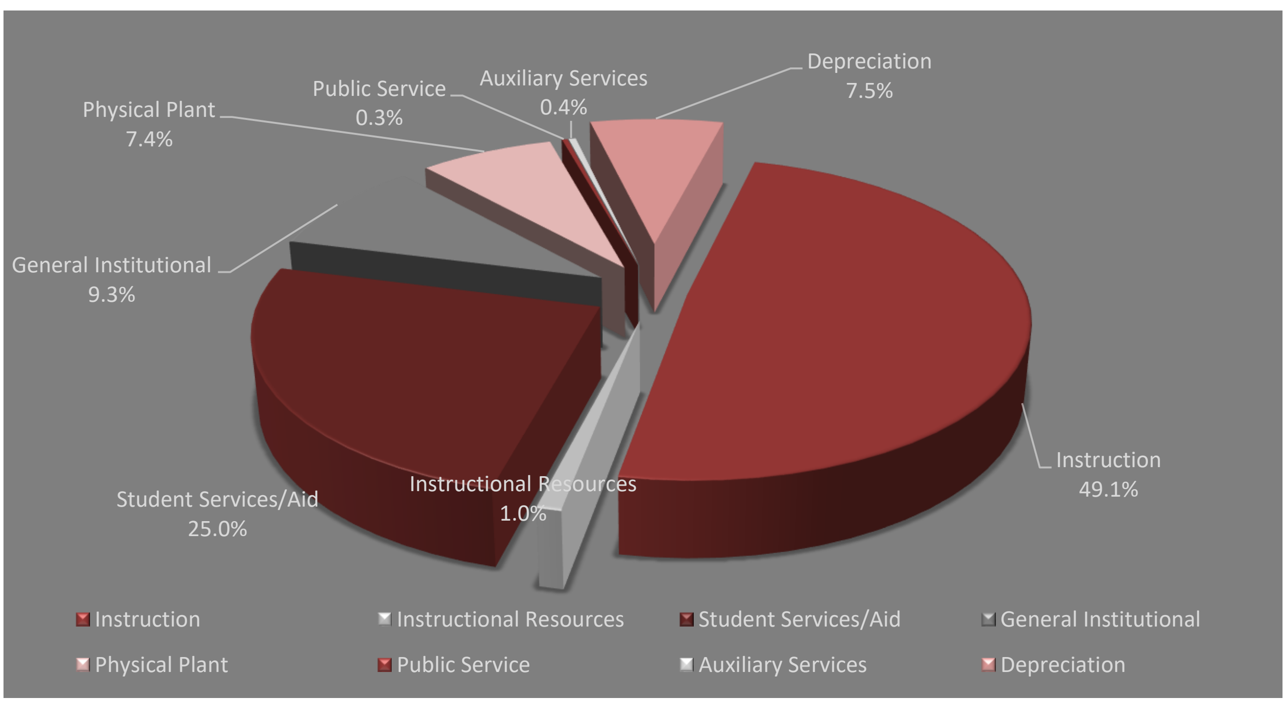
Revenues

<u>June 30, 2019</u>



Operating Expenses

<u>June 30, 2019</u>



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)

	2019	2018	Incr (Decr) 2019-2018	2017	Incr (Decr) 2018-2017
Cash Used By Operating Activities	$ (64,191)	$ (61,868)	$ (2,323)	$ (59,308)	$ (2,560)
Cash Provided By Non-Capital Financing Activities	73,317	71,965	1,352	71,294	671
Cash Used By Capital and Related Financing Activities	(12,736)	(10,100)	(2,636)	(8,808)	(1,292)
Cash Provided By Investing Activities	455	198	257	92	106
Net Increase in Cash and Cash Equivalents	$ (3,155)	$ 195	$ (3,350)	$ 3,270	$ (3,075)

Fiscal Year 2019 Compared to Fiscal Year 2018

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

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

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

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

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

Fiscal Year 2018 Compared to Fiscal Year 2017

The cash and cash equivalents balance increased from $39.2 million in FY 2017 to $39.4 million in FY 2018. Overall, in FY 2017, cash and cash equivalents increased by $.2 million or .5% as compared to the FY 2017 increase of $3.2 million or 9.1%.

The District's cash usage increased in FY 2018 as compared to FY 2017. $2.6 million or 4.3% additional cash was used for operating activities in FY 2018 compared to $45,000 or .1% in FY 2017.

Overall cash provided by non-capital financing activities increased by $.7 million or .9%. Local government property taxes received increased by $1.3 million or 4.3% while state appropriations received decreased by $.7 million or 1.8%.

Overall net cash used for capital and related financing activities increased by 14.7% or $1.3 million in FY 2018 as compared to an increase of 32.3% or $2.1 million in FY 2017. Principal paid on capital debt increased by $1.3 million or 13.7% in FY 2018 as compared to an increase of $.4 million or 4.2% in FY 2017. Please see footnote #5 for further details.

Cash provided by investing activities increased by $106,069 or 114.9% as the rate of return on investments continued to see increases in FY 2018.

Capital Asset and Debt Administration

Stated in Thousands ($000)

	2019	2018	Incr (Decr) 2019-2018	2017	Incr (Decr) 2018-2017
Land and Land Improvements	$ 11,968	$ 9,590	$ 2,378	$ 9,149	$ 441
Less Accumulated Depreciation	(3,879)	(3,365)	(514)	(2,953)	(412)
Buildings, Improvements and Leasehold Interest/Improvement	116,987	110,812	6,175	103,755	7,057
Less Accumulated Depreciation	(55,582)	(50,495)	(5,087)	(45,940)	(4,555)
Intangible Assets	2,646	2,344	302	2,052	292
Less Accumulated Depreciation	(2,083)	(1,883)	(200)	(1,657)	(226)
Equipment	46,394	41,363	5,031	38,246	3,117
Less Accumulated Depreciation	(28,630)	(25,280)	(3,350)	(22,345)	(2,935)
Construction in Progress	7,251	2,178	5,073	1,446	732
Cost of Capital Assets Net of Accumulated Depreciation	$ 95,072	$ 85,264	$ 9,808	$ 81,753	$ 3,511
Capital asset related debt outstanding at Year End	$ 48,942	$ 47,167	$ 1,775	$ 48,175	$ (1,008)

Fiscal Year 2019 Compared to Fiscal Year 2018

Overall capital assets, net of accumulated depreciation, increased by $9.8 million from FY 2018 to FY 2019. The largest increase was in construction in progress of $5.0 million. Remodeling improvements were completed at each campus; however, the major additions in 2019 were at the Racine campus with a $3.0 million remodel of the Racine Building second floor, the Kenosha campus with the $1.0 million renovation of the conference center and the $1.5 million addition of the emergency vehicle operator course (EVOC) track. Additional information about Gateway's capital assets may be found in footnote #4 in the financial statements.

The District had general obligation debt, relating to capital assets, outstanding of $48.9 million at June 30, 2019, an increase of $1.0 million, as compared to $47.2 million at June 30, 2018. The District maintained the highest rating of Aaa from Moody's Investors Services for the debt issues. Gateway meets all of its debt service requirements, including timely repayment of all debt payments. Current debt issued for buildings and improvements is repaid in 10 years or less, debt issued for equipment will be repaid in 5 years or less to correspond to the useful lives of the capital investment. Additional information about Gateway's long-term debt may be found in footnote #5 in the financial statements.

Fiscal Year 2018 Compared to Fiscal Year 2017

Overall capital assets, net of accumulated depreciation, increased by $3.5 million from FY 2017 to FY 2018. The largest increase was in building improvements net of accumulated depreciation of $2.5 million. Remodeling improvements were completed at each campus; however, the major additions in 2018 were at the Kenosha Campus which included a $1.5 million remodel of the Inspire Center for the new Human Patient Simulator & Skills Lab area. In addition, a $1.1 million remodel of the Lake Building second floor was completed on the Racine campus and a $1.2 million renovation of the Engineering classrooms was completed on the Eklhorn campus. Additional information about Gateway's capital assets may be found in footnote #4 in the financial statements.

The District had general obligation debt, relating to capital assets, outstanding of $47.2 million at June 30, 2018, a decrease of $1.0 million, as compared to $48.2 million at June 30, 2017. The District maintained the highest rating of Aaa from Moody's Investors Services for the debt issues. Gateway meets all of its debt service requirements, including timely repayment of all debt payments. Current debt issued for buildings and improvements is repaid in 10 years or less, debt issued for equipment will be repaid in 5 years or less to correspond to the useful lives of the capital investment. Additional information about Gateway's long-term debt may be found in footnote #5 in the financial statements.

Overall Financial Position

Gateway's financial position remains strong for fiscal year 2019 as evidenced by the following indicators:

- The District's financial position is evaluated periodically by Moody's Investors Services. Moody's revised it rating methodology in January 2014 which resulted in a downgraded rating for various school districts and municipalities, but Gateway Technical College District maintained its high Aaa rating. The most recent credit report cites the following: *"The Aaa rating reflects the district's large and diverse tax base located between the cities of Milwaukee (A1 stable) and Chicago (Ba1 stable), above-average wealth and income levels, and strong financial reserves; the rating also incorporates a restrictive revenue raising environment, a declining enrollment trend and low debt and pension burdens."*

- The current ratio, current assets compared to current liabilities, was at 2.5 times as of June 30, 2019.

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

Economic Factors and Challenges

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

- The District saw a slight decrease in enrollment to 4,478 or .019% in 2019 compared to 4,563 or a .006% increase in 2018. Enrollment continues to be a challenge throughout the technical college system. Gateway began a multi-year Strategic Enrollment Management initiative in 2017 to focus on finding and engaging in data based strategies in conjunction with all other efforts to address the enrollment challenge.

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

The above mentioned challenges can only be met through strong planning processes, fiscal policies, and practices. Gateway continues to be successful in collaborating with local K-12 education districts which saw significant growth in FY 2019, local businesses, and community partners for supporting training and technology needs. Gateway is well known and highly respected for its quality instruction and services. The District's commitment to meet these needs is reflected in our strategic plan, our strong efforts on continuous quality improvement and our focus on our students. Even with the challenges that face Gateway, the college is confident that its long-term financial planning will allow it to effectively meet the financial needs of its future operations. With many new opportunities on the horizon, Gateway has positioned itself to be an industry leader and a strong positive force in our community. Our current financial position is positive and we are positioned to maintain this positive status into the future.

Requests for Information

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

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BASIC FINANCIAL STATEMENTS

GATEWAY TECHNICAL COLLEGE DISTRICT
Statements of Net Position
June 30, 2019 and 2018

	2019		2018	
ASSETS	District	Foundation	District	Foundation
Current Assets				
Cash and cash equivalents	$ 26,635,811	$ 10,416,750	$ 25,766,078	$ 6,803,335
Restricted assets - cash and cash equivalents	9,580,890	-	13,605,430	-
Receivables:				
Property taxes	9,167,624	-	8,301,272	-
Accounts, net of reserve of $219,000 and $164,000 for 2019 and 2018, respectively	2,013,620	9,671	2,386,120	29,052
Federal and state aid	1,603,458	-	1,198,137	-
Promises to Give - Foundation	-	25,350	-	223,505
Prepaid expenses	651,681	8,868	688,513	6,643
Total Current Assets	49,653,084	10,460,639	51,945,550	7,062,535
Non-Current Assets				
Capital assets	185,246,409	1,400,952	166,286,893	1,379,364
Less: accumulated depreciation	(90,174,265)	(795,194)	(81,023,274)	(737,835)
Net pension asset	-	-	9,475,595	-
Promises to Give - Foundation	-	26,650	-	46,392
Total Non-Current Assets	95,072,144	632,408	94,739,214	687,921
Total Assets	144,725,228	11,093,047	146,684,764	7,750,456
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to OPEB	2,667,105	-	2,384,960	-
Deferred outflows related to pensions	28,603,115	-	15,571,953	-
Total Deferred Outfows of Resources	31,270,220	-	17,956,913	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	175,995,448	11,093,047	164,641,677	7,750,456
LIABILITIES				
Current Liabilities				
Accounts payable	3,135,632	58,157	3,374,366	36,085
Accrued payroll and benefits	1,608,553	-	1,911,067	-
Accrued vacation	678,893	-	646,610	-
Accrued interest payable	467,964	52	435,736	85
Due to student groups/organizations	410,815	-	371,189	-
Unearned revenue	1,238,686	-	1,234,557	-
General obligation debt - current portion	11,985,000	-	10,830,000	-
Other postemployment benefits - current portion	1,299,368	-	-	-
Notes payable	-	24,940	-	23,939
Total Current Liabilities	20,824,911	83,149	18,803,525	60,109
Non-Current Liabilities				
General obligation debt	55,785,971	-	54,553,743	-
Notes payable	-	4,344	-	28,845
Other postemployment benefits	23,698,737	-	23,871,175	-
Net pension liability	11,176,963	-	-	-
Unearned revenue	329,858	-	401,599	-
Total Non-Current Liabilities, less current portion	90,991,529	4,344	78,826,517	28,845
Total Liabilities	111,816,440	87,493	97,630,042	88,954
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	15,391,946	-	18,670,383	-
NET POSITION				
Net investment in capital assets	46,129,842	-	38,096,687	-
Restricted for:				
Debt service	948,370	-	716,138	-
Student organizations	825,529	-	706,688	-
Scholarships and other activities	-	10,496,956	-	6,677,778
Unrestricted	883,321	508,598	8,821,739	983,724
Total Net Position	$ 48,787,062	$ 11,005,554	$ 48,341,252	$ 7,661,502

The accompanying notes are an integral part of these statements.

GATEWAY TECHNICAL COLLEGE DISTRICT
Statements of Revenues, Expenses and Changes in Net Position
For the years ended June 30, 2019 and 2018

	2019		2018	
	District	Foundation	District	Foundation
Operating Revenues				
Student tuition and program fees, net of scholarship allowances of $ 7,906,313 and $8,331,598 for 2019 and 2018, respectively	$ 10,831,143	$ -	$ 10,688,633	$ -
Federal grants	23,644,098	-	25,492,038	-
State grants	3,934,751	-	3,136,499	-
Local Grants	-	-	92,447	-
Contract revenue	5,334,506	-	4,500,392	-
Auxiliary enterprise revenues	292,977	-	286,708	-
Miscellaneous - institutional revenue	1,166,144	4,093,453	1,273,257	2,229,457
Total Operating Revenues	45,203,619	4,093,453	45,469,974	2,229,457
Operating Expenses				
Instruction	60,245,160	-	58,960,476	-
Instructional resources	1,268,595	-	1,290,041	-
Student services	14,593,819	-	15,027,450	-
General institutional	11,377,155	1,196,892	11,174,034	1,587,408
Physical plant	9,065,927	-	8,078,510	-
Student aid	16,074,582	-	17,297,573	-
Public services	407,167	-	345,341	-
Auxiliary services	427,679	-	463,117	-
Depreciation	9,193,288	57,359	8,174,908	56,860
Total Operating Expenses	122,653,371	1,254,251	120,811,451	1,644,268
Net Operating Income (Loss)	(77,449,752)	2,839,202	(75,341,477)	585,189
Nonoperating Revenues (Expenses)				
Property taxes	34,852,092	-	33,180,261	-
State appropriations	39,333,811	-	38,669,011	-
Gain (loss) on disposal of capital assets	15,000	-	(24,135)	-
Investment income (net of fees)	454,788	506,526	198,420	540,560
Interest expense & debt issuance costs	(1,718,436)	(1,676)	(1,609,316)	(3,928)
Total Nonoperating Revenues (Expenses)	72,937,255	504,850	70,414,241	536,632
Capital Contributions				
State capital grants	4,484,674	-	72,044	-
Federal capital grants	-	-	34,784	-
Contributions	356,700	-	269,696	-
Donated capital assets	116,933	-	152,564	-
Total Capital Contributions	4,958,307	-	529,088	-
Change in Net Position	445,810	3,344,052	(4,398,148)	1,121,821
Net Position - Beginning of Year	48,341,252	7,661,502	52,739,400	6,539,681
Net Position - End of Year	$ 48,787,062	$ 11,005,554	$ 48,341,252	$ 7,661,502

The accompanying notes are an integral part of these statements.

GATEWAY TECHNICAL COLLEGE DISTRICT

Statements of Cash Flows

For the years ended June 30, 2019 and 2018

	2019	2018
Cash flows from operating activities		
Tuition and fees received	$ 11,045,892	$ 10,096,497
Federal and state grants received	27,193,098	28,646,561
Contract revenues received	5,430,386	4,075,308
Payments to employees, including related benefits	(67,349,050)	(70,344,207)
Payments for materials and services	(41,909,489)	(35,882,830)
Auxiliary enterprise revenues received	292,977	286,708
Other receipts	1,105,404	1,254,301
Net cash used for operating activities	(64,190,782)	(61,867,662)
Cash flows from non-capital financing activities		
Local government property taxes received	33,985,740	33,297,795
State appropriations received	39,330,920	38,667,280
Net cash provided by noncapital financing activities	73,316,660	71,965,075
Cash flows from capital and related financing activities		
State and federal grants received for capital assets	4,467,995	209,672
Proceeds from sale of capital assets	15,000	22
Purchases of capital assets	(17,919,487)	(11,320,317)
Proceeds from issuance of capital debt	13,000,000	13,000,000
Premium received on debt issuance	720,980	413,014
Debt issuance costs paid	(259,295)	(231,350)
Principal paid on capital debt	(10,940,000)	(10,480,000)
Interest paid on capital debt	(1,820,666)	(1,691,448)
Net cash used for capital and related financing activities	(12,735,473)	(10,100,407)
Cash flows from investing activities		
Investment income received	454,788	198,420
Net increase in cash and cash equivalents	(3,154,807)	195,426
Cash and cash equivalents		
Beginning of year	39,371,508	39,176,082
End of year	$ 36,216,701	$ 39,371,508

Reconciliation of cash and cash equivalents to the Statement of Net Position		
Cash and cash equivalents	$ 26,635,811	$ 25,766,078
Restricted assets - cash and cash equivalents	9,580,890	13,605,430
	$ 36,216,701	$ 39,371,508

The accompanying notes are an integral part of these statements.

GATEWAY TECHNICAL COLLEGE DISTRICT
Statements of Cash Flows (Continued)
For the years ended June 30, 2018 and 2017

	2019	2018
Reconciliation of operating loss to net cash used for operating activities:		
Operating loss	$ (77,449,752)	$ (75,341,477)
Adjustment to reconcile operating loss to net cash used for operating activities:		
Depreciation	9,193,288	8,174,908
Changes in assets and liabilities:		
(Increase) decrease		
Receivables	(13,251)	(1,030,154)
Prepaid expenses and other assets	36,832	909,604
Increase (decrease)		
Accounts payable	(847,427)	938,016
Accrued payroll and benefits and vacation	(302,514)	(36,059)
Accrued vacation	32,283	36,567
OPEB liability	1,126,930	2,677,381
OPEB related deferred outflows	(282,145)	534,745
Due to student groups/organizations	39,626	51,463
Unearned revenue	(67,611)	(75,445)
Pension related asset/liability	20,652,558	(12,149,450)
Pension related deferred outflows	(13,031,162)	3,207,791
Pension related deferred inflows	(3,278,437)	10,234,448
Net cash used for operating activities	$ (64,190,782)	$ (61,867,662)
Non Cash Capital and Related Financing Activities:		
Donated capital assets	$ 116,933	$ 152,564

The accompanying notes are an integral part of these statements.

(1) Summary of Significant Accounting Policies

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

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

Authority to borrow money and levy taxes;

Budgetary authority; and

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

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

(1) Summary of Significant Accounting Policies (continued)

(a) Reporting Entity

In November 2010, GASB issued statement No. 61, *"The Financial Reporting Entity: Omnibus."* This statement amends Statements 14, *"The Financial Reporting Entity"*, and the related financial reporting requirements of Statement 34, *"Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments"* to provide additional guidance to determine whether certain organizations should be reported as component units based on the nature and significance of their relationship with the District. In January of 2016, GASB issued Statement No. 80, Blending Requirements for Certain Component Units, an amendment of GASB No. 14. The primary government is financially accountable if it appoints a voting majority of the organization's governing body, or if the organization is fiscally dependent on *and* there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

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

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 GASB 61.

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

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

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

The preparation of financial statements in conformity with generally accepted accounting principles requires District management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial

(1) Summary of Significant Accounting Policies (continued)

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

statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(c) Budgetary Data

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

Property taxes are levied on a calendar year basis by various taxing municipalities located in Kenosha, Racine and Walworth Counties. The District records 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

(1) Summary of Significant Accounting Policies (continued)

(d) Property Tax Receivable (continued)

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

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

(e) Student Receivables

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

(f) Cash, Cash Equivalents and Investments

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

(g) Prepaid Expenses

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

(h) Capital Assets

Capital assets include land, land improvements, buildings, intangible assets, equipment, leasehold improvements and leasehold interest. Equipment assets having a cost of $5,000 or more per unit and building or remodeling projects of $15,000 or more are capitalized. Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated acquisition value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

(1) Summary of Significant Accounting Policies (continued)

(h) Capital Assets (continued)

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

(i) Compensated Absences

Employees are granted vacation and sick leave benefits in varying amounts in accordance with the provisions of union contracts and District policy. Liabilities for vacation and salary related payments, including social security taxes, are recorded when incurred. Employees can carryover 80 vacation hours subsequent to the year in which they are earned. Any vacation benefits in excess of 80 hours lapse if not utilized in the year subsequent to that in which they are earned. In the event of retirement or death, the District is obligated to pay all unused vacation benefits. The amount of vacation benefits outstanding at June 30, 2019 and 2018 was $678,893 and $646,610 respectively.

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

(j) Pensions

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

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

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

(1) Summary of Significant Accounting Policies (continued)

(l) Long-Term Obligations

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

(m) Tuition and Fees

Tuition and fees are recorded as revenue in the period in which the related activity or instruction takes place. Tuition and fees attributable to the summer school program are prorated on the basis of student class days occurring before and after June 30.

(n) Unearned Revenues

Unearned revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Unearned revenues also include amounts received from grant and contract sponsors that relate to the next fiscal period. Non-current unearned revenue relates to funds received but not earned for an extended time period over future fiscal years.

(o) Deferred Outflow/Inflows of Resources

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

(1) Summary of Significant Accounting Policies (continued)

(p) Scholarship Allowances and Student Aid

Financial aid to students is reported in the financial statements under the alternative method, as prescribed by the National Association of College and University Business Officers (NACUBO). Aid is generally reflected in the financial statements as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expenses represents the portion of aid that was provided to the student in the form of cash or credit for book charges. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Under the alternative method, these amounts are computed on a total District basis by allocating the cash payments to students, excluding payments for services, on the ratio of all aid to the aid not considered to be third party aid.

(q) Classification of Revenue

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

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

Non-operating revenues: Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as capital grants, gifts and contributions, and other revenue sources that are defined as non-operating revenues by GASB No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB No. 34, such as state appropriations, the local property tax levy and investment income.

(r) Net Position

Net position is classified according to restrictions or availability of net position for satisfaction of District obligations.

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

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

(1) Summary of Significant Accounting Policies (continued)

(r) Net Position (continued)

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

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

When an expense is incurred that can be paid using either restricted or unrestricted resources, the District's policy is to first apply the expense towards restricted resources and then towards unrestricted resources.

(s) Reclassifications

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

(2) Cash and Cash Equivalents

The District's cash and cash equivalents include cash on hand, demand deposits, and investments with maturities of 90 days or less. They are classified in the District's Statements of Net Position and Statements of Cash Flows as follows:

(2) Cash and Cash Equivalents (continued)

Cash and Cash Equivalents	2019	2018
Cash on hand	$ 41,867	$ 39,596
Demand deposits	30,145,815	32,530,627
Wisconsin Local Government Investment Pool	6,029,019	6,801,285
Total Cash and Cash Equivalents	$ 36,216,701	$ 39,371,508

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

Restricted for		
Capital Projects	$ 6,083,585	$ 10,699,813
Debt Service	3,497,305	2,905,617
	9,580,890	13,605,430
Unrestricted	26,635,811	25,766,078
Total Cash and Cash Equivalents	$ 36,216,701	$ 39,371,508

Custodial Credit Risk – Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution the District will not be able to recover its deposits or will be not be able to recover collateral securities that are in the possession of an outside party. Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of $250,000 for time and savings deposits and $250,000 for demand deposits per official custodian per depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of $250,000 per official custodian per depository institution. Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of $400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. The cash and demand deposits were fully insured by an irrevocable Public Unit Deposit Letter of Credit issued from the Federal Home Loan Bank of Chicago (FHLBC). The value of the collateral for the deposits as of June 30, 2019 and 2018 was $30,891,632 and $33,150,021 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.

(2) Cash and Cash Equivalents (continued)

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

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

June 30, 2019	Fair	Investment Maturities (in Years)	
Investment Type	Value	Less than 1	1-2
Wisconsin Local Government Investment Pool	$ 6,029,019	$ 6,029,019	$ -

June 30, 2018	Fair	Investment Maturities (in Years)	
Investment Type	Value	Less than 1	1-2
Wisconsin Local Government Investment Pool	$ 6,801,285	$ 6,801,285	$ -

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, 2019 and 2018, the fair value of the District’s share of investments was equal to the carrying value.

(2) Cash and Cash Equivalents (continued)

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

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of an organization's investment in a single issuer. Any investment that represents 5 percent or more of total investments is required to be disclosed. Exempt from this disclosure are investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds, external investments pools, and other pooled investments. The District places no limit on the amount the District may invest in any one issuer. As of June 30, 2019 and June 30, 2018, 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, 2019 and 2018 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.

(3) Property Tax (continued)

The combined tax rate for the fiscal years ended June 30, 2019, and 2018, were as follows:

	2019		2018	
	Mill Rate	Amount Levied	Mill Rate	Amount Levied
Operating levy	0.50793	$ 21,963,642	0.52039	$ 21,289,919
Debt service levy	0.29640	12,817,000	0.29148	11,925,000
Total Property Tax Levy		$ 34,780,642		$ 33,214,919

The state enacted legislation to exempt computer equipment for property tax purposes and provide supplemental aid to hold taxing units harmless from loss of revenue. The District received $122,369 and $119,478 in state aid revenue in lieu of property tax for the year ended June 30, 2019, and 2018, 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 $34,852,092 and $33,180,261 for the years ended June 30, 2019, and 2018, respectively, which includes the District's property tax levy and miscellaneous other tax collection related adjustments.

(4) Capital Assets

Following are the changes in the District's capital assets for the years ended June 30, 2019 and 2018:

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

(4) Capital Assets (continued)

	2018			
	Balance July 1, 2017	Additions	Disposals	Balance June 30, 2018
Capital assets, not being depreciated:				
Land	$ 2,379,913	$ -	$ -	$ 2,379,913
Construction in progress	1,445,873	7,699,126	6,967,197	2,177,802
Total capital assets not depreciated	3,825,786	7,699,126	6,967,197	4,557,715
Capital assets, being depreciated:				
Land improvements	6,768,629	441,196	-	7,209,825
Buildings and improvements	99,942,218	6,727,975	-	106,670,193
Intangible assets	2,052,049	291,832	-	2,343,881
Equipment	38,245,701	3,186,850	69,914	41,362,637
Leasehold interest	958,193	-	-	958,193
Leasehold improvement	2,854,722	329,727	-	3,184,449
Total capital assets being depreciated	150,821,512	10,977,580	69,914	161,729,178
Total capital assets	154,647,298	18,676,706	7,037,111	166,286,893
Less accumulated depreciation for:				
Land improvements	2,953,274	412,159	-	3,365,433
Buildings and improvements	43,804,474	4,317,743	-	48,122,217
Intangible assets	1,656,515	226,453	-	1,882,968
Equipment	22,344,505	2,981,020	45,757	25,279,768
Leasehold interest	665,321	48,811	-	714,132
Leasehold improvement	1,470,034	188,722	-	1,658,756
Total accumulated depreciation	72,894,123	8,174,908	45,757	81,023,274
Net capital assets	81,753,175	$ 10,501,798	$ 6,991,354	85,263,619
Less capital asset related debt	(48,174,983)			(47,166,932)
Net investment in capital assets	$ 33,578,192			$ 38,096,687

(5) Long-Term Obligations

The following is a summary of the changes in long-term obligations for the years ended June 30, 2019 and 2018:

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

	July 1, 2017	Additions	Reductions	June 30, 2018	Due Within One Year
General obligation debt	$61,110,000	$13,000,000	$10,480,000	$63,630,000	$10,830,000
Debt premium	1,662,384	413,014	321,654	1,753,744	-
Total long-term obligations	$62,772,384	$13,413,014	$10,801,654	$65,383,744	$10,830,000

(5) Long-Term Obligations (continued)

General obligation debt outstanding at June 30, 2019 and 2018, consists of the following notes:

	2019	2018
General obligation promissory notes, 2.50% to 3.40%, payable in annual installments of $70,000 to $130,000, plus interest, to April 1, 2019 (issued for $1,000,000 on May 13, 2009 through R.W. Baird & Co., to finance the Racine Welding Lab remodel and Broadband expansion).	$ -0-	$130,000
General obligation promissory notes, 2.50% to 3.50%, payable in annual installments of $95,000 to $125,000, plus interest, to April 1, 2019 (issued for $1,000,000 on July 09, 2009 through R.W. Baird & Co., to finance various facility remodeling projects).	-0-	125,000
General obligation promissory notes, 2.00% to 3.50%, payable in annual installments of $275,000 to $1,370,000, plus interest, to April 1, 2019 (issued for $5,500,000 on October 14, 2009 through R.W. Baird & Co., to finance the acquisition of equipment and to construct the Horizon Center addition in Kenosha).	-0-	325,000
General obligation promissory notes, 2.00% to 3.50%, payable in annual installments of $135,000 to $155,000, plus interest, to April 1, 2019 (issued for $5,500,000 on February 10, 2010 through R.W. Baird & Co., to finance various facility remodeling projects).	-0-	155,000
General obligation promissory notes, 2.00% to 3.50%, payable in annual installments of $25,000 to $850,000, plus interest, to April 1, 2020 (issued for $4,610,000 on April 15, 2010 through R.W. Baird & Co., for refinancing and to finance various facility remodeling projects).	210,000	410,000
General obligation promissory notes, 2.00% to 3.50%, payable in annual installments of $175,000 to $900,000, plus interest, to April 1, 2020 (issued for $4,500,000 on September 1, 2010 through R.W. Baird & Co., to finance the acquisition of equipment and construct a building addition at the Elkhorn campus).	320,000	630,000
General obligation promissory notes, 2.00% to 3.50%, payable in annual installments of $195,000 to $235,000, plus interest, to April 1, 2020 (issued for $1,500,000 on November 8, 2010 through R.W. Baird & Co., to finance various facility remodeling projects and equipment).	235,000	465,000

(5) Long-Term Obligations (continued)

	2019	2018
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $170,000 to $210,000, plus interest, to April 1, 2021 (issued for $1,500,000 on April 4, 2011 through UBS Financial Services, to finance various facility remodeling projects).	$410,000	$605,000
General obligation promissory notes, 2.00% to 4.00%, payable in annual installments of $170,000 to $210,000, plus interest, to April 1, 2021 (issued for $1,500,000 on May 16, 2011 through R.W. Baird & Co., to finance various facility remodeling projects and equipment).	410,000	610,000
General obligation promissory notes, 1.10% to 2.35%, payable in annual installments of $160,000 to $1,100,000, plus interest, to April 1, 2021 (issued for $4,500,000 on September 8, 2011 through UMB Bank, to finance the acquisition of equipment).	425,000	625,000
General obligation promissory notes, 2.00% to 2.50%, payable in annual installments of $125,000 to $330,000, plus interest, to April 1, 2021 (issued for $2,500,000 on November 15, 2011 through BMO Harris Bank, N.A., to finance the construction of the Pike Creek Horticulture Building and various remodeling projects).	650,000	960,000
General obligation promissory notes, 1.50%, payable in annual installments of $215,000 to $285,000, plus interest, to April 1, 2021 (issued for $2,000,000 on March 8, 2012 through Northland Securities, Inc., to finance the construction of the Culinary Arts addition and various remodeling projects.)	560,000	825,000
General obligation promissory notes, 1.75% to 2.50%, payable in annual installments of $110,000 to $145,000, plus interest, to April 1, 2022 (issued for $1,000,000 on May 9, 2012 through BOSC, Inc. to finance the Student Admissions Center remodeling project).	415,000	540,000
General obligation promissory notes, 2.00% to 4.00%, payable in annual installments of $730,000 to $900,000, plus interest, to April 1, 2022 (issued for $6,500,000 on July 12, 2012 through Hutchinson, Shockey, Erley & Co., to finance the acquisition of equipment, construction on the SC Johnson iMET Center, and various facility remodeling projects.)	2,625,000	3,445,000

(5) Long-Term Obligations (continued)

	2019	2018
General obligation promissory notes, 1.50% to 3.00%, payable in annual installments of $165,000 to $210,000, plus interest, to April 1, 2022 (issued for $1,500,000 on November 8, 2012 through Hutchinson, Shockey, Erley & Co., to finance various facility remodeling projects and acquisition of equipment.)	$610,000	$800,000
General obligation promissory notes, 2.00% to 2.40%, payable in annual installments of $130,000 to $160,000, plus interest, to April 1, 2022 (issued for $1,500,000 on December 27, 2012 through Bernardi Securities, Inc., to finance the Racine Campus Learning Success Center relocation and various remodeling projects.)	465,000	610,000
General obligation promissory notes, 2.00% to 2.50%, payable in annual installments of $135,000 to $165,000, plus interest, to April 1, 2023 (issued for $1,500,000 on April 1, 2013 through R.W. Baird & Co., to finance the SC Johnson iMET parking lot addition and various facility remodeling projects.)	635,000	785,000
General obligation promissory notes, 2.00% to 2.25%, payable in annual installments of $50,000 to $115,000, plus interest, to April 1, 2023 (issued for $1,000,000 on May 9, 2013 through R.W. Baird & Co., to finance various facility remodeling projects.)	445,000	550,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $775,000 to $930,000, plus interest, to April 1, 2023 (issued for $6,750,000 on July 2, 2013 through R.W. Baird & Co., to finance the Racine boiler and the acquisition of equipment.)	3,555,000	4,380,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $150,000 to $190,000, plus interest, to April 1, 2023 (issued for $1,500,000 on August 1, 2013 through R.W. Baird & Co., to finance various facility remodeling projects and signage.)	720,000	885,000
General obligation promissory notes, 2.00% to 4.00%, payable in annual installments of $125,000, plus interest, to April 1, 2023 (issued for $1,250,000 on January 8, 2014 through R.W. Baird & Co., to finance various facility remodeling projects.)	500,000	625,000

(5) Long-Term Obligations (continued)

	2019	2018
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $150,000 to $185,000, plus interest, to April 1, 2023 (issued for $1,500,000 on February 6, 2014 through R.W. Baird & Co., to finance the Kenosha Student Success and Student Life Center expansion.)	$710,000	$875,000
General obligation promissory notes, 1.50% to 3.00%, payable in annual installments of $770,000 to $985,000, plus interest, to April 1, 2024 (issued for $7,000,000 on July 8, 2014 through Hutchinson, Shockey, Erley & Co., to finance various facility remodeling projects and acquisition of equipment.)	4,600,000	5,430,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $165,000 to $210,000, plus interest, to April 1, 2024 (issued for $1,500,000 on August 4, 2014 through R.W. Baird & Co., to finance the Elkhorn South building remodel.)	985,000	1,165,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $165,000 to $210,000, plus interest, to April 1, 2024 (issued for $1,500,000 on September 8, 2014 through R.W. Baird & Co., to finance the Kenosha Student Services remodel.)	985,000	1,165,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $150,000 to &805,000, plus interest, to April 1, 2024 (issued for $2,815,000 on October 8, 2014 through R.W. Baird & Co., to finance various facility remodeling projects.)	855,000	1,015,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $135,000 to $180,000, plus interest, to April 1, 2024 (issued for $1,500,000 on February 18, 2015 through R.W. Baird & Co., to finance the Elkhorn Veterinary Sciences and Racine Chiller projects.	830,000	980,000
General obligation promissory notes, 2.00% to 4.00%, payable in annual installments of $435,000 to $1,070,000, plus interest, to April 1, 2025 (issued for $8,000,000 on July 9, 2015 through R.W. Baird & Co., to finance various facility remodeling projects and acquisition of equipment.)	5,830,000	6,670,000

(5) Long-Term Obligations (continued)

	2019	2018
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.)	$1,025,000	$1,175,000
General obligation promissory notes, 2.00% to 4.00%, payable in annual installments of $125,000, plus interest, to April 1, 2019 (issued for $500,000 on October 8, 2015 through R.W. Baird & Co., to finance the Kenosha Boiler Repair.)	-0-	125,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $100,000 to $270,000, plus interest, to April 1, 2025 (issued for $2,000,000 on December 9, 2015 through R.W. Baird & Co., to finance the Kenosha Shooting Range and Police Academy Remodel.)	1,475,000	1,690,000
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.)	5,755,000	6,785,000
General obligation promissory notes, 2.00%, payable in annual installments of $150,000 to $190,000, plus interest, to April 1, 2026 (issued for $1,500,000 on August 1, 2016 through R.W. Baird & Co., to finance the various facility remodeling projects.)	1,195,000	1,350,000
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.)	1,195,000	1,350,000
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.	800,000	900,000

(5) Long-Term Obligations (continued)

	2019	2018
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $130,000 to $770,000, plus interest, to April 1, 2027 (issued for $1,500,000 on April 3, 2017 through R.W. Baird & Co., to finance various facility remodeling projects.	$1,235,000	$1,370,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $100,000 to $375,000, plus interest, to April 1, 2027 (issued for $1,500,000 on April 12, 2017 through R.W. Baird & Co., to finance various facility remodeling projects.	925,000	1,025,000
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.)	6,015,000	6,205,000
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 the various facility remodeling projects.)	1,230,000	1,370,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $145,000 to $190,000, plus interest, to April 1, 2027 (issued for $1,500,000 on February 8, 2018 through R.W. Baird & Co., to finance the Kenosha EVOC Track.)	1,355,000	1,500,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $145,000 to 190,000, plus interest, to April 1, 2027 (issued for $1,500,000 on March 14, 2018 through R.W. Baird & Co., to finance various facility remodeling projects.	1,355,000	1,500,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of $125,000 to 300,000, plus interest, to April 1, 2028 (issued for $1,500,000 on May 10, 2018 through R.W. Baird & Co., to finance various facility remodeling projects.	1,255,000	1,500,000

(5) Long-Term Obligations (continued)

	2019	2018
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.)	$6,390,000	$-0-
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	-0-
General obligation promissory notes, 3.00% to 4.00%, payable in annual installments of $200,000 to $235,000, plus interest, to April 1, 2028 (issued for $1,500,000 on November 8, 2018 through R.W. Baird & Co., to finance the SC Johnson iMet center expansion.)	1,500,000	-0-
General obligation promissory notes, 3.00% to 4.00%, payable in annual installments of $200,000 to 235,000, plus interest, to April 1, 2028 (issued for $1,500,000 on March 13, 2019 Through R.W. Baird & Co., to finance the Kenosha Academic Building 2nd floor remodel.	1,500,000	-0-
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	-0-
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.	1,500,000	-0-
Total General Long-Term Obligation Debt	$ 65,690,000	$ 63,630,000

(5) Long-Term Obligations (continued)

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

Year Ending June 30	Principal	Interest	Total
2020	$ 11,985,000	$ 1,799,149	$ 13,784,149
2021	12,290,000	1,510,650	13,800,650
2022	11,140,000	1,205,298	12,345,298
2023	10,010,000	895,375	10,905,375
2024	6,830,000	614,588	7,444,588
2025-2028	13,435,000	968,900	14,403,900
	$ 65,690,000	$ 6,993,960	$ 72,683,960

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, 2019, the 5% limitation was $2,263,635,714 and the District's outstanding general obligation debt (net of resources available to pay principal and interest) was $64,741,631. The 5% limit, as of June 30, 2018, was $2,149,677,443; the District's outstanding general obligation debt (net of resources available to pay principal and interest) was $62,913,862.

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Chapter 67.03(1) of the Wisconsin State Statutes limits bonded indebtedness of the District to 2% of the equalized value of the taxable property located in the District. As of June 30, 2019, the 2% limitation was $905,454,286 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, 2018, was $859,870,977 and the District's outstanding bonded indebtedness (net of resources available to pay principal and interest) was $0.

(6) Retirement System

General Information about the Pension Plan

(a) Plan Description

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

(6) Retirement System (continued)

(a) Plan Description (continued)

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

(b) Vesting

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

(c) Benefits Provided

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

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

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

The WRS also provides death and disability benefits for employees.

(d) Post-Retirement Adjustments

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

(6) Retirement System (continued)

(d) Post-Retirement Adjustments (continued)

Year	Core Fund Adjustment	Variable Fund Adjustment
2008	6.6	0.0
2009	(2.1)	(42.0)
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Starting on January 1, 2016, the Executives and & Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees.

Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the years ending June 30, 2018 and 2019, respectively, the WRS recognized $3,216,986 and $3,174,648 in contributions from the District.

Contribution rates for the reporting periods are:

	December 31, 2018		December 31, 2017	
Employee Category	Employee	Employer	Employee	Employer
General (including teachers, executives and elected officials)	6.7%	6.7%	6.8%	6.8%
Protective with Social Security	6.7%	10.7%	6.8%	10.6%
Protective without Social Security	6.7%	14.9%	6.8%	14.9%

(6) Retirement System (continued)

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

At June 30, 2019 and 2018, the District reported a liability of $11,176,963 and an asset of ($9,475,595), respectively, for its proportionate share of the net pension liability(asset). The net pension liability (asset) was measured as of December 31, 2018, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018.

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, 2018, the District's proportion was .31416381%, which was a decrease of .00497450 % from its proportion measured of .31913831% as of December 31, 2017.

For the years ended June 30, 2019 and 2018, the District recognized pension expense of $7,569,889 and $4,126,264, respectively.

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

(6) Retirement System (continued)

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

At June 30, 2018, 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	$ 12,038,981	$ 5,631,435
Net differences between projected and actual earnings on pension plan investments	-0-	13,023,326
Changes in assumptions	1,872,192	-0-
Changes in proportion and differences between employer contributions and proportionate share of contributions	75,661	15,622
Employer contributions subsequent to the measurement date	1,585,119	-0-
Total	$ 15,571,953	$18,670,383

$1,619,517 reported as deferred outflows related to pension resulting from the WRS employer's contributions subsequent to the measurement date at June 30, 2019 will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended June 30:	Expense
2020	$ 4,197,908
2021	1,076,016
2022	1,839,561
2023	4,478,167
	$ 11,591,652

(6) Retirement System (continued)

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

$1,585,119 reported as deferred outflows related to pension resulting from the WRS employer's contributions subsequent to the measurement date at June 30, 2018 will be recognized as a reduction of the net pension liability(asset) in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended June 30:	Expense
2019	$ 1,041,229
2020	(60,306)
2021	(3,231,550)
2022	(2,455,674)
2023	22752
	$ (4,683,549)

(f) Actuarial Assumptions

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

Actuarial Valuation Date:	December 31, 2017
Measurement Date of Net Pension Liability (Asset)	December 31, 2018
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*	1.9%

(6) Retirement System (continued)

(f) Actuarial Assumptions (continued)

The total pension liability(asset) in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2016
Measurement Date of Net Pension Liability (Asset)	December 31, 2017
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

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

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

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

(6) Retirement System (continued)

(f) Actuarial Assumptions (continued)

Asset Allocation Targets and Expected Returns

As of December 31, 2018

Core Fund Asset Class	Current Asset Allocation %		Long-Term Expected Nominal Rate of Return %		Long-Term Expected Real Rate of Return %	
Global Equities	49	%	8.1	%	5.5	%
Fixed Income	24.5		4.0		1.5	
Inflation Sensitive Assets	15.5		3.8		1.3	
Real Estate	9		6.5		3.9	
Private Equity/Debt	8		9.4		6.7	
Multi-Asset	4		6.7		4.1	
Total Core Fund	110	%	7.3	%	4.7	%
Variable Fund Asset Class						
U.S. Equities	70	%	7.6	%	5.0	%
International Equities	30		8.5		5.9	
Total Variable Fund	100	%	8.0	%	5.4	%

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

Asset allocations are managed within established ranges, target percentages may differ from actual monthly allocations

(6) Retirement System (continued)

(f) Actuarial Assumptions (continued)

Asset Allocation Targets and Expected Returns
As of December 31, 2017

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %		Long-Term Expected Real Rate of Return %	
Global Equities	50	8.2	%	5.3	%
Fixed Income	24.5	4.2		1.4	
Inflation Sensitive Assets	15.5	3.8		1.0	
Real Estate	8	6.5		3.6	
Private Equity/Debt	8	9.4		6.5	
Multi-Asset	4	6.5		3.6	
Total Core Fund	110	7.3	%	4.4	%
Variable Fund Asset Class					
U.S. Equities	70	7.5	%	4.6	%
International Equities	30	7.8		4.9	
Total Variable Fund	100	7.9	%	5.0	%

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%

Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations

Single Discount Rate. A single discount rate of 7.00% was used to measure the Total Pension Liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a long term bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(6) Retirement System (continued)

(f) Actuarial Assumptions (continued)

Sensitivity of the District's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

June 30, 2019	1% Decrease to Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase to Discount Rate (8.0%)
Proportionate share of the net pension liability (asset)	$44,418,424	$11,176,963	($13,540,640)

June 30, 2018	1% Decrease to Discount Rate (6.2%)	Current Discount Rate (7.2%)	1% Increase to Discount Rate (8.2%)
Proportionate share of the net pension liability (asset)	$24,516,599	($9,475,595)	($35,310,714)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at http://etf.wi.gov/publications/cafr.htm.

The District reported a payable as of June 30, 2019 and 2018 in the amount of $489,505 and $483,367, respectively, for the outstanding amount of contributions to the pension plan.

(7) Other Post-Employment Benefits (OPEB)

(a) Plan Description

The District administers a single-employer defined benefit OPEB plan. The plan is administered by the District and does not issue a stand-alone audited financial report. Membership of the plan at June 30 was as follows:

Participant Count	
Inactive employees or beneficiaries currently receiving benefit payments	440
Active employees	610
Total Participants	1,050

(b) Benefits Provided

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

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

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

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

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

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

(c) Contributions

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

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

* See plan descriptions for additional detailed eligibility requirements

The District pays the full cost of health coverage for eligible retirees and dependents retired prior to October 1, 2004. Retirees who retired prior to October 1, 2004 are not eligible for dental benefits. If retired between October 1, 2004 and June 30, 2012 retirees pay the amount of monthly contribution they paid immediately prior to retirement and they receive health and dental benefits. Prior to July 1, 2012 the retiree's contribution amount varied depending on the year they retired. Effective July 1, 2012 new retirees were required to pay the same insurance contribution rates as active employees. Retiree health insurance premiums are no longer frozen at the time of retirement.

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

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

(d) Total OPEB Obligation

The District's total OPEB liability was measured as of June 30, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

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

(d) Total OPEB Obligation (continued)

Inflation:	3.0 percent
Salary Increases:	3.0 percent
Investment Rate of Return:	2.79 percent
Healthcare cost trend rates:	9.00 percent graded down to 5.0 percent for the years beginning July 1, 2028 and later.

Mortality rates are the RP-2014 Total Dataset Mortality, adjusted to 2006 using Scale MP-2014; projected on a generational basis using Scale MP-2018.

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

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

Discount rate. The discount rate used to measure the total OPEB liability was 2.79% and is based off the S&P municipal bond 20-year high grade rate index. No assets have been accumulated in an irrevocable trust.

	Increase (Decrease) Total OPEB Liability
Balance at July 1, 2018	$ 23,871,175
Changes for the year:	
Service cost	645,276
Interest	699,366
Differences between expected and actual experience	(24,123)
Changes in Assumptions	1,024,998
Contributions - employer	-
Net investment income	-
Benefit payments	(1,218,587)
Administrative expense	-
Net changes	1,126,930
Balance at June 30, 2019	$ 24,998,105

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

(e) Changes in the Total OPEB liability

Sensitivity of the total OPEB liability to changes in the discount rate and 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 a discount rate that is 1-percentage-point lower (1.79 percent) or 1-percentage-point higher (3.79 percent) than the current rate:

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

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

	1% Decrease (8.0% decreasing to 4.00%)	Healthcare Cost Trend Rates (9.0% decreasing to 5.00%)	1% Increase (10.0% decreasing to 6.00%)
Total OPEB liability	$ 23,641,728	$ 24,998,105	$ 26,536,900

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

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

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

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

(g) Payable to the OPEB Plan

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

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

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

(7) Other Post-Employment Benefits (OPEB) – FY 2018

The District administers a single-employer defined benefit OPEB plan. The plan is administered by the District and does not issue a stand-alone audited financial report. Membership of the plan at June 30 was as follows:

Participant Count	
Inactive employees or beneficiaries currently receiving benefit payments	447
Active employees	598
Total Participants	1,045

(b) Benefits Provided

The plan provides medical, dental, and life insurance benefits to eligible retirees and their spouses through the District's group medical and life insurance plans, which covers both active and retired members. The District provides health and dental benefits until the eligible retiree reaches Medicare eligibility while coverage for the spouse lasts until the retiree reaches age 65.

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

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.

(7) Other Post-Employment Benefits (OPEB) –FY 2018 (continued)

(c) Contributions

The District pays the full cost of health coverage for eligible retirees and dependents retired prior to October 1, 2004. Retirees who retired prior to October 1, 2004 are not eligible for dental benefits. If retired between October 1, 2004 and June 30, 2012 retirees pay the amount of monthly contribution they paid immediately prior to retirement and they receive health and dental benefits. Prior to July 1, 2012 the retiree's contribution amount varied depending on the year they retired. Effective July 1, 2012 new retirees were required to pay the same insurance contribution rates as active employees. Retiree health insurance premiums are no longer frozen at the time of retirement.

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

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

(d) Total OPEB Obligation

The District's total OPEB liability was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	3.0 percent
Salary Increases:	3.0 percent
Investment Rate of Return:	2.98 percent
Healthcare cost trend rates:	9.00 percent decreasing by 1.00 percent every 2 to 3 years down to 5.0 percent, and level thereafter

Mortality rates are the RP-2014 Total Dataset Mortality, adjusted to 2006 using Scale MP-2014; projected on a generational basis using Scale MP-2017.

The actuarial assumptions used in the June 30, 2018 valuation were based on an estimate for future plan experience based on plan provision, past plan experience, the experience of similar plans, and the general expectation that overall medical trends will come down in the future.

The long-term expected rate of return on OPEB plan investments was valued at 2.98%.

(7) Other Post-Employment Benefits (OPEB) –FY 2018 (continued)

(d) Total OPEB Obligation (continued)

Discount rate. The discount rate used to measure the total OPEB liability was 2.98% and is based off the S&P municipal bond 20-year high grade rate index. No assets have been accumulated in an irrevocable trust.

	Increase (Decrease) Total OPEB Liability
Balance at July 1, 2017	$ 21,193,794
Changes for the year:	
Service cost	587,898
Interest	815,970
Differences between expected and actual experience	1,457,283
Changes in assumptions	1,462,422
Contributions - employer	-
Net investment income	-
Benefit payments	(1,646,192)
Administrative expense	-
Net changes	2,677,381
Balance at June 30, 2018	$ 23,871,175

(e) Changes in the Total OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate and 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 a discount rate that is 1-percentage-point lower (1.98 percent) or 1-percentage-point higher (3.98 percent) than the current rate:

	1% Decrease to Discount Rate (1.98%)	Current Discount Rate (2.98%)	1% Increase to Discount Rate (3.98%)
Total OPEB Liability	$ 26,042,070	$ 23,871,175	$ 22,021,845

(7) Other Post-Employment Benefits (OPEB) – FY 2018 (continued)

(e) Changes in the Total OPEB Liability

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	$ 22,606,022	$ 23,871,175	$ 25,305,377

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

For the year ended June 30, 2018, the District recognized OPEB expense of $1,938,613. At June 30, 2018, the District reported deferred outflows of resources of $2,384,960 and no deferred inflows of resources related to OPEB.

	Deferred Outflows of Resources
Differences between expected and actual experience	$ 1,190,381
Changes in assumptions	1,194,579
Total	$ 2,384,960

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

Year ended June 30:	Expense
2019	$ 534,745
2020	534,745
2021	534,745
2022	534,745
2023	245,980
	$ 2,384,960

(g) Payable to the OPEB Plan

At June 30, 2018 the District reported a payable of $0 for the outstanding amount of contributions to the Plan required for the year ended June 30, 2018.

(8) Risk Management

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

Districts Mutual Insurance and Risk Management Services (DMI)

In July 2004 all sixteen WTCS technical colleges created Districts Mutual Insurance Company (DMI). Districts Mutual Insurance and Risk Management Services is a fully-assessable mutual company authorized under Wisconsin statute 611 to provide property, casualty, and liability insurance and risk management services to its members. The scope of insurance protection provided by DMI is broad, covering property at a blanket limit of $500,225,000; general liability, auto, and educators' legal liability at $5,000,000 per occurrence; and workers' compensation at the statutorily required limits.

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

DMI operations are governed by a five-member board of directors. Member colleges do not exercise any control over the activities of DMI beyond election of the board of directors at the annual meeting. The board has the authority to adopt its own budget, set policy matters, and control the financial affairs of the company. For the fiscal years 2019 and 2018, the District paid a premium of $574,098 and $571,717, 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.

(8) Risk Management (continued)

Supplemental Insurance (continued)

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

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

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

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

The District has purchased the following additional insurance through:

Wenk Aviation Insurance

- Aircraft liability: $3,000,000 limit each occurrence including passengers and property damage and medical services expense coverage of $5,000 per person; Aircraft physical damage as indicated in the policy of $170,000, $170,000 and $385,000 with $250 not in motion and $1,000 in motion deductibles; hangar keeper's liability coverage at $250,000 per aircraft /$250,000 per occurrence; $5,000 deductible.

Arthur J. Gallagher Risk Management Services, Inc.

- Multimedia liability: $5,000,000 limit each claim; $10,000 deductible each claim.

- Storage Tank Pollution Liability: $1,000,000 aggregate; $1,000,000 limit each confirmed release; $5,000 deductible.

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

(9) Operating Leases

The District leases equipment, classroom, office, and aviation facilities under non-cancelable operating leases. Effective with fiscal year 2005-06 the District leased an instructional facility, known as the Burlington Center, from Burlington Area School District (BASD). The lease has an initial term of twenty years and fluctuating annual lease payments that are currently $176,700. Effective with fiscal year 2009-10 the District signed another twenty-year lease with BASD, for the leasing of the HERO Center. The annual lease payments fluctuate and are currently $154,450.

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

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

As of July 1, 2015, the District renewed the lease agreement with Kenosha Unified School District to lease the Lakeview Advanced Technology Center for five years at an annual rate of $70,000.

As of January 1, 2017, the District renegotiated the terms of the Horizon Center for Transportation Technology lease agreement with the City of Kenosha to include additional space for the construction and operation of an emergency vehicle operation course (EVOC). The term for Horizon Center portion of the lease is twenty-five years with increasing annual lease payments that are currently $22,325. The term for the EVOC portion of the lease automatically renews annually for twenty-five years (both the District and City of Kenosha have lease termination options) with increasing annual lease payments that are currently $45,491.

As of January 1, 2018, the District began leasing space for the barbershop/cosmetology program from Koenen, LLC. The initial term of the lease is two years and annual lease payments are $19,200.

(9) Operating Leases (continued)

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

Year Ending June 30	Amount
2020	$ 905,926
2021	853,201
2022	678,878
2023	696,719
2024	609,492
2025 - 2029	1,135,210
2030 - 2034	661,615
2035 - 2039	661,615
2040 - 2042	330,807
Total required minimum lease payments	$ 6,533,463

Rental expenses for all operating leases aggregated $713,315 and $689,104 for the years ended June 30, 2019 and 2018, respectively.

The District currently leases facilities located on the Elkhorn Campus, related to the Walworth County Education Consortium Alternative High School and the Walworth Job Center. As of June 30, 2019 and June 30, 2018, the cost of the lease assets is $1,089,035 for both years and the depreciation is $610,078 and $573,675, respectively. Effective with fiscal year 2008-09, the District is leasing facilities furniture (15-year lease) to Racine County Economic Development Corporation at our SC Johnson iMET Center.

Effective with the 2014-15 fiscal year, the District is leasing antenna space to Business Only Broadband. The initial term of the lease was extended to 2023 during the 2017-18 fiscal year.

Effective with the 2016-17 fiscal year, the District is leasing tower space to Verizon Wireless and Magnum Communications for initial lease terms of five years.

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

(9) Operating Leases (continued)

Year Ending June 30	Amount
2020	$ 180,390
2021	47,778
2022	41,319
2023	10,368
2024	1,668
Total future minimum lease revenue	$ 281,523

The District's other operating lease rentals are primarily month-to-month or year-to-year for various facilities, room, and equipment rentals. The total operating revenue received for June 30, 2019 and 2018 was $149,192 and $142,561, respectively.

(10) Expenses Classification

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

	2019	2018
Salaries and wages	$ 52,831,152	$ 51,945,888
Fringe benefits	18,590,626	18,398,827
Travel, memberships, professional dev.	1,428,835	1,495,105
Supplies and minor equipment	14,328,358	13,149,991
Contract services	6,028,748	6,155,993
Bank/Agency credit/collection fees	118,492	117,082
Rentals	713,315	689,104
Repairs and maintenance	653,633	698,571
Insurance	662,315	594,661
Utilities	1,735,647	1,734,754
Depreciation	9,193,288	8,174,908
Student aid	16,074,582	17,297,573
Student debt write-off	294,380	358,994
Total Operating Expenses	$ 122,653,371	$ 120,811,451

(11) Joint Venture

The District had implemented a computerized database through a joint venture with Moraine Park Technical College and Waukesha County Technical College (WCTC) by forming the Wisconsin Public Access Library System (WISPALS) in 1989. It was organized as a consortium under Wis. Stats. 66.0301 and Gateway Technical College performed the duties of fiscal agent for the consortium through December 31, 2015. As of January 1, 2016 that responsibility was shifted to WiLS, a third party fiscal agent. Since 1997 and as of June 30, 2013, eight additional technical colleges have joined. Since June 30, 2015 there are eleven full members (CVTC, FVTC, GTC, LTC, MPTC, MSTC, NTC, NWTC, WCTC, WTC and WITC), and one service level agreement (Agnesian Healthcare). WISPALS is governed by the eleven full member colleges' presidents and librarians, with each college having an equal vote. Through the joint venture each full member college owns one-eleventh of the computer hardware and WCTC's Pewaukee campus. Operating costs of WISPALS are also shared equally by the eleven full member colleges.

Gateway Technical College's share of the operating costs, for the years ended June 30, 2019 and 2018 was $56,240 and $59,585 respectively. The net assets for the joint venture increased, by $4,592 for the fiscal year. WISPALS has no joint venture debt outstanding.

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

(12) Commitments and Contingent Liabilities

Child Care Center - In April 2003, the District entered into a ground lease agreement with the Gateway Technical College Foundation Inc., (Foundation) to lease a plot of land for construction of a building for use as a child care center. The Foundation entered into a lease agreement with a child care provider who would occupy the structure. The building, funded by the Foundation, is part of the project that included the District's construction of the Bioscience building.

The ground lease and the lease agreement are for 20 years. At the expiration of the ground lease, the title to the building including all improvements and appurtenances constructed by the Foundation will be transferred to the District. The Foundation funded the construction through loans of $962,310. Debt service payments are the responsibility of the Foundation who will use the rental income provided by the tenant (child care provider) to finance the payments.

In the event of default by the tenant, the District will, in an effort to continue childcare services for students and employees of the District, and subject to state board approval, agree to pay up to $500,000 toward any loan commitments made to the lenders, by the Foundation, for the construction of the building.

As of June 30, 2019 the District has commitments outstanding for construction projects of approximately $3,767,155. As of June 30, 2018 the commitments for construction projects were $3,422,239.

(13) Component Unit

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

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

1. Cash and Investments

The Foundation invests funds with Johnson Trust. Investments at June 30, 2019 and 2018 are as follows:

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

June 30, 2018	Cost	Fair Value	Unrealized Gains
Equity	$ 3,543,092	$ 3,904,282	$ 361,190
Fixed Income	2,805,106	2,741,029	(64,077)
Total Investments	$ 6,348,198	6,645,311	$ 297,113
Cash & Cash Equivalents		158,023	
Total Cash and Investments		$ 6,803,334	

Investment income reported in the statement of revenues, expenses and changes in net position totaled $506,526 and $540,560, respectively for the years ended June 30, 2019 and 2018 and consisted of the following:

(13) Component Unit (continued)

1. Cash and Investments (continued)

	FY 2019	FY 2018
Market appreciation	$ 550,139	$ 581,129
Interest and dividend income	2,044	68
Investment fees	(45,657)	(40,637)
Investment return	$ 506,526	$ 540,560

2. Capital Assets

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

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Capital assets, not being depreciated:				
Land	$ 163,291	$ -	$ -	$ 163,291
Capital assets, being depreciated:				
Buildings	1,216,073	-	-	1,216,073
	1,379,364	-	-	1,379,364
Less accumulated depreciation for:				
Buildings	680,975	56,860	-	737,835
Net capital assets	$ 698,389	$ 56,860	$ -	$ 641,529

(13) Component Unit (continued)

3. Long-Term Debt

Long-term debt outstanding at June 30, 2019 and 2018 consists of the following issues:

	FY 2019	FY 2018
$134,045 notes payable to Wells Fargo Bank with monthly installments of $2,101 in principal and interest at 4.00%, with final payment due on August 15, 2020. Secured with real estate.	$ 29,284	$ 52,784
Less amount due within one year	24,940	23,939
Total long-term debt	$ 4,344	$ 28,845

Long-term debt of $29,284 is expected to mature as follows:

Year Ending June 30,	Amount
2020	$ 24,940
2021	4,344
Total	$ 29,284

4. Operating Leases

The Foundation leases a building to the District under non-cancelable operating leases with automatic renewal terms. The following is a schedule by years of future minimum lease rentals as of June 30, 2019.

Year Ending June 30,	Amount
2020	$ 167,528
2021	138,263
2022	135,601
2023	24,158
Thereafter	27,359
Total	$ 492,909

(13) Component Unit (continued)

5. Unrestricted, Temporary and Permanently Restricted Net Assets

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

	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2019	$ 508,598	$ 10,496,956	$ 11,005,554
June 30, 2018	$ 983,724	$ 6,677,778	$ 7,661,502

6. Promises to Give

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

Promises to give expected to be collected for the year ended June 30, 2019 and 2018:

	2019	2018
Less than One Year	$ 25,350	$ 223,505
More than One Year and Less than Five Years	27,308	49,808
	52,658	273,313
Less Discount (1.25 rate) on Promises to Give	(658)	(3,416)
Net Promises to Give	52,000	269,897
Less Amounts Representing Current Portions	25,350	223,505
Promises to Give, Net, More than One Year	26,650	46,392

Of the amounts in Promises to Give as of June 30, 2019 and 2018, $32,308 and $81,758 represent amounts given by donors for the long-term purpose of being held permanently with only the earnings to be spent.

(14) Subsequent Events

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

Subsequent to June 30, 2019, the District issued $8,000,000 in General Obligation Promissory Notes.

Date	Interest Rate	Amount	Purpose
7/18/2019	2% - 3%	$ 6,500,000	Proceeds to be used for $5,000,000 in equipment and $1,500,000 for various facility remodeling projects.
8/1/2019	3%	1,500,000	Proceeds to be used for various facility remodeling projects.
		$ 8,000,000	

(15) Upcoming Accounting Pronouncements

In January 2017, the GASB issued Statement No.84, *Fiduciary Activities*. The Statement establishes criteria for identifying fiduciary activities and addresses financial reporting for these activities. This statement is effective for reporting periods beginning after December 15, 2018. The District is currently evaluating the impact this standard will have on the financial statements when adopted.

In June 2017, the GASB issued GASB Statement No.87, Leases. The Statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement is effective for reporting periods beginning after December 15, 2019. The District is currently evaluating the impact this standard will have on the financial statements when adopted.

REQUIRED SUPPLEMENTARY INFORMATION

GATEWAY TECHNICAL COLLEGE

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

	2019	2018
Total OPEB Liability		
Service cost	$ 645,276	$ 587,898
Interest	699,366	815,970
Benefit payments	(1,218,587)	(1,646,192)
Changes of benefit terms	-	-
Differences between expected and actual experience	(24,123)	1,457,283
Changes in assumptions	1,024,998	1,462,422
Net change in total OPEB liability	1,126,930	2,677,381
Total OPEB liability - beginning	23,871,175	21,193,794
Total OPEB liability - ending	$ 24,998,105	$ 23,871,175
Covered-employee payroll	$ 43,187,900	$ 40,911,888
District's total OPEB liability as a percentage of covered-employee payroll	57.88%	58.35%

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

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

GATEWAY TECHNICAL COLLEGE

Schedule of Employer Contributions
Other Postemployment Benefits
Last 10 Fiscal Years

	2019	2018
Actuarially determined contribution (ADC)	$ 2,026,533	$ 2,057,976
Contributions in relation to the ADC	1,218,587	1,646,192
Contribution deficiency (excess)	$ 807,946	$ 411,784
Covered-employee payroll	$ 43,187,900	$ 40,911,888
Contributions as a percentage of covered-employee payroll	2.82%	4.02%

Key Methods and Assumption Used to Calculate ADC		
Actuarial cost method	Projected Unit Credit	Projected Unit Credit
Asset valuation method	Market Value	Market Value
Amortization method	30 year Level Dollar	30 year Level Dollar
Discount rate	2.79%	2.98%
Inflation	3.00%	3.00%

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

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Schedules of Wisconsin Retirement System Pension Plan Information
June 30, 2019

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

Plan Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll Plan Year	Proportionate Share of the Net Position Liability(Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/2014	0.3301437%	$ (8,108,266)	$ 45,832,538	17.69%	102.70%
12/31/2015	0.3276965%	5,325,004	46,039,216	11.57%	98.20%
12/31/2016	0.3244030%	2,673,855	46,491,250	5.75%	99.12%
12/31/2017	0.3191383%	(9,475,595)	46,347,544	20.44%	102.93%
12/31/2018	0.3141638%	11,176,963	47,548,247	23.51%	96.45%

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

Schedule of Contributions
Last 10 Fiscal Years*

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll Fiscal Year	Contributions as a Percentage of Covered Payroll
6/30/2015	$ 3,185,118	$ 3,185,118	$ -	$ 46,160,264	6.90%
6/30/2016	3,097,538	3,097,538	-	46,235,719	6.70%
6/30/2017	3,095,524	3,095,524	-	46,205,511	6.70%
6/30/2018	3,174,648	3,174,648	-	47,033,912	6.75%
6/30/2019	3,216,986	3,216,986	-	48,567,201	6.62%

* 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, 2019

Note A - Governmental Accounting Standards Board Statement No. 75

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

Single-employer defined postemployment benefit plan:
Demographic assumptions have been updated based upon the most recent experience study. The overall impact of the new assumptions in an increase in benefit obligations.

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

Note B - Wisconsin Retirement System

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

SUPPLEMENTARY INFORMATION

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

GENERAL FUND

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

GATEWAY TECHNICAL COLLEGE DISTRICT

General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the year ended June 30, 2019

	Budget Amounts		Actual on a Budgetary	Variance with Final Budget- Over
	Original	Final	Basis	(Under)
Revenues				
Local government - tax levy	$ 19,945,714	$ 19,869,437	$ 19,940,887	$ 71,450
Intergovernmental revenue:				
State	38,882,209	39,315,076	39,476,009	160,933
Federal	30,000	30,000	18,060	(11,940)
Tuition and fees:				
Statutory program fees	15,523,266	15,523,266	14,979,293	(543,973)
Material fees	830,257	830,257	801,561	(28,696)
Other student fees	2,007,780	2,007,780	2,021,586	13,806
Miscellaneous - institutional revenue	4,205,960	4,205,960	6,231,238	2,025,278
Total revenues	81,425,186	81,781,776	83,468,634	1,686,858
Expenditures				
Instruction	52,823,011	53,179,601	52,872,043	307,558
Instructional resources	1,362,054	1,362,054	1,187,935	174,119
Student services	11,486,706	10,983,886	10,937,146	46,740
General institutional	8,074,463	8,577,283	8,575,463	1,820
Physical plant	7,678,952	7,678,952	7,635,378	43,574
Total expenditures	81,425,186	81,781,776	81,207,965	573,811
Net change in fund balance	-	-	2,260,669	2,260,669
Fund balance				
Beginning of year	25,696,531	25,696,531	25,696,531	-
End of year	$ 25,696,531	$ 25,696,531	$ 27,957,200	$ 2,260,669

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, 2019

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local government - tax levy	$ 2,049,205	$ 2,049,205	$ 2,049,205	$ -
Intergovernmental revenue:				
State	2,740,525	2,740,525	1,604,556	(1,135,969)
Federal	2,455,564	2,455,564	1,654,212	(801,352)
Miscellaneous - institutional revenue	64,536	64,536	194,193	129,657
Total revenues	7,309,830	7,309,830	5,502,166	(1,807,664)
Expenditures				
Instruction	4,275,341	4,260,341	2,871,311	1,389,030
Student services	2,112,470	2,112,470	1,944,620	167,850
General institutional	551,519	551,519	468,894	82,625
Public services	370,500	385,500	385,404	96
Total expenditures	7,309,830	7,309,830	5,670,229	1,639,601
Net change in fund balance	-	-	(168,063)	(168,063)
Fund balance				
Beginning of year	2,157,982	2,157,982	2,157,982	-
End of year	$ 2,157,982	$ 2,157,982	$ 1,989,919	$ (168,063)

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, 2019

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Intergovernmental revenue:				
State	$ 1,895,000	$ 1,895,000	$ 2,187,997	$ 292,997
Federal	23,727,000	23,727,000	21,971,826	(1,755,174)
Tuition and fees - other student fees	781,000	781,000	853,694	72,694
Miscellaneous - institutional revenue	3,130,200	3,130,200	2,654,961	(475,239)
Total revenues	29,533,200	29,533,200	27,668,478	(1,864,722)
Expenditures				
Student services	29,523,200	29,516,700	27,503,449	2,013,251
General institutional	10,000	16,500	16,459	41
Total expenditures	29,533,200	29,533,200	27,519,908	2,013,292
Net change in fund balance	-	-	148,570	148,570
Fund balance				
Beginning of year	634,569	634,569	634,569	-
End of year	$ 634,569	$ 634,569	$ 783,139	$ 148,570

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, 2019

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Intergovernmental revenue:				
State	$ 160,000	$ 5,160,000	$ 4,484,674	$ (675,326)
Miscellaneous - institutional revenue	100,000	100,000	713,281	613,281
Total revenues	260,000	5,260,000	5,197,955	(62,045)
Expenditures				
Instruction	3,080,000	4,160,224	3,763,044	397,180
Instructional resources	20,000	20,000	-	20,000
Student services	20,000	22,765	11,075	11,690
General institutional	1,915,000	3,174,635	3,164,339	10,296
Physical plant	8,200,000	14,221,000	14,220,901	99
Public services	25,000	25,000	16,706	8,294
Total expenditures	13,260,000	21,623,624	21,176,065	447,559
Revenues over (under) expenditures	(13,000,000)	(16,363,624)	(15,978,110)	385,514
Other financing sources				
Long-term debt issued	13,000,000	13,000,000	13,000,000	-
Net change in fund balance	-	(3,363,624)	(2,978,110)	385,514
Fund balance				
Beginning of year	5,603,317	5,603,317	5,603,317	-
End of year	$ 5,603,317	$ 2,239,693	$ 2,625,207	$ 385,514

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, 2019

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget-Over (Under)
	Original	Final		
Revenues				
Local government - tax levy	$ 12,817,000	$ 12,817,000	$ 12,817,000	$ -
Miscellaneous - institutional revenue	30,000	30,000	73,667	43,667
Total revenues	12,847,000	12,847,000	12,890,667	43,667
Expenditures				
Physical plant				
Principal retirement	11,040,000	11,040,000	10,940,000	100,000
Interest	1,854,189	1,854,189	1,820,664	33,525
Financing costs	270,811	270,811	259,295	11,516
Total expenditures	13,165,000	13,165,000	13,019,959	145,041
Revenues over (under) expenditures	(318,000)	(318,000)	(129,292)	188,708
Other financing sources				
Proceeds of debt premium	325,000	325,000	720,980	395,980
Net change in fund balance	7,000	7,000	591,688	584,688
Fund balance				
Beginning of year	2,905,617	2,905,617	2,905,617	-
End of year	$ 2,912,617	$ 2,912,617	$ 3,497,305	$ 584,688

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, 2019

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Over (Under)
	Original	Final		
Operating Revenues				
Local government - tax levy	$ 45,000	$ 45,000	$ 45,000	$ -
Tuition and fees - other student fees	205,000	205,000	123,624	(81,376)
Miscellaneous - institutional revenue	325,000	325,000	308,388	(16,612)
Total revenues	575,000	575,000	477,012	(97,988)
Operating Expenses				
Auxiliary services	575,000	575,000	422,757	152,243
Change in net position	-	-	54,255	54,255
Net Position				
Beginning of year	1,123,043	1,123,043	1,123,043	-
End of year	$ 1,123,043	$ 1,123,043	$ 1,177,298	$ 54,255

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, 2019

ASSETS	General Fund	Special Revenue Funds Operating	Special Revenue Funds Non-Aidable	Capital Projects Fund	Debt Service Fund	Enterprise Fund	Total	Reconciling Items	Statement of Net Position
Assets									
Cash and cash equivalents	$ 26,635,811	$ -	$ -	$ 6,083,585	$3,497,305	$ -	$ 36,216,701	$ -	$ 36,216,701
Receivables:									
Property taxes	9,167,624	-	-	-	-	-	9,167,624	-	9,167,624
Accounts, net of reserve of $ 219,000	2,009,595	4,025	-	-	-	-	2,013,620	-	2,013,620
Federal and state aid	215,123	1,251,905	136,430	-	-	-	1,603,458	-	1,603,458
Due from other funds	-	942,732	660,063	-	-	1,197,527	2,800,322	(2,800,322)	-
Prepaid expenditures	640,977	10,704	-	-	-	-	651,681	-	651,681
Capital assets	-	-	-	-	-	-	-	185,246,409	185,246,409
Less: accumulated depreciation	-	-	-	-	-	-	-	(90,174,265)	(90,174,265)
Total Assets	38,669,130	2,209,366	796,493	6,083,585	3,497,305	1,197,527	52,453,406	92,271,822	144,725,228
DEFERRED OUTFLOWS OF REOURCES									
Deferred outflows related to OPEB	-	-	-	-	-	-	-	2,667,105	2,667,105
Deferred outflows related to pensions	-	-	-	-	-	-	-	28,603,115	28,603,115
Total Deferred Outflows of Resources	-	-	-	-	-	-	-	31,270,220	31,270,220
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 38,669,130	$ 2,209,366	$ 796,493	$ 6,083,585	$3,497,305	$ 1,197,527	$ 52,453,406	$ 123,542,042	$ 175,995,448
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND EQUITY									
Liabilities									
Accounts payable	$ 3,096,766	$ 20,328	$ -	$ -	$ -	$ 18,538	$ 3,135,632	$ -	$ 3,135,632
Accrued payroll and benefits	1,516,387	77,121	13,354	-	-	1,691	1,608,553	-	1,608,553
Accrued vacation	678,893	-	-	-	-	-	678,893	-	678,893
Accrued interest payable	-	-	-	-	-	-	-	467,964	467,964
Due to other funds	2,800,322	-	-	-	-	-	2,800,322	(2,800,322)	-
Due to students groups/organizations	-	-	-	-	-	-	-	410,815	410,815
Deferred revenues	2,573,579	119,204	-	130,000	-	-	2,822,783	(1,584,097)	1,238,686
Other post-employment benefits liability	-	-	-	-	-	-	-	24,998,105	24,998,105
Net pension liability	-	-	-	-	-	-	-	11,176,963	11,176,963
Long-term liabilities	-	-	-	-	-	-	-	68,100,829	68,100,829
Total liabilities	10,665,947	216,653	13,354	130,000	-	20,229	11,046,183	100,770,257	111,816,440
Deferred Inflows of Resources									
Deferred inflows related to pensions	-	-	-	-	-	-	-	15,391,946	15,391,946
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	$ 10,665,947	$ 216,653	$ 13,354	$ 130,000	$ -	$ 20,229	$ 11,046,183	$ 116,162,203	$ 127,208,386
Fund balances / net position									
Net investment in capital assets	-	-	-	-	-	-	-	46,129,842	46,129,842
Net position									
Unreserved/unrestricted	-	-	-	-	-	1,177,298	1,177,298	(293,977)	883,321
Fund balances:									
Reserved for prepaid expenditures	640,977	10,705	-	-	-	-	651,682	(651,682)	-
Reserved for student organizations	-	-	1,236,344	-	-	-	1,236,344	(410,815)	825,529
Reserved for student financial assistance (deficit)	-	-	(453,205)	-	-	-	(453,205)	453,205	-
Reserved for capital projects	-	-	-	2,625,207	-	-	2,625,207	(2,625,207)	-
Reserved for debt service	-	-	-	-	3,497,305	-	3,497,305	(2,548,935)	948,370
Reserved for OPEB - Other post employment benefits	2,370,000	-	-	-	-	-	2,370,000	(2,370,000)	-
Unreserved - Designated for:									
Subsequent year	4,646,414	561,657	-	-	-	-	5,208,071	(5,208,071)	-
Operations	20,299,809	1,417,557	-	-	-	-	21,717,366	(21,717,366)	-
Total fund balances / net position	27,957,200	1,989,919	783,139	2,625,207	3,497,305	1,177,298	38,030,068	10,756,994	48,787,062
Reserve for encumbrances	45,983	2,794	-	3,328,378	-	-	3,377,155	(3,377,155)	-
Total Liabilities, Deferred Inflows of Resources, and Fund Equity	$ 38,669,130	$ 2,209,366	$ 796,493	$ 6,083,585	$3,497,305	$ 1,197,527	$ 52,453,406	$ 123,542,042	$ 175,995,448

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, 2019

	General Fund	Special Revenue Funds Operating	Special Revenue Funds Non-Aidable	Capital Projects Fund	Debt Service Fund	Enterprise Funds	Total	Reconciling Items	Statement of Revenues, Expenses and Changes in Net Position	
Revenues										
Local government - tax levy	$ 19,940,887	$ 2,049,205	$ -	$ -	$ 12,817,000	$ 45,000	$ 34,852,092	$ -	$ 34,852,092	
Intergovernmental revenue:										
State	39,476,009	1,604,556	2,187,997	4,484,674	-	-	47,753,236	-	47,753,236	(1)
Federal	18,060	1,654,212	21,971,826	-	-	-	23,644,098	-	23,644,098	(2)
Other	-	-	-	-	-	-	-	-	-	
Tuition and fees:										
Statutory program fees	14,979,293	-	-	-	-	-	14,979,293	(6,694,674)	8,284,619	
Material fees	801,561	-	-	-	-	-	801,561	(355,784)	445,777	
Other student fees	2,021,586	-	853,694	-	-	123,624	2,998,904	(898,157)	2,100,747	
Miscellaneous - institutional revenue	6,231,238	194,193	2,654,961	713,281	73,667	308,388	10,175,728	(2,453,680)	7,722,048	(3)
Total revenues	83,468,634	5,502,166	27,668,478	5,197,955	12,890,667	477,012	135,204,912	(10,402,295)	124,802,617	
Expenditures										
Instruction	52,872,043	2,871,311	-	3,763,044	-	-	59,506,398	738,762	60,245,160	
Instructional resources	1,187,935	-	-	-	-	-	1,187,935	80,660	1,268,595	
Student services	10,937,146	1,944,620	27,503,449	11,075	-	-	40,396,290	(25,802,471)	14,593,819	
General institutional	8,575,463	468,894	16,459	3,164,339	-	-	12,225,155	(848,000)	11,377,155	
Physical plant	7,635,378	-	-	14,220,901	-	-	21,856,279	(12,790,352)	9,065,927	
Student aid	-	-	-	-	-	-	-	16,074,582	16,074,582	
Public services	-	385,404	-	16,706	-	-	402,110	5,057	407,167	
Depreciation	-	-	-	-	-	-	-	9,193,288	9,193,288	
Auxiliary services	-	-	-	-	-	422,757	422,757	4,922	427,679	
Debt Service:										
Principal	-	-	-	-	10,940,000	-	10,940,000	(10,940,000)	-	
Interest and debt issuance costs	-	-	-	-	2,079,959	-	2,079,959	(361,523)	1,718,436	
Total expenditures	81,207,965	5,670,229	27,519,908	21,176,065	13,019,959	422,757	149,016,883	(24,645,076)	124,371,807	
Revenues over (under) expenditures	2,260,669	(168,063)	148,570	(15,978,110)	(129,292)	54,255	(13,811,971)	14,242,781	430,810	
Other financing sources (uses)										
Long-term debt issued	-	-	-	13,000,000	-	-	13,000,000	(13,000,000)	-	
Debt premium	-	-	-	-	720,980	-	720,980	(720,980)	-	
Gain on disposal of capital assets	-	-	-	-	-	-	-	15,000	15,000	
Transfers in	-	-	-	-	-	-	-	-	-	
Transfers out	-	-	-	-	-	-	-	-	-	
Total other financing sources (uses)	-	-	-	13,000,000	720,980	-	13,720,980	(13,705,980)	15,000	
Net Change in Fund Balances	2,260,669	(168,063)	148,570	(2,978,110)	591,688	54,255	(90,991)	536,801	445,810	
Fund balances/net position										
Beginning of year	25,696,531	2,157,982	634,569	5,603,317	2,905,617	1,123,043	38,121,059	10,220,193	48,341,252	(4)
End of year	$ 27,957,200	$ 1,989,919	$ 783,139	$ 2,625,207	$ 3,497,305	$ 1,177,298	$ 38,030,068	$ 10,756,994	$ 48,787,062	

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, 2019

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

Operating	$ 3,934,751
Non-operating - State Appropriations	39,333,811
Non-operating - Capital Grants	4,484,674
Total	$ 47,753,236

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

Operating	$ 23,644,098

(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	$ 5,334,506
Auxiliary enterprise revenues	292,977
Miscellaneous revenue	1,166,144
Investment income	454,788
Contributions	356,700
Donated capital assets	116,933
Total	$ 7,722,048

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

	2019	2018
Budgetary basis fund equity	$ 38,030,068	$ 38,121,059
Capital assets capitalized - cost	185,246,409	166,286,893
Accumulated depreciation on general fixed assets	(90,174,265)	(81,023,274)
General obligation debt	(65,690,000)	(63,630,000)
Other post employment benefits	(24,998,105)	(23,871,175)
Deferred outflows related to OPEB	2,667,105	2,384,960
Net Pension Liability	(11,176,963)	9,475,595
Deferred outflows related to pension	28,603,115	15,571,953
Deferred inflows related to pension	(15,391,946)	(18,670,383)
Accrued interest on long-term debt	(467,964)	(435,736)
Summer school tuition and fees	1,655,837	1,698,139
Unamortized debt premium	(2,080,971)	(1,753,743)
Deferred revenue for govt-wide basis	(401,598)	(473,338)
Encumbrances	3,377,155	5,031,491
Reclass fidiuciary funds to liability	(410,815)	(371,189)
Net position per basic financial statements	$ 48,787,062	$ 48,341,252

Statistical Section

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STATISTICAL SECTION

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

GATEWAY TECHNICAL COLLEGE DISTRICT

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net Investment in Capital Assets	$ 46,129,842	$ 38,096,687	$ 33,578,192	$ 29,405,384	$ 28,043,849	$ 22,835,246	$ 20,982,819	$ 18,916,039	$ 19,615,422	$ 17,579,877
Restricted-expendable	1,773,899	1,422,826	1,747,878	1,871,265	10,228,591	2,345,544	2,017,609	2,392,284	2,095,849	1,887,662
Unrestricted	883,321	8,821,739	32,450,095	37,704,933	30,835,816	27,835,368	26,771,698	22,754,631	22,552,555	21,188,982
Total Net Position	$ 48,787,062	$ 48,341,252	$ 67,776,165	$ 68,981,582	$ 69,108,256	$ 53,016,158	$ 49,772,126	$ 44,062,954	$ 44,263,826	$ 40,656,521

GATEWAY TECHNICAL COLLEGE DISTRICT

Changes in Net Position
Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Operating Revenues										
Student tuition and program fees, net of scholarship allowances	$ 10,831,143	$ 10,688,633	$ 10,236,726	$ 10,893,182	$ 8,358,987	$ 9,242,102	$ 9,361,252	$ 10,409,936	$ 14,010,675	$ 11,602,472
Federal grants	23,644,098	25,492,038	23,463,690	28,229,715	32,707,370	36,656,284	42,989,817	42,666,119	43,428,693	25,323,977
State grants	3,934,751	3,136,499	3,550,591	4,473,934	4,228,572	3,271,663	3,521,173	3,520,742	3,860,476	2,971,504
Local grants	-	92,447	74,948	99,930	102,347	-	-	-	-	-
Contract revenue	5,334,506	4,500,392	3,203,987	3,169,078	2,648,419	2,149,357	2,177,349	2,256,918	2,231,194	1,924,763
Auxiliary enterprise revenues	292,977	286,708	276,482	297,187	267,355	257,997	288,855	256,823	286,282	725,250
Miscellaneous - institutional revenue	1,166,144	1,273,257	1,391,155	1,317,622	1,424,325	1,442,389	1,658,302	1,203,156	1,503,587	1,247,461
Total operating revenues	45,203,619	45,469,974	42,197,579	48,480,648	49,737,375	53,019,792	59,996,748	60,313,694	65,320,907	43,795,427
Operating Expenses										
Instruction	60,245,160	58,960,476	55,694,295	57,310,939	55,474,683	55,803,389	56,214,432	60,869,404	58,458,128	54,075,497
Instructional resources	1,268,595	1,290,041	1,285,524	1,291,616	1,254,306	1,181,202	1,137,133	1,426,902	1,300,576	1,214,433
Student services	14,593,819	15,027,450	15,133,896	14,134,379	13,332,974	11,529,142	10,747,472	10,087,038	9,831,728	9,328,200
General institutional	11,377,155	11,174,034	9,892,887	9,924,868	8,767,271	8,384,731	8,183,287	8,373,179	8,089,118	7,675,036
Physical plant	9,065,927	8,078,510	8,208,117	7,737,633	7,887,141	7,509,972	7,465,411	7,718,475	8,004,016	7,364,494
Student aid	16,074,582	17,297,573	14,857,458	19,033,629	20,997,405	24,333,329	29,874,262	30,725,417	36,245,389	18,489,556
Public services	407,167	345,341	345,972	333,587	374,190	357,437	357,714	344,410	337,025	252,494
Auxiliary services	427,679	463,117	422,896	483,319	509,387	440,292	507,723	574,483	580,525	1,198,058
Depreciation	9,193,288	8,174,908	7,366,157	6,802,725	5,976,124	4,997,183	4,543,691	4,307,822	3,950,810	3,543,647
Total operating expenses	122,653,371	120,811,451	113,207,202	117,052,695	114,573,481	114,536,677	119,031,125	124,427,130	126,797,315	103,141,415
Operating loss	(77,449,752)	(75,341,477)	(71,009,623)	(68,572,047)	(64,836,106)	(61,516,885)	(59,034,377)	(64,113,436)	(61,476,408)	(59,345,988)
Non-Operating Revenues (Expenses)										
Property taxes	34,852,092	33,180,261	31,938,159	30,422,589	28,771,203	60,150,673	59,395,806	59,003,731	58,328,021	56,248,873
State appropriations	39,333,811	38,669,011	39,350,827	38,923,246	38,467,085	5,499,903	5,485,937	6,081,694	7,265,517	7,518,927
Gain (loss) on sale of capital assets	15,000	(24,135)	(27,216)	(115,602)	(61,308)	35,400	(2,245)	(13,933)	(43,980)	(14,631)
Investment income	454,788	198,420	92,351	60,764	46,692	40,747	38,735	33,320	76,959	69,363
Interest expense and debt issuance costs	(1,718,436)	(1,609,316)	(1,640,096)	(1,569,534)	(1,556,932)	(1,449,331)	(1,518,828)	(1,263,110)	(1,264,089)	(1,280,020)
Total non-operating revenues (expenses)	72,937,255	70,414,241	69,714,025	67,721,463	65,666,740	64,277,392	63,399,405	63,841,702	64,362,428	62,542,512
Capital Contributions										
State and federal capital appropriations	4,484,674	106,828	90,181	472,336	184,384	297,698	193,935	35,183	532,561	25,235
Contributions	356,700	269,696	-	184,000	208,750	164,827	1,421,800	35,679	41,002	538,267
Donated capital assets	116,933	152,564	-	67,574	306,990	21,000	11,367	-	147,722	106,733
Total capital contributions	4,958,307	529,088	90,181	723,910	700,124	483,525	1,627,102	70,862	721,285	670,235
Cumulative effect of change in accounting principle (1)(2)(3)	-	(15,036,765)	-	-	14,561,340	-	(282,958)	-	-	-
Increase/(Decrease) in Net Position	$ 445,810	$ (19,434,913)	$ (1,205,417)	$ (126,674)	$ 16,092,098	$ 3,244,032	$ 5,709,172	$ (200,872)	$ 3,607,305	$ 3,866,759

(1) The District implemented GASB 68 and 71 beginning with fiscal year ended June 30, 2015.
(2) The District implemented GASB 65 beginning with fiscal year ended June 30, 2013.
(3) The District implemented GASB 75 beginning with fiscal year ended June 30, 2018.

GATEWAY TECHNICAL COLLEGE

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

	2019	% of Total	2018	% of Total	2017	% of Total	2016	% of Total	2015	% of Total
Expense Classifications										
Salaries and wages	$ 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%
Fringe benefits	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%
Travel, memberships and subscriptions	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%
Supplies and minor equipment	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%
Contract services	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%
Bank/Agency credit/collection fees	118,492	0.1%	117,082	0.1%	125,840	0.1%	113,000	0.1%	100,306	0.1%
Rentals	713,315	0.6%	689,104	0.6%	621,270	0.5%	702,054	0.6%	732,774	0.6%
Repairs and maintenance	653,633	0.5%	698,571	0.6%	666,439	0.6%	746,178	0.6%	818,435	0.7%
Insurance	662,315	0.5%	594,661	0.5%	619,665	0.5%	618,252	0.5%	540,802	0.5%
Utilities	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%
Depreciation	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%
Student aid	16,074,582	12.9%	17,297,573	14.1%	14,857,458	12.9%	19,033,456	16.0%	20,997,578	18.1%
Student debt writeoff	294,380	0.2%	358,994	0.3%	94,670	0.1%	180,618	0.2%	427,313	0.4%
Total operating expenses	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%
Interest expense & debt issuance costs(1)	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%
(Gain)/Loss on disposal of assets	(15,000)	0.0%	24,135	0.0%	27,216	0.0%	115,602	0.1%	61,308	0.1%
Total non-operating expenses	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%
Total Expenses	$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%

	2014	% of Total	2013	% of Total	2012	% of Total	2011	% of Total	2010	% of Total
Expense Classifications										
Salaries and wages	$ 49,927,226	43.1%	$ 48,806,522	40.5%	$ 49,060,461	39.0%	$ 48,410,278	37.8%	$ 46,108,596	44.2%
Fringe benefits	18,360,563	15.8%	17,409,046	14.4%	23,133,387	18.4%	22,310,925	17.4%	20,677,526	19.8%
Travel, memberships and subscriptions	1,290,745	1.1%	1,165,200	1.0%	957,520	0.8%	826,946	0.6%	740,879	0.7%
Supplies and minor equipment	7,550,554	6.5%	8,935,173	7.4%	8,724,938	6.9%	7,664,080	6.0%	6,895,824	6.6%
Contract services	4,043,245	3.5%	3,669,705	3.0%	3,207,743	2.6%	2,800,111	2.2%	2,405,619	2.3%
Bank/Agency credit/collection fees	110,854	0.1%	89,929	0.1%	87,761	0.1%	118,761	0.1%	202,816	0.2%
Rentals	734,061	0.6%	826,787	0.7%	958,089	0.8%	963,315	0.8%	827,786	0.8%
Repairs and maintenance	565,631	0.5%	829,905	0.7%	709,408	0.6%	809,862	0.6%	664,938	0.6%
Insurance	581,160	0.5%	524,070	0.4%	574,587	0.5%	633,985	0.5%	597,291	0.6%
Utilities	1,859,746	1.6%	1,621,648	1.3%	1,618,643	1.3%	1,766,539	1.4%	1,631,363	1.6%
Depreciation	4,997,183	4.3%	4,543,691	3.8%	4,307,822	3.4%	3,950,810	3.1%	3,543,647	3.4%
Student aid	24,333,329	21.0%	29,874,262	24.8%	30,725,417	24.4%	36,245,389	28.3%	18,489,556	17.7%
Student debt writeoff	182,380	0.2%	735,187	0.6%	361,354	0.3%	296,314	0.2%	355,584	0.3%
Total operating expenses	114,536,677	98.8%	119,031,125	98.7%	124,427,130	99.0%	126,797,315	99.0%	103,141,425	98.8%
Interest expense & debt issuance costs(1)	1,449,331	1.2%	1,518,828	1.3%	1,263,110	1.0%	1,264,089	1.0%	1,280,050	1.2%
(Gain)/Loss on disposal of assets	(35,400)	0.0%	2,245	0.0%	13,933	0.0%	43,980	0.0%	14,631	0.0%
Total non-operating expenses	1,413,931	1.2%	1,521,073	1.3%	1,277,043	1.0%	1,308,069	1.0%	1,294,681	1.2%
Total Expenses	$115,950,608	100.0%	$120,552,198	100.0%	$125,704,173	100.0%	$128,105,384	100.0%	$ 104,436,106	100.0%

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Equalized Value and Tax Levy Distribution by Municipality
Fiscal Year 2019

County	Municipality	Taxable Equalized Valuation	Percent of Total	Total Tax Levy
Kenosha	Town of:			
	Brighton	$ 209,528,500	0.484551 %	$ 168,530
	Paris	232,724,300	0.538193	187,187
	Randall	555,036,300	1.283563	446,432
	Somers	93,540,100	0.216319	75,237
	Wheatland	348,832,200	0.806701	280,576
	Village of:			
	Bristol	627,829,100	1.451902	504,981
	Genoa City	315,700	0.000730	254
	Paddock Lake	244,154,100	0.564625	196,380
	Pleasant Prairie	2,899,525,900	6.705373	2,332,172
	Salem Lakes	1,372,585,500	3.174208	1,104,010
	Somers	737,164,200	1.704748	592,922
	Twin Lakes	820,963,000	1.898539	660,324
	City of Kenosha	5,939,942,600	13.736567	4,777,666
Racine	Town of:			
	Burlington	727,952,200	1.683445	585,513
	Dover	366,776,900	0.848199	295,009
	Norway	372,547,189	0.861544	299,650
	Raymond	522,232,400	1.207702	420,047
	Waterford	789,442,400	1.825645	634,971
	Yorkville	521,121,400	1.205133	419,153
	Village of:			
	Caledonia	2,133,721,200	4.934392	1,716,213
	Elmwood Park	40,532,200	0.093734	32,601
	Mount Pleasant	2,779,454,000	6.427698	2,235,595
	North Bay	36,484,500	0.084373	29,346
	Rochester	388,133,800	0.897589	312,187
	Sturtevant	546,554,400	1.263948	439,609
	Union Grove	306,455,200	0.708701	246,491
	Waterford	442,177,800	1.022570	355,656
	Wind Point	250,608,000	0.579550	201,571
	City of:			
	Burlington	937,827,400	2.168797	754,321
	Racine	3,342,437,150	7.729639	2,688,418

GATEWAY TECHNICAL COLLEGE DISTRICT

Equalized Value and Tax Levy Distribution by Municipality (continued)
Fiscal Year 2019

County	Municipality	Taxable Equalized Valuation	Percent of Total	Total Tax Levy
Walworth	Town of:			
	Bloomfield	$ 111,023,000	0.256749 %	$ 89,299
	Darien	209,717,300	0.484987	168,682
	Delavan	979,391,100	2.264916	787,752
	East Troy	812,501,400	1.878971	653,518
	Geneva	895,530,000	2.070981	720,300
	La Fayette	274,363,800	0.634487	220,679
	La Grange	785,996,400	1.817676	632,199
	Linn	1,847,775,200	4.273120	1,486,219
	Lyons	436,911,900	1.010392	351,421
	Richmond	248,101,400	0.573753	199,555
	Sharon	82,799,500	0.191480	66,598
	Spring Prairie	260,458,200	0.602329	209,494
	Sugar Creek	403,498,300	0.933120	324,545
	Troy	273,279,800	0.631980	219,807
	Walworth	236,170,400	0.546162	189,959
	Whitewater	326,915,300	0.756016	262,947
	Village of:			
	Bloomfield	378,021,200	0.874203	304,053
	Darien	120,364,400	0.278352	96,813
	East Troy	341,427,200	0.789576	274,620
	Fontana	1,118,027,100	2.585522	899,261
	Genoa City	203,129,500	0.469752	163,383
	Mukwonago	21,350,500	0.049375	17,173
	Sharon	76,766,700	0.177529	61,746
	Walworth	227,149,900	0.525301	182,703
	Williams Bay	759,500,300	1.756402	610,888
	City of:			
	Burlington	746,300	0.001726	600
	Delavan	584,656,700	1.352063	470,256
	Elkhorn	768,220,500	1.776568	617,902
	Lake Geneva	1,339,707,300	3.098175	1,077,565
	Whitewater	531,726,600	1.229658	427,683
	Totals	$ 43,241,826,839	100 %	$ 34,780,642

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Year	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	56,201,000	39,426,916	70.15	16,774,084	56,201,000	100.00
2011	58,338,000	41,513,682	71.16	17,024,318	58,338,000	100.00
2012	58,895,000	41,764,575	70.91	17,130,425	58,895,000	100.00
2013	59,436,000	42,469,295	71.45	16,966,705	59,436,000	100.00
2014	60,043,000	43,169,400	71.90	16,873,600	60,043,000	100.00
2015	28,778,925	20,751,423	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	-	25,613,018	73.64

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
2018 Equalized Valuation and Tax Levy

Municipality	County	Equalized Value	Tax Levy	Percentage of Total Tax Levy
City of Kenosha	Kenosha	$ 5,939,942,600	$ 4,777,666	13.74 %
City of Racine	Racine	3,342,437,150	2,688,418	7.73
Village of Pleasant Prairie	Kenosha	2,899,525,900	2,332,172	6.71
Village of Mount Pleasant	Racine	2,779,454,000	2,235,595	6.43
Village of Caledonia	Racine	2,133,721,200	1,716,213	4.93
Town of Linn	Walworth	1,847,775,200	1,486,219	4.27
Village of Salem Lakes	Kenosha	1,372,585,500	1,104,010	3.17
City of Lake Geneva	Walworth	1,339,707,300	1,077,565	3.10
Village of Fontana	Walworth	1,118,027,100	899,261	2.59
Town of Delavan	Walworth	979,391,100	787,752	2.26
Total Principal Taxing Districts		$ 23,752,567,050	$ 19,104,871	54.93 %
County:				
Racine		$ 14,504,458,139	$ 11,666,352	33.54 %
Kenosha		14,082,141,500	11,326,670	32.57
Walworth		14,655,227,200	11,787,620	33.89
		$ 43,241,826,839	$ 34,780,642	100.00 %

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Principal Property Taxpayers by County
Current Year and Nine Years Ago

County	Name of Business	Type of Business	Year Ended June 30, 2019: 2018 Equalized Valuation	Rank	Percent of District Equalized Valuation	Year Ended June 30, 2010: 2009 Equalized Valuation	Rank	Percent of District Equalized Valuation
Racine [1]	S.C. Johnson & Son, Inc.	Manufacturing	$ 76,588,500	1	0.18 %	$ 125,379,265	1	0.29 %
	Centerpoint Properties Trust[2]	Commercial	64,452,800	2	0.15	38,106,704	5	0.09
	United, Natural Foods	Food Distributor	33,671,000	3	0.08	-		-
	All Saints Health Care	Healthcare	30,954,500	4	0.07	43,665,758	4	0.10
	Case Equipment Corporation	Commercial	27,569,800	5	0.06	-		-
	Racine Joint Venture (Regency Mall)	Retail	26,791,400	6	0.06	112,256,808	2	0.26
	Johnson Financial Group	Financial Services	25,000,000	7	0.06	-		-
	Seda North America Inc.	Packaging Manufacturer	22,700,000	8	0.05	-		-
	Village Center Station LLC	Commercial	21,030,500	9	0.05	-		-
	Racine Mall	Retail	19,872,100	10	0.05	-		-
	Continental 81 Fund LLC	Retail-Wal-Mart Stores	-		-	60,252,761	3	0.14
	Aurora Medical Center	Health Care Services	-		-	34,810,262	6	0.08
	CNH Global[3]	Manufacturing	-		-	31,889,468	7	0.07
	Inland Southeast Mount Pleasant	Village Center Strip Mall	-		-	27,075,126	8	0.06
	Bombardier Motor Corp	Manufacturing	-		-	20,111,206	9	0.05
	High Ridge Improvements	DLC Management Corp	-		-	18,450,185	10	0.04
Racine County Total			$ 348,630,600		0.81 %	$ 511,997,543		1.17 %

(1) 2018 equalized value information is not available from Racine County. Racine County data is 2017 assessed value. (2) Formerly American National Insurance. (3) Formerly J.I. Case Corporation.

County	Name of Business	Type of Business	2018 Equalized Valuation	Rank	Percent of District Equalized Valuation	2009 Equalized Valuation	Rank	Percent of District Equalized Valuation
Kenosha [1]	Pleasant Prairie Premium Outlets LLC	Commerical	$ 220,000,000	1	0.51 %	$ 60,925,665	2	0.14 %
	Uline, Inc. (Route 165 LLC)	Commerical	203,872,000	2	0.47	-		-
	KTR/Amazon	Commerical	150,646,300	3	0.35	-		-
	Ohiocubco (Meijer Distribution, Inc.)	Commercial	75,780,000	4	0.18	35,830,164	6	0.08
	Route 142 LLC/Uline	Commercial	63,399,700	5	0.15	-		-
	Associated Wholesale Grocers	Commercial	61,303,600	6	0.14	-		-
	CV II Lakeview LLC	Commercial	58,377,300	7	0.14	46,246,351	4	0.11
	Chicagoland DC 2008 LLC	Commercial	49,980,300	8	0.12	31,720,553	8	0.07
	Exeter 9800 72nd LLC	Commercial	46,943,200	9	0.11	-		-
	First Park 94 LLC	Commercial	45,412,100	10	0.11	-		-
	Centerpoint Properties Trust[2]	Commercial	-		-	76,841,032	1	0.18
	Affiliated Foods Midwest Coop.	Manufacturing	-		-	51,381,998	3	0.12
	Southport Plaza Ltd. Partners	Commercial	-		-	46,177,616	5	0.11
	Edward Rose Assoc. Apartments	Property Management	-		-	31,982,168	7	0.07
	Petretti Realty et Al.	Developer/Builder	-		-	29,733,751	9	0.07
	FR - Kenosha LLC	Commercial	-		-	27,362,288	10	0.06
Kenosha County Total			$ 975,714,500		2.26 %	$ 438,201,586		1.00 %

(1) Equalized value information is not available from Kenosha County. Kenosha County data is assessed value. (2) Formerly American National Insurance.

County	Name of Business	Type of Business	2018 Equalized Valuation	Rank	Percent of District Equalized Valuation	2009 Equalized Valuation	Rank	Percent of District Equalized Valuation
Walworth	DLK Enterprises, Inc.	Farm/Real Estate	$ 35,826,900	1	0.08 %	$ 49,878,853	1	0.11 %
	Grand Geneva, LLC	Resort	34,172,400	2	0.08	34,737,495	2	0.08
	Art Mortgage Borrower Propco	Mortgage	30,730,700	3	0.07	-		-
	Wal-Mart	Retail	21,776,500	4	0.05	34,071,411	3	0.08
	Kikkoman Foods, Inc.	Factory	20,416,600	5	0.05	23,894,804	6	0.05
	Honey Creek of East Troy, LLP	Real Estate	17,750,300	6	0.04	-		-
	Individual	Residential	15,371,100	7	0.04	-		-
	Delavan Lake Lawn, LLC	Resort/Airport	14,564,600	8	0.03	-		-
	Lake Geneva Investors, LLC	Investor	14,126,000	9	0.03	14,813,129	8	0.03
	Fettig Industries, Inc.	Manufacturing	11,411,400	10	0.03	-		-
	Delavan Resort	Resort	-		-	28,665,745	4	0.07
	Versacold-Cascade	Manufacturing	-		-	26,884,533	5	0.06
	Paloma Geneva National, LLC	Resort	-		-	15,855,625	7	0.04
	Wychwood - Wrigley Mngmt	Management Company	-		-	14,707,721	9	0.03
	Geneva Project	Property Development	-		-	14,363,321	10	0.03
Walworth County Total			$ 216,146,500		0.50 %	$ 257,872,637		0.59 %
Grand Total			$ 1,540,491,600		3.56 %	$ 1,208,071,766		2.76 %
Total District Equalized Valuation			$ 43,241,826,839			$ 43,837,848,897		

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 2010-2019

		Gateway District Direct Rates			School Districts				Total		
County	Year	Operational[2]	Debt Service	Direct Rate	Elementary/ Secondary	Local Tax[3]	County Tax	Other Taxes[4]	Property Tax	State Tax Relief	Net Total
Racine	2010	1.12	0.16	1.28	8.84	6.24	3.35	1.19	20.90	(1.45)	19.45
	2011	1.22	0.17	1.39	9.45	6.58	3.48	1.19	22.09	(1.51)	20.58
	2012	1.24	0.19	1.43	9.80	6.85	3.53	1.23	22.84	(1.54)	21.30
	2013	1.34	0.22	1.56	10.70	7.65	3.78	1.45	25.14	(1.66)	23.48
	2014	1.39	0.24	1.63	10.80	8.09	3.99	1.44	25.95	(1.76)	24.19
	2015	0.51	0.26	0.77	10.07	7.73	3.75	1.14	23.46	(1.70)	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
Kenosha	2010	1.12	0.16	1.28	9.53	5.49	4.01	1.35	21.66	(1.56)	20.10
	2011	1.22	0.17	1.39	10.75	6.03	4.36	1.69	24.22	(1.65)	22.57
	2012	1.24	0.19	1.43	11.02	6.27	4.60	1.74	25.06	(1.73)	23.33
	2013	1.34	0.22	1.56	11.95	7.06	5.01	2.03	27.61	(1.90)	25.71
	2014	1.39	0.24	1.63	12.41	7.40	5.29	2.15	28.88	(1.98)	26.90
	2015	0.51	0.26	0.77	11.00	6.88	4.93	1.91	25.49	(1.84)	23.65
	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
Walworth	2010	1.12	0.16	1.28	8.13	2.74	3.94	1.15	17.24	(1.40)	15.84
	2011	1.22	0.17	1.39	8.77	2.89	4.21	1.16	18.42	(1.48)	16.94
	2012	1.24	0.19	1.43	8.81	3.01	4.27	0.88	18.40	(1.51)	16.89
	2013	1.34	0.22	1.56	9.59	3.26	4.56	1.00	19.97	(1.61)	18.36
	2014	1.39	0.24	1.63	9.88	3.45	4.72	0.84	20.52	(1.67)	18.85
	2015	0.51	0.26	0.77	9.69	3.47	4.60	0.84	19.37	(1.64)	17.73
	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

(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 2009-2018
(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
2009	36,352,336	7,290,549	1,110,045	98,212	158,399	666,742	761,899	46,438,182	43,837,849	1.28202
% of Total	78.3%	15.7%	2.4%	0.2%	0.3%	1.4%	1.6%			
2010	34,525,308	7,203,211	1,063,863	97,068	149,929	648,459	778,346	44,466,184	41,935,823	1.39112
% of Total	77.6%	16.2%	2.4%	0.2%	0.3%	1.5%	1.8%			
2011	33,676,562	7,065,832	1,026,690	93,688	153,901	644,843	759,781	43,421,297	41,111,929	1.43255
% of Total	77.6%	16.3%	2.4%	0.2%	0.4%	1.5%	1.7%			
2012	30,890,678	6,943,049	1,027,116	91,285	161,365	622,065	758,543	40,494,101	38,180,224	1.55672
% of Total	76.3%	17.1%	2.5%	0.2%	0.4%	1.5%	1.9%			
2013	29,672,937	6,520,623	1,030,748	87,647	182,408	609,307	754,730	38,858,400	36,730,173	1.63471
% of Total	76.4%	16.8%	2.7%	0.2%	0.5%	1.6%	1.9%			
2014	30,046,068	6,779,526	1,018,061	85,920	172,041	599,234	784,369	39,485,219	37,360,067	0.77031
% of Total	76.1%	17.2%	2.6%	0.2%	0.4%	1.5%	2.0%			
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%			

Source: Wisconsin Department of Revenue

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

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Ratio of Net Debt to Equalized Value
and Net Debt Per Capita
Fiscal Years 2010-2019

					Net Debt[3]		
	Population[1]	Equalized Value-TID In[2]	General Obligation Notes and Bonds	Premiums on Notes and Bonds	Amount	Ratio to Equalized Valuation	Per Capita
2010	461,172	45,905,854,947	33,145,000	172,025	33,317,025	0.07	72,244
2011	464,342	43,959,558,929	36,135,000	481,265	36,616,265	0.08	78,856
2012	464,739	42,914,418,528	39,735,000	531,293	40,266,293	0.09	86,643
2013	464,688	40,025,114,214	44,580,000	762,385	45,342,385	0.11	97,576
2014	465,556	38,398,101,253	48,155,000	1,004,388	49,159,388	0.13	105,593
2015	465,446	39,011,536,747	53,170,000	1,229,874	54,399,874	0.14	116,877
2016	465,545	39,949,946,311	56,325,000	1,585,443	57,910,443	0.14	124,393
2017	465,792	41,244,887,120	61,110,000	1,662,384	62,772,384	0.15	134,765
2018	468,435	42,993,548,858	63,630,000	1,753,743	65,383,743	0.15	139,579
2019	470,620	45,272,714,289	65,690,000	2,080,972	67,770,972	0.15	144,004

(1) Wisconsin Department of Administration, Demographic Services Center (2019 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 2019

2019 Equalized Valuation - TID In		$ 45,272,714,289
		x 5%
Total debt limit - 5% of total equalized valuation		2,263,635,714
Debt applicable to limit:		
Total gross indebtedness (includes general obligation notes and bonds)	$ 65,690,000	
Less Net Position Restricted for Debt Service (GAAP basis)	(948,369)	
Total amount of debt applicable to debt limit		64,741,631
Legal debt margin		$ 2,198,894,083

Legal Debt Margin, Last Ten Fiscal Years

			Debt Applicable to Limit (Dollars in Thousands)					
Fiscal Year	Equalized Valuation TID In	Legal Debt Limit 5%	General Obligation Bonds	General Obligation Notes	Less Net Position Available	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Debt Limit
2010	45,905,855	2,295,293	1,035	32,110	1,101	32,044	2,263,249	1.40
2011	43,959,559	2,197,978	530	35,605	1,062	35,073	2,162,905	1.60
2012	42,914,419	2,145,721	-	39,735	1,202	38,533	2,107,188	1.80
2013	40,025,114	2,001,256	-	44,580	625	43,955	1,957,301	2.20
2014	38,398,101	1,919,905	-	48,155	638	47,517	1,872,388	2.47
2015	39,011,537	1,950,577	-	53,170	701	52,469	1,898,108	2.69
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

(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, 2019

Jurisdiction[1]	Net Debt Outstanding	Applicable to Gateway Technical College District: Percentage[2]	Applicable to Gateway Technical College District: Amount
District:			
Gateway Technical College District General Obligation Debt	$ 65,690,000	100%	$ 65,690,000
Debt Premium	2,080,972	100%	2,080,972
Total Direct Debt	67,770,972		67,770,972
Towns:			
Racine County[3]	1,115,845	Varies	531,380
Kenosha County	607,173	100%	607,173
Walworth County	8,958,230	100%	8,958,230
Town Total	10,681,248		10,096,783
Villages:			
Racine County	125,390,836	100%	125,390,836
Kenosha County	431,499,835	100%	431,499,835
Walworth County	91,811,438	100%	91,811,438
Village Total	648,702,109		648,702,109
Cities:			
Racine County	115,810,000	100%	115,810,000
Kenosha County	206,094,032	100%	206,094,032
Walworth County	66,005,487	100%	66,005,487
City Total	387,909,519		387,909,519
Counties:			
Racine County	204,980,000	96.44%	197,682,712
Kenosha County	121,160,000	100%	121,160,000
Walworth County	-	100%	-
County Total	326,140,000		318,842,712
School Districts:			
Racine County	220,780,445	96.44%	212,920,661
Kenosha County	217,217,478	100%	217,217,478
Walworth County	186,953,059	100%	186,953,059
School District Total	624,950,982		617,091,198
Sanitary Districts Total	26,086,778	100%	26,086,778
Total Direct and Overlapping debt	$ 2,092,241,608		$ 2,076,500,071

Source: Survey of each governmental unit-June 2019. (Sanitary district number from R.W. Baird & Co. report.)

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

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

(3) All towns are 100%, except the Town of Norway, which is 40.51% in the Gateway District.

GATEWAY TECHNICAL COLLEGE DISTRICT

Demographic Statistics for Kenosha, Racine, and Walworth Counties
Historical Comparisons
2010-2019

Year	District Population (1)	Number of Housing Units (1)	Total Personal Income (2)	Per Capita Income (3)	Unemployment Rate (4)	Public and Private School Enrollment (5)
2010	461,172	202,983	16,707,802	35,609	9.5%	87,266
2011	464,342	203,365	17,076,214	36,340	8.8%	86,767
2012	464,739	203,752	18,156,777	38,698	8.7%	86,827
2013	464,688	204,062	18,495,164	39,711	7.2%	85,490
2014	465,556	204,729	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	(6)	(6)	3.3%	(6)
2019	470,620	(6)	(6)	(6)	(6)	(6)

(1) Wisconsin Department of Administration, Demographic Services Center (2019 is preliminary estimate)
(2) U.S. Department of Commerce Bureau of Economic Analysis
(3) U.S. Department of Commerce Bureau of Economic Analysis (amounts in thousands)
(4) Wisconsin Department of Workforce Development, Office of Economic Advisors
(5) Wisconsin Department of Public Instruction
(6) Information not yet available

GATEWAY TECHNICAL COLLEGE DISTRICT

Principal Employers
Current Year and Nine Years Ago

County	Name of Business	Type of Business	2019 Number of Employees	2019 Rank	2019 Percent of District Population	2010 Number of Employees	2010 Rank	2010 Percent of District Population
Racine	All Saints Health Care	Hospital and Medical Center	2,661	1	0.57 %	2,691	1	0.58 %
	Racine Unified School District	Education	2,598	2	0.55	2,418	4	0.52
	S.C. Johnson & Son, Inc.	Manufacturing	2,300	3	0.49	2,665	3	0.58
	CNH Global[(1)]	Manufacturing	1,609	4	0.34	2,685	2	0.58
	In-Sink-Erator Division	Manufacturing	1,200	5	0.25	1,100	7	0.24
	The District[(2)]	Vocational Education	1,017	6	0.22	1,142	6	0.25
	Aurora Medical Center	Health Care Services	970	7	0.21	-		-
	Cree, Inc.	Manufacturing	840	8	0.18	-		-
	Johnson Financial Group	Financial Services	743	9	0.16	-		-
	City of Racine	Government	723	10	0.15	1,255	5	0.27
	Regency Mall	Retail	-		-	1,000+	8	N/A
	Racine County	Government	-		-	895	9	0.19
	Twin Disc, Inc.	Manufacturing	-		-	800	10	0.17
		Racine County Subtotal	14,661		3.12 %	16,651		3.61 %

(1) Formerly known as J.I. Case Corporation.

(2) Gateway Technical College. Includes full-time and part-time employees.

County	Name of Business	Type of Business	2019 Number of Employees	2019 Rank	2019 Percent of District Population	2010 Number of Employees	2010 Rank	2010 Percent of District Population
Kenosha	KTR/Amazon	Commercial	3,700	1	0.79 %	-		- %
	Kenosha Unified School District No. 1	Education	3,000	2	0.64	2,624	1	0.57
	Uline, Inc. (Route 165 LLC)	Commercial	2,600	3	0.55	-		-
	Froedtert South, Inc. (fka UHS, Inc.)	Health Care Services	2,300	4	0.49	1,000+	3	N/A
	Advocate-Aurora Health Care	Health Care Services	1,500	5	0.32	500-999	5	N/A
	Kenosha County	Government	1,300	6	0.28	1,020	4	0.22
	City of Kenosha	Government	783	7	0.17	772	6	0.17
	Snap-On Tools Corporation	Manufacturing	650	8	0.14	1,050	2	0.23
	University of Wisconsin-Parkside	Education	540	9	0.11	600	7	0.13
	Good Food Groups	Food Processing	500	10	0.11	-		-
	Daimler-Chrysler Corp.	Manufacturing	-		-	551	8	0.12
	Kenosha Beef	Meat Processing	-		-	350	9	0.08
	Jockey International	Manufacturing	-		-	320	10	0.07
		Kenosha County Subtotal	16,873		3.59 %	9,037		1.96 %
Walworth	University of Wisconsin-Whitewater	Education	1,408	1	0.30 %	1000+	1	N/A %
	Grand Geneva, LLC	Resort	1,100	2	0.23	500-999	3	N/A
	Walworth County	Government	1,027	3	0.22	500-999	2	N/A
	Aurora Medical Center	Health Care Services	970	4	0.21	500-999	6	N/A
	Sta-Rite Industries, Inc.	Manufacturing	950	5	0.20	-		-
	Birds Eye Foods LLC	Manufacturing	700	6	0.15	-		-
	Elkhorn Area School District	Education	627	7	0.13	250-499	8	N/A
	Generac Power Systems, Inc.	Manufacturing	600	8	0.13	-		-
	Abbey Resort	Resort	560	9	0.12	-		-
	Miniature Precision Components	Automotive Parts	550	10	0.12	250-499	7	N/A
	Pentair, Inc.	Water/Fluid Power Pumps	-		-	500-999	4	N/A
	Wal-Mart	Retail	-		-	500-999	5	N/A
	School District of Delavan-Darien	Education	-		-	250-499	9	N/A
	Whitewater Unified School District	Education	-		-	250-499	10	N/A
		Walworth County Subtotal[(1)]	8,492		1.80 %	6,250		1.36 %
		Total	40,026		8.50 %	31,938		6.93 %

(1) Based on median of ranges.

Source: Robert W. Baird reports

GATEWAY TECHNICAL COLLEGE DISTRICT

Employment Trends by Equal Employment Opportunity Categories
Historical Comparisons
2009-2018

Category	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Administrative/Managerial:	52	55	60	71	79	82	80	80	80	86
Female percent	62	62	65	68	48	45	65	65	64	63
Minority percent	10	7	8	11	16	17	23	19	21	17
Faculty:	265	266	268	265	252	253	249	245	238	241
Female percent	58	59	58	59	49	48	59	58	58	58
Minority percent	11	10	11	12	12	12	15	16	16	13
Professional/Noninstructional:	32	33	32	35	33	30	29	31	32	27
Female percent	75	76	78	80	64	53	72	71	72	70
Minority percent	25	24	22	31	30	30	45	39	41	37
Secretarial/Clerical:	96	108	98	91	89	81	75	72	75	72
Female percent	99	99	97	93	80	77	95	94	93	94
Minority percent	23	23	22	20	28	23	28	29	28	28
Technical/Paraprofessional:	97	105	103	120	122	148	136	132	129	139
Female percent	61	59	55	57	42	56	45	59	57	58
Minority percent	23	25	22	22	20	27	31	33	33	30
Service/Maintenance:	37	39	38	40	40	40	39	35	39	39
Female percent	8	10	11	18	10	10	10	11	10	13
Minority percent	35	33	32	35	33	30	36	37	41	33
Total:	579	606	599	622	615	634	608	595	593	604
Female percent	64	64	63	63	50	48	58	62	62	62
Minority percent	17	17	17	17	16	18	24	24	24	24

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Enrollment Statistics
Historical Comparisons
Last Ten Fiscal Years

Student Enrollment (1)

	Aidable				Non-Aidable	
Fiscal Year Ended June 30	Associate Degree	Technical Diploma	Vocational Adult	Non-Post-Secondary (ABE)	Community Service Program	Unduplicated Total
2010	10,003	4,281	8,057	7,347	-	24,322
2011	11,256	4,559	7,050	6,481	-	23,756
2012	12,823	4,787	7,069	5,976	-	23,703
2013	11,320	2,357	5,952	5,284	-	21,130
2014	10,704	2,409	5,902	4,863	-	20,142
2015	9,718	2,136	5,409	4,110	-	18,336
2016	9,280	2,054	5,316	3,818	-	17,636
2017	8,857	2,039	4,469	3,231	-	16,260
2018	8,847	2,063	4,508	2,647	9	16,146
2019	8,583	2,217	3,876	2,613	-	15,393

Full-Time Equivalents (2)

	Aidable				Non-Aidable	
Fiscal Year Ended June 30	Associate Degree	Technical Diploma	Vocational Adult	Non-Post-Secondary (ABE)	Community Service Program	Total
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	-	4,783
2017	3,644	446	103	344	-	4,537
2018	3,658	504	111	290	-	4,563
2019	3,547	526	113	292	-	4,478

Source: Wisconsin Technical College System Board

(1) Student enrollment represents the unduplicated count of students enrolled in District courses. A student may be enrolled in more than one program, but is counted only once in the Unduplicated Total. Therefore, the Unduplicated Total column does not equal the sum of the individual programs.
WTCS Portal System Data (CLI620A)

(2) A full-time equivalent (FTE) is equal to 30 annual student credits based on a mathematical calculation which varies somewhat by program and which is subject to state approval and audit of student and course data. (CLI620A)

GATEWAY TECHNICAL COLLEGE DISTRICT

Per Credit Course Fee History
Last Ten Fiscal Years

	Postsecondary/Vocational Adult[1]				Non-Aidable[2]	
Year	Resident Program Fees	Percent Change	Out-of-State Program Fees[3]	Percent Change	Avocational Programs	Percent Change
2010	101.40	4.5	152.10	(74.4)	137.00	5.4
2011	106.00	4.5	53.00	(65.2)	143.00	4.4
2012	111.85	5.5	55.95	5.6	150.15	5.0
2013	116.90	4.5	58.45	4.5	150.15	-
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)

Additional Per Credit Fees

Material Fees

Fees for instructional materials consumed by students and instructors are required by s.38.24(1)(c), Wisconsin Statutes. These material fees are to be charged to all students on a uniform basis unless exempted by state statute, administrative code, or State Board action. There are 20 material fee categories ranging from $3.50 per credit to $70 per credit. Courses are assigned to one of the material fee categories based on the amount of instructional materials required for the course. The minimum fee that is to be charged for any non-exempt enrollment is $4.50, regardless of the credit value.

Student Activity Fee

A supplemental fee is charged to all students enrolling in post-high school courses. This fee supports co-curricular activities including student government, student newspaper, multicultural and entertainment activities, student organizations and student clubs. The fee was set at 5.5% of program fees.

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

GATEWAY TECHNICAL COLLEGE DISTRICT

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

Year	Number of Graduates	Number of Respondents	Total Number in Labor Force	Percent Employed	Percent Employed in Related Occupation	Percent Employed in District	Average Hourly Salary(2)	Percent Satisfied with Training
2009	1,659	1,288	1,056	86	59	73	16.44	98
2010	1,986	1,518	1,199	87	58	76	16.43	97
2011	2,308	1,808	1,449	85	55	74	16.84	96
2012	2,271	1,887	1,475	86	58	75	16.69	97
2013	2,174	1,779	1,308	85	59	75	17.46	97
2014	2,167	1,758	1,199	87	64	68	17.39	98
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

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	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Racine	Racine Campus										
	Lincoln Building[1]	10,080	10,880	10,880	10,880	10,880	10,880	10,880	10,880	10,880	10,880
	Lake Building	81,127	81,127	81,127	81,127	81,127	81,127	81,127	79,172	79,172	79,172
	Tech Building	87,605	87,605	87,605	87,605	87,605	87,605	87,605	87,605	85,589	85,589
	Racine Building	68,786	68,786	68,786	68,786	68,786	68,786	68,786	68,786	68,786	68,786
	Connecting Passages	3,270	3,270	3,270	3,270	3,270	3,270	3,270	3,270	3,270	3,270
	Racine Campus Sub-Total	250,868	251,668	251,668	251,668	251,668	251,668	251,668	249,713	247,697	247,697
	iMET (formerly CATI)	53,370	53,370	53,370	53,370	53,370	53,370	53,370	37,370	37,370	37,370
	The Cut-Barber/Cos (Lease)	2,400	2,400	-	-	-	-	-	-	-	-
	Burn Building-Town of Dover (Land lease)	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440
	Racine County Subtotal	308,078	308,878	306,478	306,478	306,478	306,478	306,478	288,523	286,507	286,507
Kenosha	Kenosha Campus										
	Administration Building	17,772	17,772	17,772	17,772	17,772	17,772	17,772	17,772	17,772	17,772
	Conference Building	29,954	29,954	29,954	29,954	29,954	29,954	29,954	29,954	29,954	29,954
	Inspire Center [2]	28,352	28,352	28,352	28,352	28,352	28,352	28,352	28,352	28,352	28,352
	Child Care (ECP)	18,085	18,085	18,085	18,085	18,085	18,085	18,085	18,085	18,085	18,085
	Academic Building	92,000	92,000	92,000	92,000	92,000	88,000	88,000	88,000	88,000	88,000
	Horticultural Buildings[3]	15,648	15,648	15,648	15,648	15,648	15,648	14,233	14,233	6,502	6,502
	Science Building	45,187	45,187	45,187	45,187	45,187	41,302	41,302	41,302	41,302	41,302
	Student Commons	17,130	17,130	17,130	17,130	17,130	17,130	17,130	17,130	17,130	17,130
	Storage Buildings	4,550	4,550	4,550	4,550	4,550	4,550	4,550	4,550	4,550	4,550
	Protective Services	13,160	13,500	-	-	-	-	-	-	-	-
	Technical Building	62,640	62,880	62,880	62,880	49,480	49,480	49,480	49,480	49,480	49,480
	Kenosha Campus Subtotal	344,478	345,058	331,558	331,558	318,158	310,273	308,858	308,858	301,127	301,127
	Leased Facilities:										
	Center for Sustainable Living	1,844	1,844	1,844	1,844	1,844	1,844	1,844	1,844	-	-
	Horizon Center (Aviation - Land Lease)	38,755	38,755	38,755	38,755	38,755	38,755	38,755	38,755	38,755	38,755
	Horizon Center Storage Bldg	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
	Lakeview Technology Center	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000
	Kenosha County Job Center	462	462	462	1,026	1,026	1,026	1,162	1,162	1,162	1,162
	Gateway Medical Park - East	-	-	-	-	4,724	4,724	-	-	-	-
	Launch Box "1 Stop Center"	-	-	-	-	2,668	-	-	-	-	-
	SIM House	1,237	1,237	1,237	1,237	1,237	-	-	-	-	-
	Kenosha County Subtotal	402,576	403,156	389,656	390,220	384,212	372,422	366,419	366,419	356,844	356,844
Walworth	Elkhorn Campus										
	Alternative High School	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600
	South Building	44,372	44,372	44,372	44,372	40,772	39,072	39,072	39,072	39,072	39,072
	North Building	49,341	49,341	49,341	49,341	49,341	49,341	49,341	49,341	42,241	42,241
	Veterinary Science (prv Job Center)	6,468	6,468	6,468	6,468	6,468	6,468	6,468	6,468	6,468	6,468
	Garage Building	1,673	1,673	1,673	1,673	1,673	1,673	1,673	1,673	1,673	1,673
	Elkhorn Campus Subtotal	109,454	109,454	109,454	109,454	105,854	104,154	104,154	104,154	97,054	97,054
	Burlington Campus (Leased)										
	380 Building	22,394	19,694	19,694	19,694	22,255	19,694	19,694	19,694	19,694	9,439
	496 Building	28,892	33,512	33,512	33,512	33,512	33,512	33,512	33,512	33,512	33,512
	Walworth County Subtotal	160,740	162,660	162,660	162,660	161,621	157,360	157,360	157,360	150,260	140,005
	Total District Square Footage	871,394	874,694	858,794	859,358	852,311	836,260	830,257	812,302	793,611	783,356

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 Bassetts Services, Inc report. Prior years were not restated and
are based on Strategic Facility Planning Guide prepared by Architectural Associates LTD (June 2003) and District staff.
(1) Renamed from Main to Lincoln, correction made to total for FY 2010 - 2013.
(2) Renamed from Bioscience to Inspire.
(3) Updated for storage bldg not prev included and new addition.

GATEWAY TECHNICAL COLLEGE DISTRICT

2019 FISCAL YEAR - INSURANCE SUMMARY (UNAUDITED)

Type of Coverage	Insurance Company	Policy Period	Details of Coverage *	Limits of Coverage	Annual Premium
Property Coverage	**DMI**	**7/1/18 - 6/30/19**	Covers all real and personal property, all risk; $25,000 Deductible		**$ 94,794**
			Blanket Property Limit (Per Occurrence)	$ 500,225,000	
			Certified Terrorism	$ 500,225,000	
			Non-Certified Terrorism	$ 500,225,000	
			Accounts Receivable	$ 25,225,000	
			Fine Arts	$ 15,225,000	
			Valuable Papers and Records	$ 25,225,000	
			Extra Expense	$ 25,225,000	
			Electronic Data Processing Equipment	$ 25,225,000	
			Miscellaneous Unnamed Locations	$ 25,000,000	
			Newly Acquired Property (180 days reporting)	$ 25,225,000	
			Building Ordinance including Demolition & ICC & Increased Time to Rebuild	$ 25,225,000	
			Debris Removal - the greater of 25% of the loss or	$ 15,225,000	
			Earth Movement and Volcanic Action (Annual Aggregate)	$ 25,225,000	
			Flood and Water Damage (Annual Aggregate)	$ 25,225,000	
			Flood in FEMA Zones designated using letters A or V (Annual Aggregate)	$ 25,225,000	
			Property in the Course of Construction	$ 25,225,000	
			Transit	$ 2,725,000	
			Ingress/Egress (1 mile limitation, 30 days limitation)	$ 5,225,000	
			Interruption by Civil Authority (1 mile radius limitation, 30 day limitation)	$ 5,225,000	
			Leasehold Interest	$ 2,725,000	
			Service Interruption - Property Damage & Time Element Combined (Water, Communication including overhead transmission lines, Power including overhead transmission lines)	$ 10,225,000	
			Mobile Equipment	$ 1,225,000	
			Expediting Expenses	$ 5,000,000	
			Pollutant Clean-Up and Removal (Annual Aggregate)	$ 1,225,000	
			Claims Preparation Expenses (Subject to max. 5% of combined PD & TE Loss)	$ 250,000	
			Defense Costs	$ 250,000	
			Exhibition, Exposition, Fair or Trade Show	$ 1,225,000	
			Fire Department Service Charges	$ 475,000	
			Protection of Property	$ 475,000	
			Radioactive Contamination	$ 250,000	
			Royalties	$ 250,000	
Equipment Breakdown	**DMI**	**7/1/18 - 6/30/19**	Comprehensive coverage; $25,000 deductible	$ 100,000,000	**$ 6,832**
			Property Damage	Included	
			Off-Premises Property Damage	$ 25,000	
			Business Income	Included	
			Extra Expense	Included	
			Service Interruption	$ 1,000,000	
			Contingent Business Income	$ 25,000	
			Perishable Goods (Spoilage/Ammonia Contamination)	$ 250,000	
			Data Restoration	$ 250,000	
			Demolition	$ 1,000,000	
			Ordinance or Law	$ 1,000,000	
			Expediting Expenses	$ 250,000	
			Hazardous Substances	$ 250,000	
			Newly Acquired Locations (365 days)	Policy Limit	
			Broad Comprehensive Coverage (Including Production Machines, Computer Equipment)	Included	
			Repair or Replacement	Yes	
			Green Upgrade	$ 25,000	
Workers' Compensation	**DMI**	**7/1/18 - 6/30/19**	**Workers' Compensation - Wisconsin Benefits**	**Statutory**	**$ 350,303**
		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	
WI Work Study Workers' Compensation Students in Practicum	**DMI**	**7/1/18 - 6/30/19**	- Bodily injury by accident, each accident	$ 100,000	**$ 1,000**
			- Bodily injury by disease, policy limit	$ 500,000	
			- Bodily injury by disease, each employee	$ 100,000	
General Liability	**DMI**	**7/1/18 - 6/30/19**	Each occurrence limit	$ 5,000,000	**$ 86,190**
(Includes Professional, Automobile, Educators Legal Liability, Medical Professional (Counselors) Liability			Damage to Premises Rented to You	$ 500,000	
			Limited Above Ground Pollution Liability		
			- Each Claim and Policy Aggregate	$ 1,000,000	
			Under/Uninsured motorists	$ 350,000	
			Garagekeepers Coverage (ACV up to...)	$ 500,000	
			- Comprehensive deductible (each customer auto/each event)	$500 / $2,500	
			- Collision deductible (each customer auto)	$ 500	
			Policy Deductible	$ 5,000	
			Automobile Physical Damage Deductible	$ 5,000	
[Educators Legal Liability (includes, Directors & Officers, Employment Practices, and Employee Benefits Liability)]					
			- Per Wrongful Act	$ 5,000,000	
			- Per Wrongful Act Deductible	$ 100,000	

GATEWAY TECHNICAL COLLEGE DISTRICT

2019 FISCAL YEAR - INSURANCE SUMMARY (UNAUDITED)

Type of Coverage	Insurance Company	Policy Period	Details of Coverage *	Limits of Coverage	Annual Premium
Active Threat/Shooter	**DMI**	**7/1/18 - 6/30/19**	Liability & Claim Expense		**$ 1,134**
			- Per Occurrence	$ 1,000,000	
			- Aggregate	$ 16,000,000	
			Mental Anguish - 25% of the Overall Limit		
			Counseling Services		
			- Per Occurrence	$ 250,000	
			- Aggregate	$ 1,000,000	
			Property Damage - per Occurrence / Aggregate	$ 500,000	
			Deductible Per Occurrence	$ 10,000	
Terrorism & Sabbotage	**DMI**	**7/1/18 - 6/30/19**	Policy Deductible	$ 20,000	**$ 2,870**
			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	
			Brand Rehabilitation: 10% of the Overall Limit of Liability or (Whichever the Lesser) Extension may be Limited	$ 500,000	
			Claims Preparation: 10% of the Overall Limit of Liability or (Whichever the Lesser)	$ 100,000	
			Contingent Financial Loss	$ 5,000,000	
			Damage to Property at Any Unspecified Third Party Site (Other than sites included in the Referral Region and Zip Code list) Limit is per Damage / Financial Loss Combined	$ 500,000	
			Damage to Property while in Transit - per Damage / Financial Loss Combined	$ 500,000	
			Denial of Access	$ 5,000,000	
			Seepage Contamination and Pollution / Clean up	$ 5,000,000	
			Utilities	$ 5,000,000	
			Attraction	$ 5,000,000	
			Contract Works	$ 5,000,000	
			Extinguishment Expenses	$ 500,000	
			Threat	$ 5,000,000	
			Excess Damage - Any One Occurrence for Damage & Financial Loss Combined as per the Associated Policy	$ 20,000	
Cyber Liability	**DMI**	**7/1/18 - 6/30/19**	Policy Aggregate Limit of Liability	$ 3,000,000	**$ 30,975**
			Coverage for Privacy Breach and Response Services	$ 1,000,000	
			Computer Expert Services, Legal Services, Public Relations and Crisis Management Expense	$ 1,000,000	
			Per Claim Deductible	$ 25,000	
			Deductible for Computer Expert Services, Legal Services, Public Relations and Crisis Management Expense	$ 10,000	

TOTAL ANNUAL INSURANCE PREMIUMS PAID TO DISTRICTS MUTUAL INSURANCE: $ 574,098

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

INSURANCE COVERAGES PURCHASED THROUGH WISCONSIN TECHNICAL COLLEGE INSURANCE TRUST

Type of Coverage	Insurance Company	Policy Period	Details of Coverage	Limits of Coverage	Annual Premium
International Travel Liability**	**Chubb Insurance Company**	**7/1/18 - 6/30/19**	Foreign general liability - Each occurrence	$ 1,000,000	**$ 3,153**
			General Aggregate	$ 5,000,000	
			Personal and Advertising Injury - Aggregate	$ 1,000,000	
			Products - Completed Operations - Aggregate	$ 2,000,000	
			Premises Damage Limit - Each Occurrence	$ 1,000,000	
			Medical Expense Limit - Any one person	$ 25,000	
			Contingent Auto Liability - Combined Single Limit - Each Accident	$ 1,000,000	
			Foreign Hired Auto Physical Damage		
			- Any One Accident	$ 50,000	
			-- Any One Policy Period	$ 50,000	
			Foreign Employee Benefits Liability ($1,000 Deductible)		
			- Each Claim	$ 1,000,000	
			- Aggregate	$ 1,000,000	
			Foreign Voluntary Workers' Compensation		
			- State of Hire Benefits	Statutory	
			- North American	State of Hire Benefits	
			- Third Country Nationals	County of Origin	
			- Local Nationals	Country of Origin	
			Foreign Employers Liability		
			- Bodily injury by accident, each accident	$ 1,000,000	
			- Bodily injury by disease, each employee	$ 1,000,000	
			- Bodily injury by disease, policy limit	$ 1,000,000	
			Executive Assistance (per covered person)	$ 1,000,000	
			Kidnap and Extortion (per cause of loss)	$ 250,000	
Crime/Employee Dishonesty	**AIG**	**7/1/18 - 6/30/19**	Employee Theft	$ 25,000	**$ 3,468**
			Forgery or Alteration	$ 750,000	
			Inside The Premises - Theft Of Money and Securities	$ 750,000	
			Inside The Premises - Robbery or Safe Burglary Of Other Property	$ 750,000	
			Outside The Premises	$ 750,000	
			Computer Fraud	$ 25,000	
			Funds Transfer Fraud	$ 750,000	
			Money Orders and Counterfeit Money	$ 750,000	
			Written Instruments Required in Conjunction with Any Credit, Debit or Charge Card issued to you or any employee for business purposes.	$ 750,000	
			Deductible is Specified by Endorsement for Each College Location	$ 15,000	

GATEWAY TECHNICAL COLLEGE DISTRICT

2019 FISCAL YEAR - INSURANCE SUMMARY (UNAUDITED)

Type of Coverage	Insurance Company	Policy Period	Details of Coverage *	Limits of Coverage	Annual Premium
Business Travel Accident (for Local Boards of Director Members)	**CIGNA**	**7/1/18 - 6/30/19**	Aggregate	$ 1,000,000	**$ 253**
			Benefits for Scheduled Losses	$ 100,000	
			- Other Covered Losses as Scheduled		

**This coverage is provided on a request basis.

TOTAL ANNUAL INSURANCE PREMIUMS PAID TO WISCONSIN TECHNICAL COLLEGE INSURANCE TRUST: $ 6,874

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

Type of Coverage	Insurance Company	Policy Period	Details of Coverage *	Limits of Coverage	Annual Premium
Multimedia Liability	**Arthur J. Gallagher**	**7/1/18 - 6/30/19**	Errors and Omissions		**$ 4,550**
WGTD 91.1 FM			Maximum Limit of liability for each claim	$ 5,000,000	
(Year 2 of 3 year policy)	Executive Risk Indemnity		Retentions each and every claim	$ 10,000	
	Policy No. 8177-2134				
Storage Tank Pollution	**Arthur J. Gallagher**	**7/1/18 - 6/30/19**	Policy Aggregate Limit:	$ 1,000,000	**$ 530**
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**	**4/5/18 - 4/5/19**	Each occurrence limit	$ 1,000,000	**$ 2,060**
(Includes Professional Services: Veterinary Tech Student Practicums in a Clinical Setting Including Clinical Supervision by a Licensed DVM/Instructor)			Aggregate	$ 3,000,000	
			Deductible each claim:	$ 1,000	

TOTAL ANNUAL INSURANCE PREMIUMS PAID TO ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES INC.: $ 7,140

Aviation Insurance Coverages Purchased through Wenk Insurance Agency

Type of Coverage	Insurance Company	Policy Period	Details of Coverage *	Limits of Coverage	Annual Premium
Aviation Insurance	**Wenk Aviation Insurance Agencies**	**7/1/18 - 6/30/19**	Liability Coverage		**$ 30,996**
			Single Limit Including Passengers and Property Damage	$ 3,000,000	
			Medical Payments at Each Seat	$5,000	
	Coverages & Premiums		Aircraft Physical Damage Coverages as indicated in policy	$170,000, 170,000 and 385,000	
	renewed with Old Republic Insurance through Phoenix Aviation Managers		Hangarkeepers (Per Aircraft; Per Occurrence)	$ 250,000	
	Policy AVC 1037 15		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*: $ 29,196

*Includes 2016-2019 Profit Commission Return

TOTAL ANNUAL PREMIUMS: $ 617,308

2019-2020 Gateway Technical College
Associate Degree Programs

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

CAMPUS/CENTER LOCATIONS

ASSOCIATE DEGREES

Elkhorn Campus	Burlington Center	HERO Center	Kenosha Campus	Horizon Center	Lakeview Center	Racine Campus	SC Johnson iMET Center	Online		Program	Length of Program (full time)
■			■					■		Accounting (10-101-1)	2 Years
			■			■		■		Administrative Professional (10-106-6)	2 Years
■							■			Advanced Manufacturing Technology (10-664-2)	2 Years
				■						Aeronautics – Pilot Training (10-402-1)	2 Years
			■							Arboriculture/Urban Forestry Technician (10-001-5)	2 Years
■							■			Architectural – Structural Engineering Technician (10-614-6)	2 Years
										Construction Project Management (Concentration Area)	
				■						Automotive Technology (10-602-3)	2 Years
■			■			■		■		Business Management (10-102-3)	2 Years
■							■			Civil Engineering Technology – Highway Technology (10-607-4)	2 Years
■							■			Civil Engineering Technology – Fresh Water Resources (10-607-9)	2 Years
			■			■				Criminal Justice Studies (10-504-5)	2 Years
■						■				Culinary Arts (10-316-1)	2 Years
			■						*	Dental Hygiene (10-508-1)	2 Years
										(Shared program with Milwaukee Area Technical College)	
				■						Diesel Equipment Technology (10-412-1)	2 Years
										Construction Equipment Repair (Concentration Area)	
						■				Early Childhood Education (10-307-1)	2 Years
							■			Electrical Engineering Technology (10-662-1)	2 Years
										Biomedical Engineering Technology (Concentration Area)	
										Sustainable Energy Systems (Concentration Area)	
							■			Electronics (10-605-1)	2 Years
		■								Fire Medic (10-531-2)	2 Years
								■		Foundations of Teacher Education (10-522-2)	2 Years
■						■		■		Graphic Communications (10-204-3)	2 Years
			■							Greenhouse Operations (10-001-6)	2 Years
								■	+	Health Information Technology (10-530-1)	2 Years
						■				Hospitality Management (10-109-2)	2 Years
										Food and Beverage (Concentration Area)	
										Tourism & Attractions (Concentration Area)	
						■				Human Service Associate (10-520-3)	2 Years
									+	Individualized Technical Studies (10-825-1)	2 Years
										Technical Studies – Journeyworker (10-499-5)	
■						■				Information Technology – Computer Support Specialist (10-154-3)	2 Years
■						■				Information Technology – Cybersecurity Specialist (10-151-2)	2 Years
							■			Information Technology – Data Analytics Specialist (10-156-3)	2 Years
■						■		■		Information Technology – Network Specialist (10-150-2)	2 Years
						■				Information Technology – Software Developer (10-152-1)	2 Years
						■		■		Information Technology – Web Software Developer (10-152-4)	2 Years
			■							Interior Design (10-304-1)	2 Years
								■		Leadership Development (10-196-1)	2 Years
■			■			■		■		Marketing (10-104-3)	2 Years
■							■			Mechanical Design Technology (10-606-1)	2 Years
	■		■						+	Nursing – Associate Degree (ADN/RN) (10-543-1)	2 Years
		■								Paramedic Technician (10-531-1)	2 Years
			■						+	Physical Therapist Assistant (10-524-1)	2 Years
						■		■		Professional Communications (10-699-1)	2 Years
■			■			■			*	Respiratory Therapist (10-515-1)	2 Years
										(Shared program with Milwaukee Area Technical College)	
			■					■		Supply Chain Management (10-182-1)	2 Years
			■						+	Surgical Technology (10-512-1)	2 Years
■										Veterinary Technician (10-091-1)	2 Years

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

CAMPUS/CENTER LOCATIONS

2019-2020 Gateway Technical College
Technical Diploma Programs

(current as of date printed)

Most programs may be started on any campus.

TECHNICAL DIPLOMAS

Elkhorn Campus	Burlington Center	HERO Center	Kenosha Campus	Horizon Center	Lakeview Center	Racine Campus	SC Johnson iMET Center	Online		Program	**Length of Program** (full time)
		■								Advanced EMT (30-531-6)	20 Weeks
■			■			■		■		Accounting Assistant (31-101-1)	1 Year
				■						Automotive Maintenance Technician (31-404-3)	1 Year
	■		■							Barber Technologist (30-502-5)	1 Year
			■							Building Trades-Carpentry (31-475-1)	1 Year
■			■			■		■		Business Services Manager (31-102-5)	1 Year
■							■			CNC Production Technician (31-444-2)	1 Year
■							■			CNC Programmer (31-444-3)	1 Year
	■					■				Cosmetology (31-502-1)	1 Year
			■							Criminal Justice – Law Enforcement 720 Academy (30-504-2)	18 Weeks
■						■				Culinary Assistant (31-316-1)	1 Year
			■						+	Dental Assistant (31-508-1)	1 Year
				■						Diesel Equipment Mechanic (31-412-1)	1 Year
		■								Emergency Medical Technician (30-531-3)	20 Weeks
		■								EMT-Paramedic (31-531-1)	1 Year
■					■					Electromechanical Maintenance Technician (31-620-3)	1 Year
■							■			Electronics Technician Fundamentals (30-605-1)	1 Year
			■							Facilities Maintenance (31-443-2)	1 Year
		■								Firefighter Technician (31-503-1)	1 Year
						■		■		Foundations of Lodging and Hospitality Management (30-109-3)	1 Year
			■							Gas Utility Construction and Service (31-469-2)	1 Year
■						■				IT – Computer Support Technician (31-154-6)	1 Year
						■		■		IT – Web Programmer (31-152-6)	1 Year
■			■			■			+	Medical Assistant (31-509-1)	1 Year
						■				Motorcycle, Marine and Outdoor Power Products (31-461-2)	1 Year
■			■			■				Nursing Assistant (30-543-1)	6 Weeks
			■			■		■		Office Assistant (31-106-1)	1 Year
■			■			■			*	Ophthalmic Medical Assistant (31-516-4) (Shared Program with Lakeshore Technical College)	15 Weeks
	■								+	Pharmacy Technician (31-536-1)	1 Year
			■							Refrigeration, Air Conditioning and Heating Service Technician (31-401-1)	1 Year
■						■		■		Small Business Entrepreneurship (31-145-1)	1 Year
■							■			Tool and Die Technician (31-439-1)	1 Year
				■						Truck Driving (30-458-1)	1 Year
■										Veterinary Assistant (31-091-3)	1 Year
■						■				Welding (31-442-1)	1 Year
										Robotics (Concentration Area)	
■						■				Welding/Maintenance and Fabrication (30-442-2)	18 Weeks

CAMPUS/CENTER LOCATIONS

2019-2020 Gateway Technical College
Advanced Technical Certificates

(current as of date printed)

Contact Student Services for enrollment information.

Elkhorn Campus	Burlington Center	HERO Center	Kenosha Campus	Horizon Center	Lakeview Center	Racine Campus	SC Johnson iMET Center	Online	Program
			■						Gerontological and Rehabilitative Nursing Care (10-810-21)
			■						Urban Farming (10-810-20)

■ Most program courses taught at this location – some travel may be required to other locations.

General Studies courses are offered on all campuses.

+ Special Conditions; Contact Student Services

* Shared program

gtc.edu

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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