

PRELIMINARY OFFICIAL STATEMENT DATED DECEMBER 12, 2024

NEW ISSUE
Non-Bank Qualified

Moody's Rated "Aaa"
See "RATING" herein)

In the opinion of Quarles & Brady LLP, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended, under existing law interest on the Notes is excludable from gross income and is not an item of tax preference for federal income tax purposes; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). The Notes shall NOT be "qualified tax-exempt obligations". See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Notes. The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

\$4,000,000
GATEWAY TECHNICAL COLLEGE DISTRICT, WISCONSIN
Racine, Kenosha and Walworth Counties
General Obligation Promissory Notes, Series 2024-2025C

Dated: January 9, 2025

Due: April 1, 2025 - 2034

The \$4,000,000 General Obligation Promissory Notes, Series 2024-2025C (the "Notes") will be dated January 9, 2025 and will be in the denomination of \$5,000 each or any multiple thereof. The Notes will mature serially on April 1 of the years 2025 through 2034. Interest on the Notes shall be payable commencing on April 1, 2025 and semi-annually thereafter on October 1 and April 1 of each year.

MATURITY SCHEDULE

				CUSIP ⁽¹⁾ Base 367815					CUSIP ⁽¹⁾ Base 367815
(April 1)	Amount	Rate	Yield		(April 1)	Amount	Rate	Yield	
2025	\$850,000				2030	\$300,000			
2026	425,000				2031	300,000			
2027	425,000				2032	300,000			
2028	425,000				2033	300,000			
2029	375,000				2034	300,000			

The Notes are being issued pursuant to Section 67.12(12) of the Wisconsin Statutes. The Notes will be general obligations of the Gateway Technical College District, Wisconsin (the "District") for which its full faith and credit and unlimited taxing powers are pledged which taxes may, under current law, be levied without limitation as to rate or amount. The proceeds from the sale of the Notes will be used for the public purposes of financing building remodeling and improvement projects (\$1,500,000) and the acquisition of movable equipment (\$2,500,000).

The Notes maturing on April 1, 2033 and thereafter are subject to call and prior redemption, at the option of the District, on April 1, 2032 or on any date thereafter, in whole or in part, and if in part, from maturities selected by the District and by lot within each maturity at a price of par plus accrued interest to the date of redemption. (See "REDEMPTION PROVISIONS" herein.)

The Financial Advisor to the District is:



The Notes will be issued only as fully registered Notes and will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as the securities depository of the Notes. Individual purchases will be made in book-entry form only in denominations of \$5,000 principal amount or any integral multiple thereof. Purchasers of the Notes will not receive certificates representing their interest in the Notes purchased. (See "BOOK-ENTRY-ONLY SYSTEM" herein.)

The District's Notes are offered when, as and if issued subject to the approval of legality by Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel. The settlement date for this issue is on or about January 9, 2025.

SALE DATE: DECEMBER 19, 2024

SALE TIME: 9:30 A.M CT

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This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold, nor may offers to buy be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b) (1), except for the omission of certain information described in the rule, but is subject to revision, amendment, and completion in a Final Official Statement.

**GATEWAY TECHNICAL COLLEGE DISTRICT
Racine, Kenosha and Walworth Counties, Wisconsin**

DISTRICT BOARD

Jason Tadlock, Chairperson
Zaida Jetzabe Lange-Irisson, Vice Chairperson
Preston Gardner, Treasurer
Nicole Oberlin, Secretary
Ram Bhatia, Member
D. Benjamin DeSmidt, Member
Dr. William Duncan, Member
Rebecca Matoska-Mentink, Member
Dr. R. Scott Pierce, Member

ADMINISTRATION

Dr. Ritu Raju, President and Chief Executive Officer
Jeffrey Robshaw, Chief Information Officer / Vice President of Learning Innovation
Dr. Matthew Janisin, Executive Vice President-Academic Affairs
Stephanie Sklba, Vice President, Community and Government Relations
Dr. Stacy Riley, Executive Vice President-Student Affairs
Jacqueline Morris, Vice President, Talent and Culture
Dr. Tammi Summers, Vice President, Diversity, Equity and Inclusion
Sharon Johnson, Chief Financial Officer / Vice President Finance and Administration

PROFESSIONAL SERVICES

Financial Advisor: Robert W. Baird & Co. Incorporated, Milwaukee, Wisconsin
Bond Counsel: Quarles & Brady LLP, Milwaukee, Wisconsin
Paying Agent Contact: Gateway Technical College District, Wisconsin*

**Ms. Sharon Johnson, Chief Financial Officer / Vice President Finance and Administration is the contact for any paying agent matters.*

REGARDING USE OF THIS OFFICIAL STATEMENT

This Official Statement is being distributed in connection with the sale of the Notes referred to in this Official Statement and may not be used, in whole or in part, for any other purpose. No dealer, broker, salesman or other person is authorized to make any representations concerning the Notes other than those contained in this Official Statement, and if given or made, such other information or representations may not be relied upon as statements of the Gateway Technical College District, Wisconsin (the "District"). This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful to make such an offer, solicitation or sale.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended by the District, from time to time (collectively, the "Official Statement"), may be treated as a final Official Statement with respect to the Notes described herein that is deemed final by the District as of the date hereof (or of any such supplement or amendment).

Unless otherwise indicated, the District is the source of the information contained in this Official Statement. Certain information in this Official Statement has been obtained by the District or on its behalf from The Depository Trust Company and other non-District sources that the District believes to be reliable. No representation or warranty is made, however, as to the accuracy or completeness of such information. Nothing contained in this Official Statement is a promise of or representation by Robert W. Baird & Co. Incorporated (the "Financial Advisor"). The Financial Advisor has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed and the Underwriter will review the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor and the Underwriter do not guarantee the accuracy or completeness of such information. The information and opinions expressed in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale made under this Official Statement shall, under any circumstances, create any implication that there has been no change in the financial condition or operations of the District or other information in this Official Statement, since the date of this Official Statement.

This Official Statement contains statements that are "forward-looking statements" as that term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. When used in this Official Statement, the words "estimate," "intend," "project" or "projection," "expect" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are subject to risks and uncertainties, some of which are discussed herein, that could cause actual results to differ materially from those contemplated in such forward-looking statements. Investors and prospective investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this Official Statement.

This Official Statement should be considered in its entirety. No one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, ordinances, reports or other documents are referred to in this Official Statement, reference should be made to those documents for more complete information regarding their subject matter.

The Notes will not be registered under the Securities Act of 1933, as amended, or the securities laws of any state of the United States, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity shall have passed upon the accuracy or adequacy of this Official Statement.

IN CONNECTION WITH THE OFFERING OF THE NOTES, THE UNDERWRITER MAY OR MAY NOT OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE NOTES AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT NOTICE. THE PRICES AND OTHER TERMS RESPECTING THE OFFERING AND SALE OF THE NOTES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER AFTER THE NOTES ARE RELEASED FOR SALE AND THE NOTES MAY BE OFFERED AND SOLD AT PRICES OTHER THAN THE INITIAL OFFERING PRICES, INCLUDING SALES TO DEALERS WHO MAY SELL THE NOTES INTO INVESTMENT ACCOUNTS.

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SUMMARY

District:	Gateway Technical College District, Racine, Kenosha and Walworth Counties, Wisconsin.
Issue:	\$4,000,000 General Obligation Promissory Notes, Series 2024-2025C.
Dated Date:	January 9, 2025.
Interest Due:	Commencing April 1, 2025 and each October 1 and April 1 thereafter. Interest on the Notes is computed on the basis of a 30-day month and a 360-day year.
Principal Due:	April 1 of the years 2025 through 2034.
Redemption Provisions:	The Notes maturing on and after April 1, 2033 shall be subject to call and prior payment, at the option of the District, on April 1, 2032 or on any date thereafter at a price of par plus accrued interest. The amounts and maturities of the Notes to be redeemed shall be selected by the District. If less than the entire principal amount of any maturity is to be redeemed, the Notes of that maturity which are to be redeemed shall be selected by lot. Notice of such call shall be given by sending a notice thereof by registered or certified mail, facsimile or electronic transmission, overnight express delivery, or in any other manner required by DTC not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Note to be redeemed at the address shown on the registration books. (See "REDEMPTION PROVISIONS" herein).
Security:	The full faith, credit and resources of the District are pledged to the payment of the principal of and the interest on the Notes as the same become due and, for said purposes, there are levied on all the taxable property in the District, direct, annual irrepealable taxes in each year and in such amounts which will be sufficient to meet such principal and interest payments when due. Under current law, such taxes may be levied without limitation as to rate or amount.
Purpose:	The proceeds from the sale of the Notes will be used for the public purpose of financing building remodeling and improvement projects (\$1,500,000) and the acquisition of movable equipment (\$2,500,000).
Credit Rating:	This issue has been assigned an "Aaa" rating by Moody's Investors Service, Inc. (See "RATING" herein.)
Tax Exemption:	Interest on the Notes is excludable from gross income for federal income tax purposes. (See "TAX EXEMPTION" herein.)
No Bank Qualification:	The Notes shall <u>NOT</u> be "qualified tax-exempt obligations".
Bond Years:	15,461.11 years.
Average Life:	3.865 years.
Record Date:	The 15th day of the calendar month next preceding each interest payment date.

Information set forth on this page is qualified by the entire Official Statement. A full review of the entire Official Statement should be made by potential investors.

INTRODUCTORY STATEMENT

This Official Statement presents certain information relating to the Gateway Technical College District, Wisconsin (the "District" or "Gateway" and the "State" respectively) in connection with the sale of the District's \$4,000,000 General Obligation Promissory Notes, Series 2024-2025C (the "Notes"). The Notes are issued pursuant to the Constitution and laws of the State and the resolutions (the "Resolutions") adopted by the District Board (the "Board") and other proceedings and determinations related thereto.

The Award Resolution (defined herein) provides that the District will establish a separate debt service fund with respect to payment of principal of and interest on the Notes. In practice, the District will maintain a separate account in its debt service fund for each issue. This is in accordance with the traditional interpretation by the District of its obligation under prior note and bond resolutions respecting the maintenance of separate funds. All summaries of statutes, documents and the Resolutions contained in this Official Statement are subject to all the provisions of, and are qualified in their entirety by reference to such statutes, documents and the Resolutions, and references herein to the Notes are qualified in their entirety by reference to the form thereof included in the Award Resolution. Copies of the Resolutions may be obtained from the Financial Advisor (defined herein) upon request.

REDEMPTION PROVISIONS

Optional Redemption

The Notes maturing on April 1, 2033 and thereafter are subject to call and prior redemption, at the option of the District, on April 1, 2032 or on any date thereafter, in whole or in part, and if in part, from maturities selected by the District and by lot within each maturity at a price of par plus accrued interest to the date of redemption.

ESTIMATED SOURCES AND USES*

Sources of Funds

Par Amount of Notes

\$4,000,000.00

Total Sources:

\$4,000,000.00

Uses of Funds

Deposit to Project Construction Fund

\$4,000,000.00

Total Uses:

\$4,000,000.00

**Preliminary, subject to change.*

CONSTITUTIONAL AND STATUTORY CONSIDERATIONS AND LIMITATIONS CONCERNING THE DISTRICT'S POWER TO INCUR INDEBTEDNESS

The Constitution and laws of the State limit the power of the District (and other municipalities of the State) to issue obligations and to contract indebtedness. Such constitutional and legislative limitations include the following, in summary form and as generally applicable to the District.

Purpose

The District may not borrow money or issue notes or bonds therefor for any purpose except those specified by statute, which include among others the purposes for which the Notes are being issued.

General Obligation Bonds

The principal amount of every sum borrowed by the District and secured by an issue of bonds may be payable at one time in a single payment or at several times in two or more installments; however, no installment may be made payable later than the termination of twenty years immediately following the date of the bonds. The Board is required to levy a direct, annual, irrevocable tax sufficient in amount to pay the interest on such bonds as it falls due and also to pay and discharge the principal thereof at maturity. Bonds issued by the District to refinance or refund outstanding notes or bonds issued by the District may be payable no later than twenty years following the original date of such outstanding notes or bonds.

Promissory Notes

In addition to being authorized to issue bonds, the District is authorized to borrow money using promissory notes for any public purpose. To evidence such indebtedness, the District must issue to the lender its promissory notes (with interest) payable within a period not exceeding twenty years following the date of said notes. Such notes constitute a general obligation of the District. Notes may be issued to refinance or refund outstanding promissory notes. However, such notes must be payable within 10 years and not later than twenty years following the original date of such outstanding notes.

Temporary Borrowing

The Board may, on its own motion, borrow money in such sums as may be needed to meet the immediate expenses of maintaining the schools in the District during the current fiscal year. No such loan or loans shall be made to extend beyond November 1 of the next fiscal year nor in any amount exceeding one-half of the estimated receipts for the operation and maintenance of the school for the current fiscal year in which the loan is made.

Debt Limit

Wisconsin Statutes limit the aggregate amount of District indebtedness to an amount not to exceed five percent (5%) of the value of taxable property located in the District. The maximum bonded indebtedness of the District for purchasing school sites and constructing and equipping buildings may not exceed two percent (2%) of the value of the taxable property within the District. For information with respect to the District's percent of legal debt incurred, see the caption INDEBTEDNESS OF THE DISTRICT --"Debt Limit," herein.

THE RESOLUTIONS

The following are summaries of certain provisions of the Resolutions adopted by the District pursuant to the procedures prescribed by Wisconsin Statutes. Reference is made to the Resolutions for complete recitals of their terms.

Authorizing Resolution

By way of a resolution adopted on November 19, 2024 (the "Authorizing Resolution"), the Board authorized the issuance of general obligation promissory notes in the amount not to exceed \$4,000,000 for the public purposes of financing building remodeling and improvement projects (\$1,500,000) and the acquisition of movable equipment (\$2,500,000).

As required by Wisconsin Statutes, notice of the adoption of the Authorizing Resolution was published in the required newspapers on November 27, 2024 and November 28, 2024. The Authorizing Resolution is subject to referendum if, within 30 days after publication of notice of adoption of the resolution, a sufficient petition requesting a referendum is filed by the electors of the District. The petition period expires on December 30, 2024. The award of the Notes will be made subject to expiration of the petition period without the filing of a sufficient petition for a referendum.

Award Resolution

By way of a Resolution to be adopted on December 19, 2024 (the "Award Resolution") the Board will accept the bid (or reject all bids) of the Underwriter (defined herein) for the purchase of the Notes, in accordance with bid specifications, provide the details and form of the Notes, and set out certain covenants with respect thereto. The Award Resolution pledges the full faith, credit and resources of the District to payments of the principal of and interest on the Notes. Pursuant to the Award Resolution, the amount of direct, annual, irrevocable taxes levied for collection in the years 2025 through 2034 which will be sufficient to meet the principal and interest payments on the Notes when due will be specified (or monies to pay such debt will otherwise be appropriated). The Award Resolution establishes separate and distinct from all other funds of the District a debt service fund with respect to payment of principal of and interest on the Notes.

THE DISTRICT

Appointed boards govern the 16 Wisconsin Technical College System districts. District boards have statutory authority to levy property taxes, provide for facilities and equipment, contract for instructional services, and appoint a district president who serves as chief executive officer for the district. Each district is governed by an appointed board composed of nine members in accordance with Section 38.08(1) of the Wisconsin Statutes.

The Board is comprised of nine members (two employee members, two employer members, three additional members, one elected official and one school district administrator). The Board Members are selected by the County Board Chairperson of each County within the District and are approved by the Wisconsin Technical College System Board. These members are appointed for staggered three-year terms and elect a Chairperson, Vice Chairperson, Secretary and Treasurer for a one-year term.

The Board

The present members of the Board and the expiration of their respective terms of office are as follows:

<u>Name</u>	<u>Employer and Position</u>	<u>Expiration Of Term</u>
Jason Tadlock, Chairperson	Superintendent of Schools Elkhorn Area School District	June 30, 2027
Zaida Jetzabe Lange-Irisson Vice Chairperson	Project Manager for Hybrid Engineering Twin Disc Inc.	June 30, 2026
Preston Gardner, Treasurer	Vice President and Co-Owner Palmer Hamilton LLC	June 30, 2027
Nicole Oberlin, Secretary	Assistant Dietary Manager Union Grove High School	June 30, 2025
Ram Bhatia, Member	Retired	June 30, 2026
D. Benjamin DeSmidt, Member	Vice President Bang Enterprises, LLC Union Park Tavern	June 30, 2025
Dr. William Duncan, Member	Retired	June 30, 2025
Rebecca Matoska-Mentink, Member	Clerk of Circuit Court, Kenosha County	June 30, 2026
Dr. R. Scott Pierce, Member	Kenosha County Court System Bailiff and Adjunct Instructor, Concordia University	June 30, 2027

Source: *The District*.

Administration

The Board is also empowered to employ a District President to conduct the day-to-day operations of the District. The President and the other members of the Executive Leadership Council are listed below.

<u>Name</u>	<u>Title</u>	<u>Total Years of Service</u>
Dr. Ritu Raju	President and Chief Executive Officer	1.5*
Jeffrey Robshaw	Chief Information Officer / Vice President of Learning Innovation	20
Dr. Matthew Janisin	Executive Vice President-Academic Affairs	13
Stephanie Sklba	Vice President, Community and Government Relations	25
Dr. Stacy Riley	Executive Vice President-Student Affairs	14
Jacqueline Morris	Vice President, Talent and Culture	23
Dr. Tammi Summers	Vice President, Diversity, Equity and Inclusion	18
Sharon Johnson	Chief Financial Officer / Vice President Finance and Administration	10

**Dr. Raju was previously the Vice President of Academic Affairs at Tarrant County College – Northeast Campus, Dallas Fort Worth Metroplex. Dr. Raju started with the District on January 5, 2023.*

Source: The District.

Enrollments

Shown below are the historical enrollments through the 2023-24 fiscal year for the District and the projected enrollment for the 2024-25 fiscal year.

<u>Year</u>	<u>Full-Time Equivalent</u>
2024-2025	4,117 (projected)
2023-2024	4,041
2022-2023	3,792
2021-2022	3,764
2020-2021	3,904
2019-2020	4,384
2018-2019	4,478
2017-2018	4,563
2016-2017	4,537
2015-2016	5,081
2014-2015	5,176
2013-2014	5,419

Source: The District.

Employment Relations

	2024-25
<u>Full-time Employees</u>	<u>YTD*</u>
Instructional	344
Instructional Resources	9
Student Services	109
General Institutional	97
Physical Plant	43
Public Services	<u>6</u>
Total Full-time	608
<u>Part-time Employees</u>	
Instructional	103
Casual	<u>206</u>
Total Part-time	309
 TOTAL EMPLOYEES	 <u><u>917</u></u>

*Headcount as of October 31, 2024.

Source: The District.

Labor Contract

<u>Organization</u>	<u>Group Represented</u>	<u>Contract Expiration*</u>
Gateway Technical Education Association (GTEA)	Faculty and Professional Non-Faculty	June 30, 2025

*Contract may only cover total base wages.

The District considers its relationship with the employee groups to be very stable.

All eligible District personnel are covered by the Municipal Employment Relations Act ("MERA") of the Wisconsin Statutes. Pursuant to that law, employees have rights to organize and, after significant changes were made to the law in 2011, very limited rights to collectively bargain with municipal employers. MERA was amended by 2011 Wisconsin Act 10 (the "Act") and by 2011 Wisconsin Act 32.

As a result of the 2011 amendments to MERA, the District is prohibited from bargaining collectively with municipal employees with respect to any factor or condition of employment except total base wages. Even then, the District is limited to increasing total base wages beyond any increase in the consumer price index since 180 days before the expiration of the previous collective bargaining agreement (unless the District were to seek approval for a higher increase through a referendum). Ultimately, the District can unilaterally implement the wages for a collective bargaining unit⁽¹⁾.

Under the changes to MERA, impasse resolution procedures were removed from the law for municipal employees of the type employed by the District, including binding interest arbitration. Strikes by any municipal employee or labor organization are expressly prohibited. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is total base wages, all bargaining over items such as just cause, benefits, and terms of conditions of employment are prohibited and cannot be included in a collective bargaining agreement.

⁽¹⁾On July 3, 2024, a Wisconsin circuit court judge issued a decision in the case *Abbotsford Education Association vs. Wisconsin Employment Relations Commission*, Case No. 2023CV3152, denying the Wisconsin State Legislature's intervening motion to dismiss the plaintiffs' challenge to the different classifications the Act created regarding collective bargaining rights. The court's order denying the motion to dismiss stated that the Act violates the equal protection clause of the Wisconsin Constitution and declared those provisions of the Act relating to collective bargaining modifications unconstitutional and void. The decision further instructed the parties to make additional filings to the court as to whether the court should issue judgment on the pleadings in light of the court's order or take some other action to bring the case to a final judgment. On December 2, 2024, the court issued an order granting the plaintiffs' motion for judgment on the pleadings and striking down substantial portions of the

Act. The court's decision has been appealed to the Wisconsin Court of Appeals No guarantee can be made regarding the future outcome of the matter.

Due to the changes described above, the Board is free to unilaterally determine and promulgate policies, benefits and other terms and conditions of employment. The Employee Handbook sets forth policies, procedures and benefits for employees of the nature that were previously set forth in labor contracts. The Employee Handbook's terms are subject to change at the sole discretion of the District and are not subject to grievance or arbitration by the unions. However, individual employees are allowed to file a grievance if they are disciplined or terminated. However, under the changes to MERA, the Board, rather than an arbitrator, is the final decision-maker regarding any grievance, though the grievance must be heard by an impartial hearing officer before reaching the Board.

Pension Plan

All eligible employees in the District are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes. 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 ("Chapter 40"). The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

District employees are required to contribute half of the actuarially determined contributions, and the District may generally not pay the employees' required contribution. The District's portion of the contributions to WRS (not including any employee contributions) during the fiscal years ended June 30, 2022, June 30, 2023 and June 30, 2024 ("Fiscal Year 2024") totaled \$3,438,337, \$3,543,540, and \$3,612,265, respectively.

Governmental Accounting Standards Board Statement No. 68 ("GASB 68") requires calculation of a net pension liability for the pension plan. The net pension liability is calculated as the difference between the pension plan's total pension liability and the pension plan's fiduciary net position. The pension plan's total pension liability is the present value of the amounts needed to pay pension benefits earned by each participant in the pension plan based on the service provided as of the date of the actuarial valuation. In other words, it is a measure of the present value of benefits owed as of a particular date based on what has been earned only up to that date, without taking into account any benefits earned after that date. The pension plan's fiduciary net position is the market value of plan assets formally set aside in a trust and restricted to paying pension plan benefits. If the pension plan's total pension liability exceeds the pension plan's fiduciary net position, then a net pension liability results. If the pension plan's fiduciary net position exceeds the pension plan's total pension liability, then a net pension asset results.

As of December 31, 2023, the total pension liability of the WRS was calculated as \$129.2 billion and the fiduciary net position of the WRS was calculated as \$127.7 billion, resulting in a net pension liability of \$1.5 billion.

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2024, the District reported a liability of \$4,199,592 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2023 based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. The District's proportion was 0.28245729% of the aggregate WRS net pension liability as of December 31, 2023.

The calculation of the total pension asset and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of the net pension asset of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see Note 6 in "Appendix A –Annual Comprehensive Financial Report for the year ended June 30, 2024" attached hereto.

Other Post-Employment Benefits

The District provides "other post-employment benefits" ("OPEB") (i.e., post-employment benefits, other than pension benefits, owed to its employees and former employees) through a single-employer defined benefit plan to employees who have terminated their employment with the District and have satisfied specified eligibility standards. Membership of the plan consisted of 55 inactive employees or beneficiaries receiving benefits, 34

covered spouses of living retirees, 398 retired participants on life insurance only, 261 active employees hired before July 1, 2014 and 335 active plan members hired on or after July 1, 2014 as of June 30, 2024, the date of the latest actuarial valuation.

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

As of July 1, 2020, the District made changes with respect to early retirement benefits. Eligible employees for retirement will now have a choice of: (i) health and dental benefits for three years or until Medicare eligibility, whichever comes first, or (ii) contributions to a HRA for use within five years or until age 67, whichever comes first.

OPEB calculations are required to be updated every two years. OPEB calculations are required to be prepared in accordance with Statements No. 74 and No. 75 of the Governmental Accounting Standards Board ("GASB 74/75"). An actuarial study for the District prepared in accordance with GASB 74/75 was last completed by McCready and Keene, Inc. in September 2022 with an actuarial valuation date of June 30, 2024.

For Fiscal Year 2024, benefit payments for the plan totaled \$1,191,287. The District's funding practice has been to fully fund the yearly amount of benefit premiums on a "pay-as-you-go-basis."

Under GASB 74/75, a net OPEB liability (or asset) is calculated as the difference between the plan's total OPEB liability and the plan's fiduciary net position, which terms have similar meanings as under GASB 68 for pension plans.

For Fiscal Year 2024, the plan's total OPEB liability was \$15,746,698 and the plan's fiduciary net position was \$0, resulting in a net OPEB liability of \$15,746,698.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. For more detailed information regarding such actuarial assumptions, see Note 7 in "Appendix A – Annual Comprehensive Financial Report for the year ended June 30, 2024" attached hereto.

GENERAL INFORMATION

History

The first vocational school in Wisconsin began in 1911 in Racine as the predecessor to Gateway Technical College District. Kenosha County established the first Vocational, Technical and Adult Education District under a State law in 1965 which allowed district formation on July 1, 1966. A short time later the three campuses evolved to form the District.

Location

The District is located in the southeastern corner of Wisconsin and includes 100% of Kenosha and Walworth Counties and approximately 96% of Racine County. The District's three full-service campuses are located in the Cities of Kenosha, Racine and Elkhorn. The District is located 20 miles south of Milwaukee, 40 miles north of Chicago and 65 miles southeast of Madison. According to the Wisconsin Technical College System Board, the District has a 2023 estimated population of 466,461*.

**Source: Wisconsin Technical College System.*

Kenosha Campus

The Kenosha campus is located on 50 acres. Three main buildings - the Academic, Science and Technical Buildings - contain classrooms, labs, the Learning Success Center and the Student Services center. The Pike Creek Horticulture Center, located on the campus, is unique to the Wisconsin Technical College System. The Pike Creek Horticulture Center contains classrooms, a floral shop, greenhouse and a 5,200 square foot addition completed in spring 2012. The Kenosha Campus Conference Center houses the Information Technology division, Madrigano Auditorium, and the print shop. The Administration Center houses the Business Office, Research, Planning and Development; Student Success; Institutional Effectiveness, Human Resources and Academic / Campus Affairs divisions. The Inspire Center includes nursing Human Patient Simulators, a nursing skills lab, science classrooms and houses WGTD/91.1 FM, the radio station operated by the District, the presidential suite and the Gateway Technical College Foundation office. The Center for Sustainable Living serves as a community resource by providing a venue for discussing and learning the necessary skills for sustainability in life and business. It also serves as a resource to help businesses or organizations identify and engage in applicable sustainable business practices. The Horizon Center, formerly the Aviation Center on Hwy H, just north of 52nd Street in Kenosha, is a community venture to support the advancement of transportation technology training — vehicular and aeronautic — in southeastern Wisconsin. The Horizon Center has been dedicated as the District's first "green" building.

Racine Campus

The Racine campus is located on 15 acres near the shore of Lake Michigan. The Technical Building, Lake Building and Lincoln Center for Health Careers provide facilities for classrooms, labs, student lounges and a number of student and support services. The Racine building houses several instructional programs and conference facilities.

S.C. Johnson Integrated Manufacturing & Engineering Technology (iMET) Center

The S.C. Johnson iMET Center, formerly CATI, became home to an engineering technology center of excellence as the District's engineering tech wing moved from the Racine Campus to CATI during summer 2007. The move allowed for advanced technology lab space and being more accessible to businesses in the Renaissance Business Park (2320 Renaissance Blvd., Sturtevant) and others located along highway I-94 for cooperative projects or skill upgrade training. In February 2013, the District completed an addition to the center adding a nearly 18,000-square-foot addition. In March 2020, another addition was completed adding approximately 35,700 square-feet, which brings the facility to approximately 90,000 square feet. This facility features the Business and Workforce Solutions, the District's first Fab Lab, focused on industrial design and rapid prototyping, the District's engineering technology educational programs and CNC and welding, advanced manufacturing and fabrication boot camp accelerated training.

Elkhorn Campus

The Elkhorn (or Walworth) campus is located in rural Walworth County on 64 acres. The north and south buildings include classrooms, labs, the Learning Success Center, a new library addition and a recently remodeled student center, as well as campus administrative offices. In September 2015, the District opened its first ever Veterinary program in Elkhorn. The remodeled 66,500 square foot facility includes classrooms, a kennel area for small animals and a high-tech TEAL (technology enabled active learning) lab that allows for interactive student-teacher participation. In 2018, the District also began offering the Culinary program on the Elkhorn campus.

Other Facilities

The District also leases a number of facilities to meet the needs of students. In Burlington, Gateway operates two centers. One center houses classrooms, student services, and faculty offices. The other facility is the HERO Center (Health & Emergency Responder Occupations) which provides training for firefighters, police officers, nurses, EMT responders, etc. Other facilities are rented on the Kenosha Airport and WisPark industrial park.

In addition, classroom space is rented at several locations in centers located within the District for Adult and Continuing Education classes.

College Vision

"We make life-changing educational opportunities a reality."

College Mission

“We deliver industry-focused education that is flexible, accessible, and affordable for our diverse community.”

College Values

At Gateway Technical College, we value:

- diversity of individuals and perspectives
- a positive climate for working and learning
- innovation and risk-taking
- honest and ethical behavior
- quality and excellence in education

College 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.

Program Information

Accounting
Accounting Assistant
Administrative Professional
Advanced Manufacturing Technology
Aeronautics-Pilot Training
Architectural-Structural Engineering Technician
Automotive Maintenance Technician
Automotive Technology
Barber Technologist
Building Trades – Carpentry
Business Management
Business Services Manager
Civil Engineering Technology - Highway Tech
CNC Production Technician
CNC Programmer
Construction Management Technician
Cosmetology
Criminal Justice – Law Enforcement 720 Academy
Criminal Justice Studies
Culinary Arts
Culinary Assistant
Dental Assistant
Diesel Equipment Mechanic
Diesel Equipment Technology
Early Childhood Education

Electrical Engineering Technology
Electromechanical Maintenance Technician
Electronics
Electronics Technician Fundamentals
EMT - Advanced
EMT - Emergency Medical Technician
EMT – Paramedic
Facilities Maintenance
Fire Science
Foundations of Teacher Education
Funeral Service
Graphic Design
Greenhouse Operations
Horticulture Technician
Hospitality Management
Human Resources
Human Service Associate
Individualized Technical Studies
Interior Design
IT – A1 Data Specialist
IT – Computer Support Specialist
IT – Computer Support Technician
IT – Cybersecurity Specialist
IT – Network Specialist
IT – Software Developer

IT – Web Programmer
 IT – Web Software Developer
 Landscape Horticulture
 Leadership Development
 Liberal Arts - Associate of Arts
 Liberal Arts - Associate of Science
 Marketing
 Mechanical Design Technology
 Medical Assistant
 Medical Laboratory Technician
 Nursing
 Nursing – Practical Nursing
 Nursing Assistant
 Office Assistant

Ophthalmic Medical Assistant
 Paramedic Technician
 Physical Therapist Assistant
 Radiography
 Refrigeration, Air Conditioning & Heating Service
 Technician
 Small Business Entrepreneurship
 Supply Chain Management
 Surgical Technology
 Technical Studies - Journeyworker
 Truck Driving
 Veterinary Technician
 Welding
 Welding/Maintenance and Fabrication

In addition to the state-approved associate degrees, technical diplomas, and advanced technical certificates that are part of the degree-granting programs at Gateway, a variety of certificates are also offered. The courses required to complete these certificates are selected from various degree programs to meet specific and unique occupational needs. Gateway has recently entered into a partnership with UW-Milwaukee and UW-Stout. UW-Milwaukee now allows Gateway students that complete an associate degree guaranteed admission. Gateway Electrical Engineering Technology and Advanced Manufacturing Technology graduates will now have the option to transfer their credits to UW-Stout's Automation Leadership degree program.

Gateway Continuing Education classes also offer students, business and industry and the public a wide variety of non-degree courses to meet the educational and training needs of the community.

Gateway is accredited by the Higher Learning Commission and in addition some of Gateway's programs are also accredited by other external accrediting agencies.

In fiscal year 2013-14, the Accreditation Council for Business Schools and Programs ("ACBSP") Associate Degree Board of Commissions awarded Gateway an accreditation of its business programs. Gateway is the first technical college in Wisconsin to receive that designation. The national accreditation means Gateway Technical College programs, curriculum and staff members meet the rigorous standards set by the ACBSP.

The Aeronautics and Pilot Training program has earned Air Agency Certification from the Federal Aviation Administration as an approved flying school. Courses offered include Flight and Commercial Pilot Certification with Single engine and Multi-engine Land and Instrument Ratings.

Gateway has also shown excellence in the area of Health Careers. The Dental Assistant Program is accredited by the American Dental Association. The Associate Degree Nursing Program is fully accredited by the Wisconsin Board of Nursing and the Accreditation Commission for Education in Nursing. Also, the Medical Assistant program is fully accredited by the Committee on Allied Health Education and Accreditation (CAHEA) in cooperation with the Curriculum Review Board of the American Association of Medical Assistants. The Surgical Technology program is accredited through the National Board of Surgical Technology and Surgical Assisting (NBSTSA).

The District offers numerous special services to provide the students with a sound educational background. Academic preparation classes are designed to help students upgrade and review basic skills prior to enrollment. The Adult Basic Education (ABE) program enables qualified instructors to provide free-of-charge education to adults in the areas of Reading, Writing, Mathematics, English and more. Also, Adult Learning Centers, Tutoring Centers, Disability Support Services Programs and Drug Awareness Programs are among the special services offered at Gateway.

Gateway's radio station, WGTD-FM/91.1, is the first public radio station owned and operated by a Technical College District in Wisconsin. The station is located in the Inspire Center on the Kenosha Campus and is heard via low-power translators in Elkhorn at 101.7 and in Lake Geneva at 103.3. WGTD offers a news/information and fine arts format featuring both locally and nationally produced programs.

To foster a broadened appreciation of the world outside the classroom, Gateway encourages students to participate in co-curricular and extra-curricular organizations. Over 30 organizations, some nationally and internationally affiliated, offer experience in areas such as public relations, police science, food service and nursing.

Gateway's philosophy of excellence in education has proven to be successful in providing quality occupational education for employment. A recent survey reveals that 91% are employed within 6 months of graduation. Also, based on a 2020 Graduate Follow-Up survey, 96% of the graduates interviewed were satisfied with the training they received at Gateway.

In addition to Gateway's special programs within the District, interaction with the businesses in the District is a strong asset. Working closely with local businesses gives Gateway the advantage of upgrading and enhancing its education programs to fit the needs of its rapidly changing economic environment.

DEMOGRAPHIC AND ECONOMIC INFORMATION

Population

	The District ⁽¹⁾	Kenosha County	Racine County	Walworth County
Estimate, 2024	(2)	170,693	198,781	106,571
Estimate, 2023	466,461	170,243	197,422	105,926
Estimate, 2022	467,383	170,272	198,138	106,129
Estimate, 2021	(2)	171,455	197,249	104,759
Census, 2020	463,315	169,151	197,727	105,230

⁽¹⁾ District population estimates are based on Wisconsin Department of Administration Final Population Estimates for 2022.

⁽²⁾ Not available.

Source: Wisconsin Department of Administration, Demographic Services Center, Wisconsin Technical College System and U.S. Census Bureau.

Per Return Adjusted Gross Income

	State of Wisconsin	Kenosha County	Racine County	Walworth County
2023	\$73,001	\$70,577	\$69,540	\$78,059
2022	70,548	67,533	65,959	76,047
2021	66,369	63,099	61,817	68,104
2020	61,518	58,273	58,658	61,470
2019	61,003	57,680	57,265	60,527

Source: Wisconsin Department of Revenue, Division of Research and Policy.

Unemployment Rate

	State of Wisconsin	Kenosha County	Racine County	Walworth County
September, 2024*	2.5%	2.7%	2.9%	2.3%
September, 2023	2.9	3.3	3.3	2.8
Average, 2023*	3.0%	3.4%	3.6%	2.9%
Average, 2022	2.9	3.3	3.5	2.9
Average, 2021	3.9	4.4	4.8	3.7
Average, 2020	6.4	7.2	7.4	6.2
Average, 2019	3.2	3.8	3.9	3.2

*Preliminary.

Source: Wisconsin Department of Workforce Development.

LARGEST EMPLOYERS

Racine County

Listed below are the largest employers in the Racine County area.

Employer Name	Type of Business	Number of Employees
Racine Unified School District	Education	2,394
Advocate Aurora	Healthcare	2,350
Ascension All Saints Hospital	Healthcare	2,150
S.C. Johnson & Son, Inc.	Manufacturer – cleaning	2,000
CNH Industrial	Manufacturer – heavy equipment	1,500
Foxconn Industrial Internet	Manufacturer – electronics	1,100
Racine County	Government	1,058
Cree, Inc.	Manufacturer – lighting	1,000
In-Sink-Erator	Manufacturer – disposals	890
City of Racine	Government	849

Source: Direct employer contacts and Racine County official statement dated July 23, 2024.

Kenosha County

Listed below are the largest employers in the Kenosha County area.

Employer Name	Type of Business	Number of Employees
Uline, Inc.	Shipping supply distribution	3,850
Amazon	Online/retail/distribution	3,750
Kenosha Unified Schools	Education	3,000
Froedtert South	Health care services	2,100
Advocate-Aurora Health Care	Health care services	1,500
Kenosha County	Government	1,387
City of Kenosha	Government	817
Snap-On Inc.	Diagnostic equipment & hand tool manufacturer	750
University of Wisconsin - Parkside	Education	530
Gordon Food Service	Food service/distribution	475

Source: City of Kenosha official statement dated May 6, 2024 and Kenosha County official statement dated August 12, 2024.

Walworth County

Listed below are the largest employers in the Walworth County area.

Employer Name	Type of Business	Number of Employees
Advocate-Aurora Health Care	Health care services	1,320 ⁽¹⁾
University of Wisconsin-Whitewater	Education	1,189
Walworth County	County government	850
Birds Eyes Foods LLC	Manufacturer- fruits & vegetables	800
Pentair, Inc./Sta-Rite Industries Inc.	Manufacturer – pumps	700
Novares US Engine Components, Inc.	Manufacturers of plastic automotive products	650
Mercy Health System	Health care services	600
Nestle Confection and Snacks	Food products	550
Generac Power Systems Inc.	Manufacturer of generators	500
Abbey Resort	Resort	490

⁽¹⁾Locations in Burlington, Lake Geneva and Elkhorn.

Source: Data Axle Genie (www.dataaxlegenie.com), Industry Select by MNI (www.industryselect.com), City of Burlington official statement dated June 20, 2024, City of Lake Geneva official statement dated May 13, 2024, Walworth County 2023 Annual Comprehensive Financial Report and direct employer inquiries.

LARGEST TAXPAYERS

Racine County

Listed below are the largest taxpayers in Racine County.

<u>Taxpayer</u>	<u>Type of Business</u>	2023 Assessed Valuation ⁽¹⁾
FEWI Development Corp. (Foxconn)	Commercial	\$598,782,600
S.C. Johnson & Son, Inc.	Manufacturer – cleaning	129,529,400
Bcore Corridor	Commercial	96,303,400
NLP Grandview LLC	Commercial	81,086,600
Enterprise Business Park LLC	Commercial	80,881,900
Mount Pleasant Apartments	Apartments	63,015,000
HAK Properties LLC	Commercial	53,510,700
All Saints Medical Center, Inc.	Healthcare	45,352,500
Wheaton Franciscan Healthcare	Healthcare	42,391,500
United, Natural Foods	Food distributor	37,720,600
		<u>\$1,228,574,200</u>

⁽¹⁾Equalized value information is not available.

Source: Racine County official statement dated July 23, 2024.

Kenosha County

Listed below are the largest taxpayers in Kenosha County.

<u>Taxpayer</u>	<u>Type of Business</u>	2023 Equalized Valuation
Uline Inc.	Shipping supply distribution	\$642,532,567
Exeter	Warehouse	390,327,574
Amazon	Commercial	374,699,003
Pleasant Prairie Premium Outlets LLC	Shopping mall	229,313,522
Haribo of America	Candy manufacturer	176,857,146
Aurora Health Care Inc.	Health care	160,113,723
Meijer Distribution, Inc.	Retail	104,947,717
Bristol Highlands Industrial LLC	Commercial	93,788,614
Bcore Corridor Pleasant Prairie LLC	Commercial	82,314,326
Ralphs Grocery	Commercial	70,905,909
		<u>\$2,325,800,101</u>

Source: Kenosha County official statement dated August 12, 2024.

Walworth County

Listed below are the largest taxpayers in Walworth County.

<u>Taxpayer</u>	<u>Type of Business</u>	2023 Equalized Valuation
DLK Enterprises, Inc.	Farm/Real estate	\$48,843,100
Art Mortgage Borrower Propco	Temperature-controlled warehouse	45,746,700
SPEF VII LLC	Commercial	43,201,700
Grand Geneva, LLC	Resort	41,142,100
Stag Industrial Holdings, LLC	Industrial	35,793,800
Kikkoman Foods, Inc.	Factory	26,783,600
Honey Creek of East Troy, LLP	Apartments	25,003,600
Store SPE Mills Fleet II 2017-7, LLC	Retail	24,168,300
Delavan Lake Lawn, LLC	Resort/Airport	22,528,300
Wisconsin Geneva Square Investors LLC	Commercial/retail properties	21,044,000
		<u>\$334,255,200</u>

Source: Walworth County.

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. Real property taxes may be paid in full by January 31 or in two equal installments payable by January 31 and July 31. Municipalities also have the option of adopting payment plans which allow taxpayers to pay their real property taxes and special assessments in three or more 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. Amounts paid on or before January 31 are paid to the town, city or village treasurer. Amounts paid after January 31 are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case payment is made to the town, city or village treasurer. Any amounts paid after July 31 are paid to the county treasurer. For municipalities which have not adopted an installment payment plan, the town, city or village treasurer settles with other taxing jurisdictions for collections through the preceding month on January 15 and February 20. For municipalities which have adopted an installment payment plan, the town, city or village treasurer settles with other taxing jurisdictions for collections through the preceding month on January 15, February 20 and the 15th day of each month following a month in which an installment payment is due. On or before August 20, the County Treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. The County Board may authorize its County Treasurer to also settle in full with the underlying taxing 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 taxes, the District receives 100 percent of the real estate taxes it levies.

2013 Wisconsin Act 145 (the "Act 145") created a revenue limit (the "Revenue Limit") beginning in Fiscal Year 2015. Act 145 also shifted a portion of funding for technical college districts in the State from property taxes levied by the districts to a State aid payment by replacing \$406 million of property tax levies with a State payment beginning in 2015 (the "State Aid"). The amount of State Aid a particular technical college district will receive will be equal to the share of the district's equalized value as compared to the aggregate equalized value of all technical college districts in the State as of January 1, 2014. State Aid payments are made on the 3rd Friday in February each year.

Under Section 38.16 of the Wisconsin Statutes, as amended by Act 145, the Board may levy a tax on the full equalized value of taxable property within the area served by the District for the purposes of making capital improvements, acquiring equipment, operating and maintaining schools and paying principal and interest on valid bonds and notes issued by the District. However, unless approved by referendum and except for taxes levied to pay debt service on valid bonds and notes (other than Noncapital Notes as defined below), the District's revenue ("Revenue") in the 2014-15 school year or any school year thereafter may not be increased by an amount in excess of the District's valuation factor (as described below). Revenue is defined in Section 38.16 of the Wisconsin Statutes as the sum of: (i) the District's tax levy and (ii) the State Aid payment described in the paragraph above. Except in limited circumstances as provided in Section 38.16 of the Wisconsin Statutes, if the Board exceeds its Revenue Limit, the State Technical College System Board is required to make corresponding reductions in state aid payments received by the District.

The calculation of the District's tax levy under the Revenue Limit excludes taxes levied for the purpose of paying principal and interest on valid bonds and notes issued by the District to finance any capital project or equipment with a useful life of more than one year or to refund any municipal obligations or any interest on municipal obligations. However, the calculation of the District's tax levy under the Revenue Limit does apply to notes issued by the District under Section 67.12(12) of the Wisconsin Statutes on or after July 2, 2013 for other purposes (in essence non-capital purposes) ("Noncapital Notes").

Under the Revenue Limit, the District is prohibited from increasing its Revenue (for all purposes except paying principal and interest on valid bonds and notes other than Noncapital Notes) by a percentage that exceeds its valuation factor. Valuation factor is defined as a percentage equal to the greater of (i) the percentage change in the District's January 1 equalized value due to aggregate new construction, less improvements removed, in municipalities located in the District between the previous year and the current year, as determined by the Wisconsin Department of Revenue or (ii) zero percent. If a municipality is located in two or more districts, the Wisconsin Department of Revenue shall apportion the value of the aggregate new construction, less improvements removed, in the municipality among the districts based on the percentage of the municipality's equalized value located in each district. The Revenue Limit permits an increase in Revenue (i) if the District's actual Revenue in any school year is less than its allowable Revenue, allowing the District to carry forward the difference between the allowable Revenue and the actual Revenue, up to a maximum of 0.5% of the prior year's actual Revenue, if the District's Board approves the increase by a three-fourths vote, (ii) with the approval of the electors of the District pursuant to a referendum, or (iii) in an amount equal to the amount of any refunded or rescinded property taxes paid by the Board in the year of the levy if they result in a redetermination of the District's equalized valuation by the Wisconsin

Department of Revenue. For the 2024-25 fiscal year, the District established a mill rate of \$0.34209 for operational purposes and \$0.21895 for payment of debt.

The District cannot predict whether there will be any other legislation affecting the District's property taxes and revenues in the future.

Set forth below are the taxes levied and the tax rate per \$1,000 equalized value on all taxable property within the District. The rates as set forth include amounts levied for debt service:

Collection Year	District Tax Rate	District Levy	Uncollected Taxes as of August 20 th of Each Year	Percent of Levy Collected
2025	\$0.56104	\$41,429,737	-To be collected-	
2024	0.59154	40,424,144	-0-	100.00%
2023	0.63751	38,701,094	-0-	100.00
2022	0.72144	38,143,376	-0-	100.00
2021	0.79871	39,229,438	-0-	100.00

Source: The District.

2024-2025 Proportionate Amounts of Local Tax Revenue Per Municipality Based on 2024 Equalized Valuation

Entity	2024 Equalized Valuation in District (TID-OUT)	Percent of Levy	Amount of Levy
Kenosha County	\$24,503,540,500	33.1825643%	\$13,747,449
Racine County	22,699,869,724	30.7400430	12,735,519
Walworth County	26,641,215,657	36.0773927	14,946,769
	<u>\$73,844,625,881</u>	<u>100.0000000%</u>	<u>\$41,429,737</u>

Source: Wisconsin Department of Revenue.

EQUALIZED VALUATIONS

All equalized valuations of property in the State of Wisconsin are determined by the State of Wisconsin, Department of Revenue, Supervisor of Assessments Office. Equalized valuations are the State's estimate of full market value. The State determines assessed valuations of all manufacturing property in the State. Assessed valuations of residential and commercial property are determined by local assessors.

Set forth in the table below are equalized valuations of property located within the District for the years 2020 through 2024. The District's equalized valuation (TID IN) has increased by 52.73 percent since 2020 with an average annual increase of 11.17 percent.

Year	Equalized Valuation (TID-IN)	Equalized Valuation (TID-OUT)*
2024	\$79,547,895,224	\$73,844,625,881
2023	72,945,616,758	68,337,451,204
2022	64,293,362,616	60,706,724,116
2021	56,800,437,642	52,871,125,942
2020	52,083,834,750	49,116,024,050

*Some municipalities located within the District have Tax Incremental Districts ("TIDs") under Wisconsin Statutes Section 66.1105. TID valuations totaling \$5,703,269,343 for 2024 have been excluded from the District tax base.

Source: Wisconsin Department of Revenue.

INDEBTEDNESS OF THE DISTRICT

Direct Indebtedness

Set forth below is the direct general obligation indebtedness of the District, including principal and interest payments due on existing debt as well as debt service on the Notes. Interest on the Notes has been estimated using an average rate of 5.00 percent. The average life of the Notes is 3.865 years and bond years are 15,461.11 years.

Year	Outstanding Bonds and Notes		New Issue-Notes		Total Debt Service Requirements
	Principal	Interest	Principal	Interest*	
2024	\$13,460,000	\$2,225,296			\$15,685,296
2025	13,410,000	2,206,767	\$850,000	\$124,306	16,591,072
2026	12,345,000	1,785,963	425,000	146,875	14,702,838
2027	11,150,000	1,423,538	425,000	125,625	13,124,163
2028	10,360,000	1,082,588	425,000	104,375	11,971,963
2029	9,570,000	767,569	375,000	84,375	10,796,944
2030	6,875,000	521,747	300,000	67,500	7,764,247
2031	4,985,000	338,125	300,000	52,500	5,675,625
2032	3,835,000	181,625	300,000	37,500	4,354,125
2033	2,020,000	68,625	300,000	22,500	2,411,125
2034	700,000	14,000	300,000	7,500	1,021,500
	<u>88,710,000</u>	<u>10,615,841</u>	<u>4,000,000</u>	<u>773,056</u>	<u>104,098,897</u>
Less: 2024 Sinking Funds	<u>(13,460,000)</u>	<u>(2,225,296)</u>	<u>0</u>	<u>0</u>	<u>(15,685,296)</u>
TOTAL	<u>\$75,250,000</u>	<u>\$8,390,545</u>	<u>\$4,000,000</u>	<u>\$773,056</u>	<u>\$88,413,600</u>

Other Financing

The District annually establishes a line of credit with a local financial institution in an amount not to exceed \$5,000,000. The District has not borrowed from the line of credit for short-term cash flow purposes since January 2011. The District does not anticipate that it will need to utilize the line of credit for fiscal year 2024-25.

Future Financing

The District borrows annually pursuant to its capital improvement plans. The District plans to borrow an additional approximately \$2,500,000 general obligation debt for the fiscal year ending June 30, 2025 and approximately \$12,000,000 general obligation debt annually thereafter.

Default Record

The District has no record of default on any prior debt repayment obligations.

* Preliminary, subject to change.

Underlying Indebtedness

Set forth below is information relating to the outstanding overlapping and underlying indebtedness of the District.

<u>Name of Entity</u>	<u>Amount of Debt (Net of 2024 Principal Payments)</u>	<u>Percent Chargeable to District</u>	<u>Outstanding Debt Chargeable to District</u>
Kenosha County	\$157,385,000	100.00%	\$157,385,000
Racine County	146,185,000	96.67	141,317,040
Walworth County	0	100.00	0
Cities Total	481,882,144	Varies	478,727,477
Villages Total	414,121,180	Varies	383,697,870
Towns Total	26,053,175	Varies	25,611,058
School Districts Total	768,836,213	Varies	722,201,955
Sanitary Districts Total	43,693,580	Varies	42,922,772
TOTAL	\$2,038,156,292		\$1,951,863,172

Source: Wisconsin Department of Revenue. Information provided by each municipal entity through publicly available disclosure documents available on EMMA.msrb.org and the Wisconsin Department of Public Instruction and direct inquiries.

NOTE: This summary may not reflect all of the District's outstanding overlapping and underlying indebtedness.

Statistical Summary

The table below reflects direct, overlapping and underlying bonded indebtedness net of all 2024 principal payments.

2024 Equalized Valuation as certified by Wisconsin Department of Revenue	\$79,547,895,224
Direct Bonded Indebtedness, including the Notes	\$79,250,000
Direct, Overlapping and Underlying Bonded Indebtedness, Including the Notes	\$2,031,113,172
Direct Bonded Indebtedness as a Percentage of Equalized Valuation	0.10%
Direct, Overlapping and Underlying Bonded Indebtedness as a Percentage of Equalized Valuation	2.55%
Population of District (2023 Estimate)*	466,461
Direct Bonded Indebtedness Per Capita	\$169.90
Direct, Overlapping and Underlying Bonded Indebtedness Per Capita	\$4,354.30

*Source: Wisconsin Technical College District Board.

Debt Limit

As described under the caption "CONSTITUTIONAL AND STATUTORY CONSIDERATIONS AND LIMITATIONS CONCERNING THE DISTRICT'S POWER TO INCUR INDEBTEDNESS—Debt Limit," the total indebtedness of the District may not exceed five percent (5%)⁽¹⁾ of the equalized value of property in the District. Set forth in the table below is a comparison of the outstanding indebtedness of the District, as of the date of the closing, as a percentage of the applicable debt limit.

Equalized Valuation (2024) as certified by Wisconsin Department of Revenue	\$79,547,895,224
Legal Debt Percentage Allowed	<u>5.00%</u>
Legal Debt Limit	\$3,977,394,761
General Obligation Debt Outstanding, including the Notes	<u>\$79,250,000</u>
Unused Margin of Indebtedness	\$3,898,144,761
Percent of Legal Debt Incurred	1.99%
Percentage of Legal Debt Available	98.01%

⁽¹⁾The maximum bonded indebtedness of the District for the purposes of purchasing school sites and the constructing and equipping of school buildings may not exceed two percent (2%).

FINANCIAL INFORMATION

The financial operations of the District are conducted primarily through a series of state mandated funds. All revenues except those attributable to the building funds and other funds authorized by State law are accounted for in the general fund, and any lawful expenditure of the District must be made from the appropriate fund and recorded therein.

As in other areas of the United States, the financing of public education in the State is subject to changing legislation, variations in public opinion, examination of financing methods through litigation and other matters. For these reasons the District cannot anticipate with certainty all of the factors which may influence the financing of its future activities.

Budgeting Process

The District is required by State law to annually formulate a budget and to hold public hearings thereon prior to the determination of the amounts to be financed in whole or in part by general property taxes, tuition, fees, funds on hand or estimated revenues from other sources. Such budget must list existing indebtedness of the District and all anticipated revenue from all sources during the ensuing year and must also list all proposed appropriations for each functional activity and reserve account of the District during the ensuing year.

As part of the budgeting process, budget requests are submitted during the last half of the fiscal year by the instructors and departmental administrators of each division to their respective Vice Presidents, who thereafter review and revise such requests and submit them, with their recommendations, to the President. After review and adjustment by the administrative staff of the District, the proposed budget is presented to the full Board, at which time the proposed budget is reviewed with the District's administrative staff. After further review and adjustment, the proposed budget is again submitted to the full Board each year. The proposed budget is formally adopted by the Board after the public hearing is held.

**GENERAL FUND SUMMARY
FOR YEARS ENDED JUNE 30**

	2024-25 BUDGET	2023-24 ACTUAL	2022-23 ACTUAL	2021-22 ACTUAL	2020-21 ACTUAL
Revenues					
Tax Levy	\$22,715,144	\$21,643,604	\$20,957,340	\$20,342,279	\$22,357,066
State Aid	44,129,279	43,623,891	43,381,194	42,605,522	39,956,438
Institutional	8,400,358	9,351,236	8,534,341	7,223,398	4,667,178
Fees and Tuition	17,159,926	16,361,990	15,530,465	15,256,863	16,219,089
Federal	20,000	14,484	2,368	14,625	16,126
Total revenues	<u>92,424,707</u>	<u>90,995,205</u>	<u>88,405,708</u>	<u>85,442,687</u>	<u>83,215,897</u>
Expenditures					
Instruction	60,543,434	59,357,135	59,240,299	57,853,265	54,514,071
Instructional Resources	1,245,126	1,149,425	1,097,322	1,119,353	1,068,438
Student Services	13,009,449	12,112,815	11,753,197	10,737,670	10,120,937
General Institutional	9,822,392	8,932,828	10,019,724	8,050,942	8,508,445
Physical Plant	7,804,306	7,507,458	7,804,793	7,660,094	7,903,921
Total Expenditures	<u>92,424,707</u>	<u>89,059,661</u>	<u>89,915,335</u>	<u>85,421,324</u>	<u>82,115,812</u>
Excess of revenues over (under) expenditures	<u>0</u>	<u>1,935,544</u>	<u>(1,509,627)</u>	<u>21,363</u>	<u>1,100,085</u>
Other financing sources (uses)					
Operating transfers in/(out)	<u>(31,290)</u>	<u>0</u>	<u>2,125,000</u>	<u>2,385,618</u>	<u>0</u>
Net other financing sources (uses)	<u>(31,290)</u>	<u>0</u>	<u>2,125,000</u>	<u>2,385,618</u>	<u>0</u>
Revenues and other sources over (under) expenditures and other uses	<u><u>(\$31,290)</u></u>	<u>1,935,544</u>	<u>615,373</u>	<u>2,406,981</u>	<u>1,100,085</u>
Fund balances - beginning of year		<u>33,153,495</u>	<u>32,538,122</u>	<u>30,131,141</u>	<u>29,031,056</u>
Fund balances - end of year		<u><u>\$35,089,039</u></u>	<u><u>\$33,153,495</u></u>	<u><u>\$32,538,122</u></u>	<u><u>\$30,131,141</u></u>

**The budgeted use of fund balance reflects the use of excessive fund balance from prior years for strategic initiatives around enrollment, retention and completion.*

The amounts shown for the years ending June 30, 2021 through June 30, 2024 are excerpts from the audit reports which have been prepared by CliftonLarsonAllen LLP, Milwaukee, Wisconsin (the "Auditor"). The amounts shown for the year ending June 30, 2025 are shown on a budgetary basis, as provided by the District. The comparative statement of revenues and expenditures should be read in conjunction with the other financial statements and notes thereto appearing at Appendix A to this Official Statement.

NOTE: The amounts for all years are shown on a budgetary basis of accounting.

Financial Statements

A copy of the District's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024 including the accompanying independent auditor's report, is included as Appendix A to this Official Statement. Potential purchasers should read such financial statements in their entirety for more complete information concerning the District's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The District has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessment, procedures or evaluation with respect to such financial statements since the date thereof, or relating to this Official Statement, nor has the District requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the District since the date of the financial statements, in connection with the issuance of the Notes, the District represents that there has been no material adverse change in the financial position or results of operations of the District, nor has the District incurred any material liabilities, which would make such financial statements misleading.

UNDERWRITING

The Notes have been purchased at a public sale by a group of Underwriters for whom _____ is acting as Managing Underwriter (the "Underwriter"). The Underwriter intends to offer the Notes to the public initially at the prices which produce the yields set forth on the cover page of this Official Statement plus accrued interest from January 9, 2025, if any, which prices may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Notes to the public. The Underwriter may offer and sell the Notes to certain dealers (including dealers depositing the Notes into investment trusts) at prices lower than the public offering prices. In connection with this offering, the Underwriter may over allocate or effect transactions which stabilize or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

TAX EXEMPTION

Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, will deliver a legal opinion with respect to the federal income tax exemption applicable to the interest on the Notes under existing law substantially in the following form:

"The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). The Code contains requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Notes to be included in gross income retroactively to the date of issuance of the Notes. The District has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the District comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Notes."

The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

Prospective purchasers of the Notes should be aware that ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Notes should consult their tax advisors as to collateral federal income tax consequences.

From time to time legislation is proposed, and there are or may be legislative proposals pending in the Congress of the United States that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Notes. It cannot be predicted whether, or in what form, any proposal that could alter one or more of the federal tax matters referred to above or adversely affect the market value of the Notes may be enacted. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

Original Issue Discount

To the extent that the initial public offering price of certain of the Notes is less than the principal amount payable at maturity, such Notes ("Discounted Bonds") will be considered to be issued with original issue discount. The original issue discount is the excess of the stated redemption price at maturity of a Discounted Bond over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discounted Bonds were sold (issue price). With respect to a taxpayer who purchases a Discounted Bond in the initial public offering at the issue price and who holds such Discounted Bond to maturity, the full amount of original issue discount will constitute interest that is not includible in the gross income of the owner of such Discounted Bond for federal income tax purposes and such owner will not, subject to the caveats and provisions herein described, realize taxable capital gain upon payment of such Discounted Bond upon maturity.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discounted Bond, on days that are determined by reference to the maturity date of such Discounted Bond. The amount treated as original issue discount on a Discounted Bond for a particular semiannual accrual period is generally equal to (a) the product of (i) the yield to maturity for such Discounted Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discounted Bond at the beginning of the particular accrual period if held by the original purchaser; and less (b) the amount of any interest payable for such Discounted Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discounted Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If a Discounted Bond is sold or exchanged between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

For federal income tax purposes, the amount of original issue discount that is treated as having accrued with respect to such Discounted Bond is added to the cost basis of the owner in determining gain or loss upon disposition of a Discounted Bond (including its sale, exchange, redemption, or payment at maturity). Amounts received upon disposition of a Discounted Bond that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain.

The accrual or receipt of original issue discount on the Discounted Bonds may result in certain collateral federal income tax consequences for the owners of such Discounted Bonds. The extent of these collateral tax consequences will depend upon the owner's particular tax status and other items of income or deduction.

The Code contains additional provisions relating to the accrual of original issue discount. Owners who purchase Discounted Bonds at a price other than the issue price or who purchase such Discounted Bonds in the secondary market should consult their own tax advisors with respect to the tax consequences of owning the Discounted Bonds. Under the applicable provisions governing the determination of state and local taxes, accrued interest on the Discounted Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year. Owners of Discounted Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Discounted Bonds.

Bond Premium

To the extent that the initial offering price of certain of the Notes is more than the principal amount payable at maturity, such Notes ("Premium Bonds") will be considered to have bond premium.

Any Premium Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. The amortizable bond premium of each Premium Bond is calculated on a daily basis from the issue date of such Premium Bond until its stated maturity date (or call date, if any) on the basis of a constant interest rate compounded at each accrual period (with straight line interpolation between the compounding dates). An owner of a Premium Bond that has amortizable bond premium is not allowed any deduction for the amortizable bond premium; rather the amortizable bond premium attributable to a taxable year is applied against (and operates to reduce) the amount of tax-exempt interest payments on the Premium Bonds. During each taxable year, such an owner must reduce his or her tax basis in such Premium Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (including the sale, exchange, redemption, or payment at maturity) of such Premium Bond.

Owners of Premium Bonds who did not purchase such Premium Bonds in the initial offering at the issue price should consult their own tax advisors with respect to the tax consequences of owning such Premium Bonds. Owners of

Premium Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Premium Bonds.

NOT QUALIFIED TAX-EXEMPT OBLIGATIONS

The Notes shall NOT be “qualified tax-exempt obligations” for purposes of Section 265 of the Code, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission (the “SEC”), pursuant to the Securities Exchange Act of 1934 (the “Rule”), the District shall covenant pursuant to the Award Resolution adopted by the Board to enter into an undertaking (the “Undertaking”) for the benefit of holders including beneficial holders of the Notes to provide certain financial information and operating data relating to the District annually to the Municipal Securities Rulemaking Board (the “MSRB”), and to provide notices of the occurrence of certain events enumerated in the Rule electronically or in the manner otherwise prescribed by the MSRB to the MSRB. **The Undertaking provides that the annual report will be filed not later than 270 days after the end of each fiscal year. The District’s fiscal year ends June 30th.** The details and terms of the Undertaking, as well as the information to be contained in the annual report or the notices of material events, are set forth in the Continuing Disclosure Certificate to be executed and delivered by the District at the time the Notes are delivered. Such Certificate will be in substantially the form attached hereto as Appendix B. A failure by the District to comply with the Undertaking will not constitute an event of default on the Notes (although holders will have the right to obtain specific performance of the obligations under the Undertaking). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Notes in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

The District is required to file its continuing disclosure information using the Electronic Municipal Market Access (“EMMA”) system. Investors will be able to access continuing disclosure information filed with the MSRB at www.emma.msrb.org.

In the previous five years, the District has not failed to comply in all material respects with any previous undertakings under the Rule.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for each maturity of the Notes, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect

Participants”). DTC has an S&P Global rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each Note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Notes within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Notes unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the District or the Agent, on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Notes held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC, the Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the District or the Agent. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

RATING

This issue has been assigned an “Aaa” rating by Moody’s Investors Service, Inc. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from the rating agency furnishing the same. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Notes.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Notes, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Undertakings described under the heading “CONTINUING DISCLOSURE” neither the District nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Notes any proposed change in or withdrawal of such rating or to oppose any such revision or withdrawal.

LITIGATION

There is no controversy or litigation of any nature now pending or, to the knowledge of the District, threatened, restraining or enjoining the issuance, sale, execution or delivery of the Notes, or in any way contesting or affecting the validity of the Notes or any proceedings of the District taken with respect to the issuance or sale thereof.

LEGAL MATTERS

Legal matters incident to the authorization and issuance of the Notes are subject to the unqualified approving legal opinion of Quarles & Brady LLP, Bond Counsel (“Bond Counsel”). Such opinion will be issued on the basis of the law existing at the time of the issuance of the Notes. A copy of such opinion will be available at the time of the delivery of the Notes.

MUNICIPAL BANKRUPTCY

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the “Bankruptcy Code”). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be “specifically authorized” under State law to file for relief under Chapter 9. For these purposes, “State law” may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State’s executive branch.

As of the date hereof, Wisconsin law contains no express authority for municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code.

Nevertheless, there can be no assurance (a) that State law will not change in the future, while the Notes are outstanding, in a way that would allow the District to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code; or (b) even absent such a change in State law, that an executive order or other executive action could not effectively authorize the District to file for relief under Chapter 9. If, in the future, the District were to file a bankruptcy case under Chapter 9, the relevant bankruptcy court would need to consider whether the District could properly do so, which would involve questions regarding State law authority as well as other questions such as whether the District is a municipality for bankruptcy purposes. If the relevant bankruptcy court concluded that the District could properly file a bankruptcy case, and that determination was not reversed, vacated, or otherwise substantially altered on appeal, then the rights of holders of the Notes could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Notes, and there could ultimately be no assurance that holders of the Notes would be paid in full or in part on the Notes. Further, under such circumstances, there could be no assurance that the Notes would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Notes could be viewed as having no priority (a) over claims of other creditors of the District; (b) to any particular assets of the District, or (c) to revenues otherwise designated for payment to holders of the Notes.

Moreover, if the District were determined not to be a “municipality” for the purposes of the Bankruptcy Code, no representations can be made regarding whether it would still be eligible for voluntary or involuntary relief under Chapters of the Bankruptcy Code other than Chapter 9 or under similar federal or state law or equitable proceeding

regarding insolvency or providing for protection from creditors. In any such case, there can be no assurance that the consequences described above for the holders of the Notes would not occur.

FINANCIAL ADVISOR

Robert W. Baird & Co. Incorporated, Milwaukee, Wisconsin, has been retained as financial advisor (the "Financial Advisor" or "Baird") in connection with the issuance of the Notes. In preparing this Official Statement, the Financial Advisor has relied upon the District, and other sources, having access to relevant data to provide accurate information for this Official Statement. To the best of the Financial Advisor's knowledge, the information contained in this Official Statement is true and accurate. However, the Financial Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information.

The Financial Advisor's duties, responsibilities, and fees in connection with this issuance arise solely from the services for which it is engaged to perform as financial advisor on the Notes. Baird's compensation for serving as financial advisor on the Notes is conditional on the successful closing of the Notes.

MISCELLANEOUS

Any statement made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

Bond Counsel has not assumed responsibility for this Official Statement or participated in its preparation (except with respect to the section entitled "TAX EXEMPTION") and has not performed any investigation as to its accuracy, completeness or sufficiency.

The execution and delivery of this Official Statement by the District Secretary has been duly authorized by the District.

In accordance with the Rule, the Preliminary Official Statement is deemed final except for the omission of certain information described in the Rule.

AUTHORIZATION

This Official Statement has been approved for distribution to prospective purchasers and the Underwriter of the Notes. The District, acting through its Chairperson and District Secretary, will provide to the Underwriter of the Notes at the time of delivery of the Notes, a certificate confirming that, to the best of its knowledge and belief, the Official Statement with respect to the Notes, together with any supplements thereto, at the time of the adoption of the Award Resolution and at the time of delivery of the Notes, was true and correct in all material respects and did not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated, where necessary to make the statements in light of the circumstances under which they were made, not misleading.

GATEWAY TECHNICAL COLLEGE DISTRICT

By/s/ _____
District Secretary

APPENDIX A

GATEWAY TECHNICAL COLLEGE DISTRICT Racine, Kenosha and Walworth Counties, Wisconsin

ANNUAL COMPREHENSIVE FINANCIAL REPORT For year ended June 30, 2024

**CliftonLarsonAllen LLP
Milwaukee, Wisconsin**

A copy of the District's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024 including the accompanying independent auditor's report, is included as Appendix A to this Official Statement. Potential purchasers should read such financial statements in their entirety for more complete information concerning the District's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The District has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessment, procedures or evaluation with respect to such financial statements since the date thereof, or relating to this Official Statement, nor has the District requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the District since the date of the financial statements, in connection with the issuance of the Notes, the District represents that there has been no material adverse change in the financial position or results of operations of the District, nor has the District incurred any material liabilities, which would make such financial statements misleading.

CliftonLarsonAllen LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statement addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this offering document.

2024 Annual Comprehensive Financial Report

(with Independent Auditors' Report)

For the Fiscal Years Ended June 30, 2024 and 2023



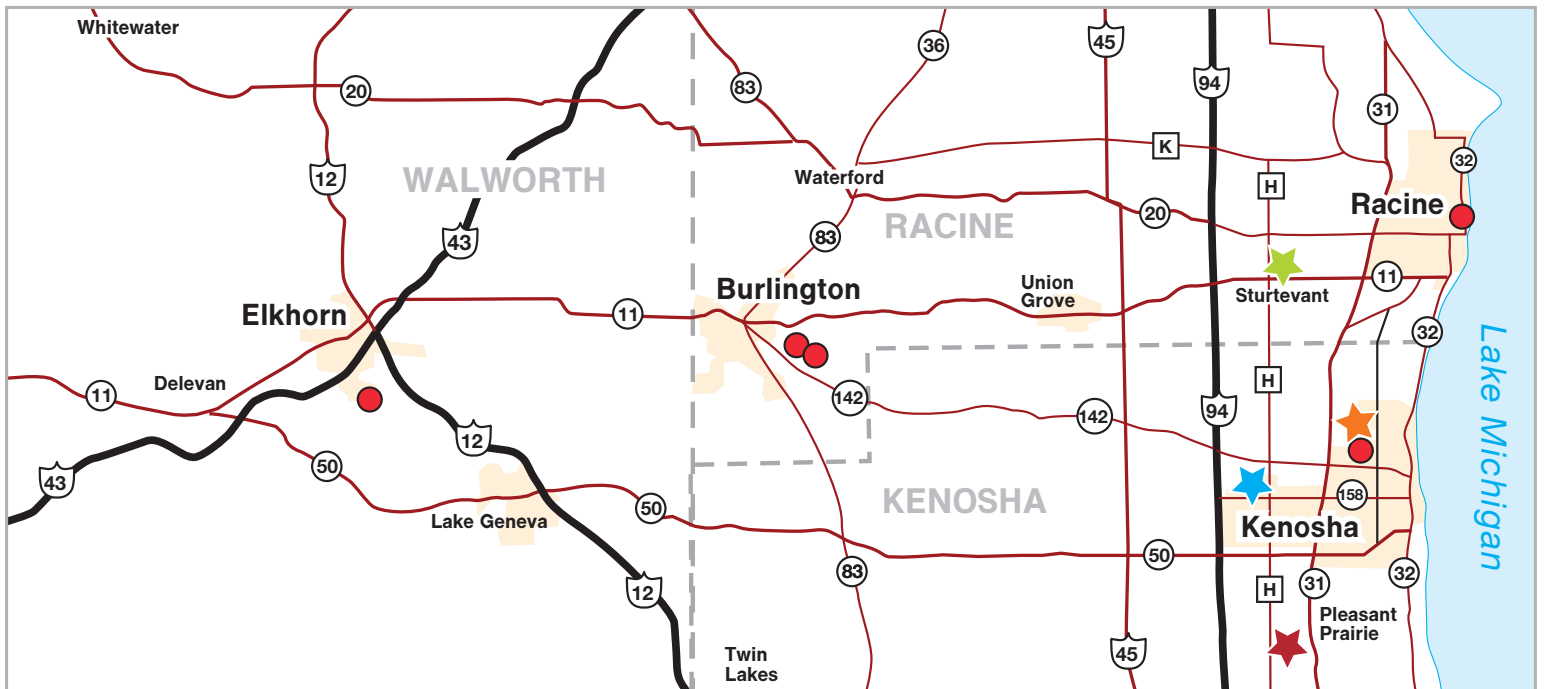
Serving Southeastern WI

The College will not discriminate against any employee, applicant for employment, student or applicant for admission on the basis of race, color, national origin, ancestry, sex, sexual orientation, creed, religion, political affiliation, marital status, parental status, pregnancy, disability, age, membership in any reserve component of the armed forces, union affiliation, arrest and conviction record, or any other protected category under applicable local, state or federal law, including protections for those opposing discrimination or participating in any resolution process on campus or within the Equal Employment Opportunity Commission or other human rights agencies. For more information or to file a complaint, contact the Office for Equal Opportunity and Civil Rights (262-564-3062) or Director of Human Resources (262-564-3220).



Gateway Technical College

Gateway Technical College





GATEWAY TECHNICAL COLLEGE DISTRICT

Racine/Kenosha/Elkhorn, Wisconsin

Annual Comprehensive Financial Report
For the Fiscal Years Ended June 30, 2024 and 2023
(With Independent Auditors' Report)

Official Issuing Report:

Sharon Johnson, CPA
CFO/VP of Finance & Administration

Report Prepared By:

Sharon Johnson, CPA, CFO/VP of Finance & Administration
Anandhi Krishnan, Controller
Michael Gabron, Assistant Controller

Assisted By:

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

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GATEWAY TECHNICAL COLLEGE DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Years Ended June 30, 2024 and 2023

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GATEWAY TECHNICAL COLLEGE DISTRICT

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GATEWAY TECHNICAL COLLEGE DISTRICT

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Ritu Raju, PhD
President and CEO

November 8, 2024

Burlington Center
496 McCanna Pkwy.
Burlington, WI 53105-3623

Elkhorn Campus
400 County Road H
Elkhorn, WI 53121-2046

**HERO (Health And
Emergency Response
Occupations) Center**
380 McCanna Pkwy.
Burlington, WI 53105-3622

**Horizon Center For
Transportation
Technology**
4940 - 88th Avenue
Kenosha, WI 53144-7467

Inspire Center
3520 - 30th Avenue
Kenosha, WI 53144-1690

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

**Lakeview Advanced
Technology Center**
9449 - 88th Avenue (Highway H)
Pleasant Prairie, WI 53158-2216

Racine Campus
1001 South Main Street
Racine, WI 53403-1582

**SC Johnson
iMET (Integrated
Manufacturing
& Engineering
Technology) Center**
Renaissance Business Park
2320 Renaissance Blvd.
Sturtevant, WI 53177-1763

WGTD HD
Your Gateway to Public Radio
wgtd.org
262.564.3800

gtc.edu
800.247.7122

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

The Annual Comprehensive Financial Report (ACFR) of Gateway Technical College District (the District or Gateway) for the fiscal years ended June 30, 2024, and June 30, 2023 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities have been included.

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

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

Gateway – Environment

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

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

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

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

Gateway serves nearly 20,500 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

In fiscal year 2021, the Board and Administration refined the college's strategic direction to position us for future growth and maximize our impact on the lives of students and the broader community. This led to the development of *Vision 2024WARD*, a new strategic plan designed to span three fiscal years. The plan focused on three core Strategic Directions essential to the college's ongoing success:

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

Fiscal year 2024 marked the final year of *Vision 2024WARD*, during which the college made significant strides in advancing these initiatives. As we look to the future, our next strategic plan will continue this crucial work, with a deepened commitment to supporting student success.

Significant Recognitions

Gateway served the highest number of dual credit students in the state of Wisconsin, according to figures released by the Wisconsin Technical College System. A total of 7,483 students from approximately 50 high schools in the Gateway Technical College District, which includes Walworth County, Racine County and Kenosha County, participated in Gateway's dual credit program in the 2023-24 Academic Year, a 161-student increase from 2022-23. Those students earned 35,950 college credits at Gateway and saved approximately \$6 million in tuition costs.

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

Economic Condition and Development

Wisconsin's economy is well into recovery from the pandemic. The U.S. Bureau of Labor Statistics' unemployment and employment estimates showed Wisconsin's not-seasonally adjusted June 2024 unemployment rate at 3.3 percent. For the same time period, the unemployment rate in Kenosha County was 3.7 percent, Racine County 3.9 percent and Walworth County 3.0 percent. Those rates compare to June 2023 numbers of 3.8 percent in Kenosha County, 3.9 percent in Racine County, and 3.4 percent in Walworth County.

While the pandemic has introduced complex, evolving challenges for our district economy and global business, our region's strong workforce, strategic location, educational resources, and robust infrastructure—along with a resilient manufacturing base—continue to attract new companies. The college's flexible and high-quality training programs have become a key factor in drawing businesses to the community, while the District strives to quickly build impactful partnerships with these new enterprises.

By responding effectively to business needs and producing well-prepared graduates ready to enter the workforce, the college remains a driving force in the area's economic growth. Local companies benefit from the college's role in fostering expansion and development, with programs and initiatives that have received recognition locally, statewide, and nationally.

To address industry needs, the college has broadened its course offerings in high-demand fields and updated its facilities to support advanced Industry 4.0 training, alongside increased capacity for welding and nursing programs. Additionally, the college is advancing its multi-year, data-driven strategic enrollment plan aimed at recruiting, retaining, and empowering students to achieve their educational goals.

The college's strength lies in its shared commitment to students, community, and staff, and it will continue to meet new challenges by developing forward-thinking initiatives that support growth and success for all.

Major Initiatives and Accomplishments

Gateway had several major initiatives, accomplishments and efforts during fiscal year 2023-24 to support students and the community. A few of those accomplishments included:

Gateway reached a new agreement with The University of Wisconsin-Milwaukee that will guarantee admission for their graduates and make transferring credits to UWM a simple, stress-free process.

Gateway Technical College joined Moon Shot for Equity; a national student success initiative led by Washington, D.C.-based education firm EAB to help more students from historically underserved populations graduate from college.

Leadership of a Model College

In fiscal year 2023-24, Gateway demonstrated its leadership in the community and on a national level in a number of ways including the following:

SC Johnson iMET Center hosted the Microsoft announcement with Brad Smith and President Biden. The college was in the national spotlight and demonstrates leadership in the community, region and state.

Gateway hosted the Microsoft team to have discussions with those within the Racine community. Brad Smith, Vice Chair and President of Microsoft spoke with community leaders and stakeholders.

Gateway held its annual Women in Manufacturing event at its SC Johnson iMET center. The event is a forum designed to introduce women to the number of rich and family-sustaining careers in manufacturing.

The Student Strengths Coordinator participated in TAG leadership retreat. This workshop focused on encouraging students to use their Strengths to be successful academically.

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 2023-24 fiscal year.

- Students from the School of Manufacturing, Engineering, and Information Technology applied their skills to repair a damaged art installation at Monument Square in Racine, gaining hands-on welding experience while giving back to the community.
- The School of Health welcomed 80 children from the Boys and Girls Club for dental screenings, supported by our Dental Assistant students and the Racine Dental Group.
- Gateway's student chapter of dig.IT hosted a computer repair clinic, offering the public free computer repairs while showcasing their technical skills and serving community members.
- Gateway Technical College's Barber Technologist and Cosmetology programs held their annual Veterans Cut-a-Thon, providing free haircuts at all three campuses and supporting the Student Veterans Club.

Community Partnerships

Gateway believes that community partnerships serve to strengthen both the quality of education we provide to our students and the value that the college adds to our communities. A few of the highlights from fiscal year 2024 include:

Gateway held its first State of the College address. This was a time for the president Dr. Raju to speak about the past year and to share a vision for the upcoming year. This event was well attended by community members, business partners and staff at the college.

Gateway Technical College hosted a Microsoft train-the-trainer Artificial Intelligence Bootcamp for Educators event at its SC Johnson iMET Center in Sturtevant, an event that marks one of the many steps taken by Microsoft to invest in Wisconsin and its economy.

Gateway hosted the 30th annual Martin Luther King celebrations where we honored individuals with Humanitarian awards and acknowledged local students as Dream keepers.

Green Initiatives

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

- In fiscal year 2024 Gateway Technical College held its 16th Annual Celebrate Earth Day, a community event featuring fun, hands-on activities for folks of all ages to learn how to be stewards of the environment.

- Gateway Technical College hosted “The Buzz on Bees,” a workshop focused on beekeeping and the importance of honeybees in pollination at its Center for Sustainable Living on its Kenosha Campus. A Beekeeping expert talked about honeybees, beekeeping and how everyone can help support the honeybee population in our everyday lives.

Student Success

Gateway provides students the opportunity to succeed in their future careers through innovative programs, state-of-the art instruction, continually improving its ancillary services, and encouraging participation in activities outside the classroom that will enhance the student’s education and career goals. Gateway is committed to being a catalyst to student success and notable examples include:

- Six Gateway students in attendance competed in the PC Troubleshooting competition against a field of over 150 IT students. Three Gateway students also competed in the Security competition against a field of nearly 90 IT students from across the country.
- 162 High School Academy students completed a sequence of courses in specific career pathways.
- The Gateway Technical College Red Hawks esports team made it to the Eastern College Athletic Conference finals. The team is currently ranked eighth.

Technology Initiatives

Gateway's information technology team continues to research alternative technologies in support of learning objectives. As a technical college, Gateway realizes the importance of offering skills training through the most up-to-date technology, as well as providing technology to its staff to meet the needs of students, the community, and business partners. The top initiatives of 2023-24 include:

Gateway completed an integration between the Colleague ERP and the Brightspace LMS. This integration automated the sending of Students, Staff, Courses, and Enrollments from Colleague to Brightspace.

The integration between Red Hawk Tech and Brightspace has also been completed. This integration automates the sending of Courses and Enrollments from Red Hawk Tech to Brightspace.

Special Funding/Grants

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

- For the fifth straight year, Gateway Technical College was named a recipient of a Metallica All Within My Hands Foundation scholarship, helping to pay for training in the very in-demand career field of advanced manufacturing. The scholarship is designed to directly support students while also elevating the importance of career and technical education. Gateway is one of 42 chosen out of a competitive field of community colleges from across the country to receive funding that will transform the future of students in the community.
- Gateway Technical College trained approximately 200 workers from six area companies as part of Wisconsin's Workforce Advancement Training grant initiative to the college. The college secured \$261,011 in grants as part of an overall statewide grant package totaling \$6 million. Gateway's Business and Workforce Solutions and grants divisions worked with area companies on the competitive grant application process, helping to pinpoint their training needs and how the grant funding would impact their business.
- The Gateway Technical College Foundation awarded 260 scholarships at its annual awards ceremony Feb. 3 on the college's Kenosha Campus, helping 175 students succeed in their educational pursuits and realize their career goals. A total of \$250,000 in scholarships was celebrated at the event.

New Programs/Academic Initiatives

Gateway strives to be flexible in its course and service delivery to help students achieve their goals. During fiscal year 2023-24 the following new program offerings were initiated:

- Human Resources (AAS program)
- Fire Science (Technical Diploma)
- Arborist Apprenticeship (Apprenticeship)
- IT Service Desk Technician (Apprenticeship)
- Diesel Technician (Apprenticeship)
- Facilities Maintenance Technician (Apprenticeship)

Management Systems and Controls

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

Single Audit

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

Budgeting Controls

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

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

Other Information

Independent Audit

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

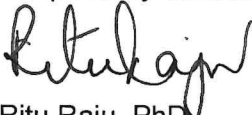
Certificates

Gateway has been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association (GFOA) for Gateway's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. In order to be awarded such certificates, a college unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report whose contents conform to program standards, principles, and applicable legal requirements. The Certificate is valid for a period of one year only. We believe our current report continues to conform to the program's requirements and we will be submitting this report to GFOA for their review.

Acknowledgment

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

Respectfully submitted,



Ritu Raju, PhD
President & Chief Executive Officer



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

GATEWAY TECHNICAL COLLEGE

DISTRICT BOARD AND PRINCIPAL OFFICIALS
As of June 30, 2024

District Board

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

Principal Officials

President and Chief Executive Officer	Ritu Raju, Ph.D.
Executive Vice President, Academic Affairs	Matthew Janisin, Ed.D.
Executive Vice President, Student Affairs	Stacy Riley, Ed.D.
Chief Financial Officer / Vice President Finance & Administration	Sharon Johnson, CPA
Vice President, Talent & Culture	Jacqueline Morris
Vice President, Learning Innovation & CIO	Jeffrey D. Robshaw
Vice President, Community & Government Relations	Stephanie L. Sklba
Vice President of Diversity, Equity & Inclusion	Tammi, Summers, Ph.D.



Gateway Technical College District Board of Trustees

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

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



Jesse Adams
Walworth County



Ram Bhatia
Racine County



D. Benjamin DeSmidt
Kenosha County



William Duncan
Walworth County



Zaida Lange-Irisson
Racine County



Rebecca Matoska-Mentink
Kenosha County



R. Scott Pierce
Kenosha County

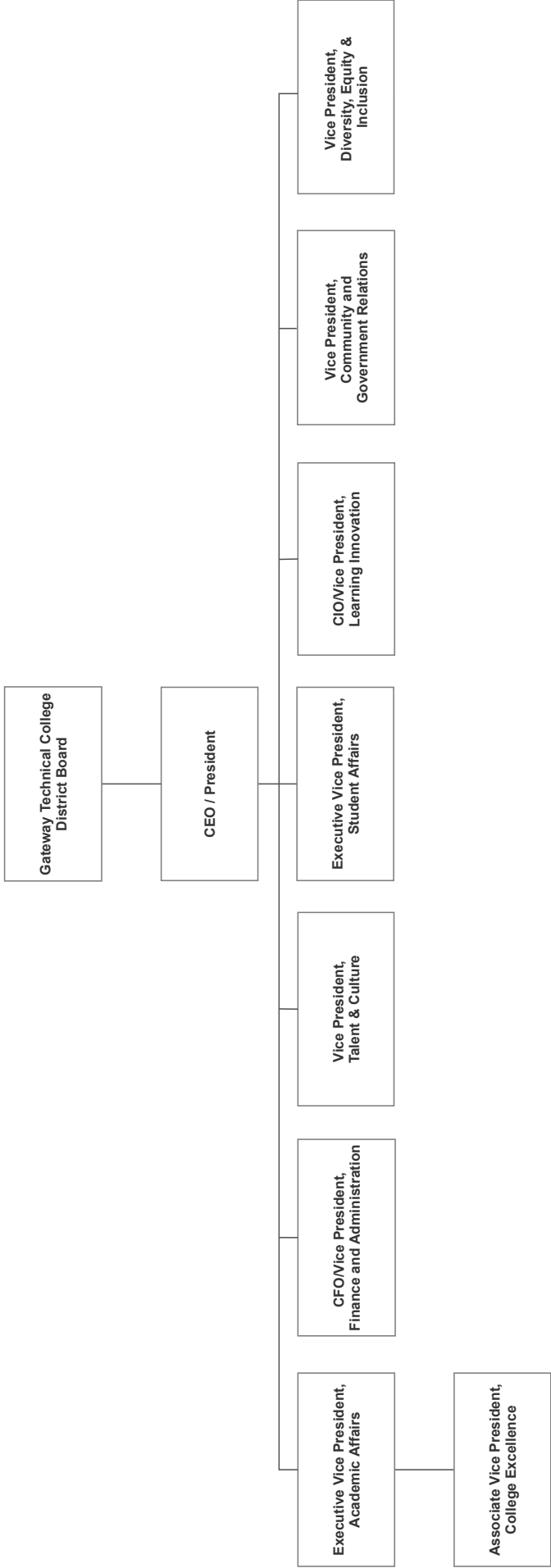


Jason Tadlock
Walworth County



Pamela Zenner-Richards
Racine County

**GATEWAY TECHNICAL COLLEGE
ORGANIZATIONAL CHART
As of June 30, 2024**





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Gateway Technical College
Wisconsin**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO



INDEPENDENT AUDITORS' REPORT

District Board
Gateway Technical College District
Kenosha, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activity and the discretely presented component unit of the Gateway Technical College District (the District), as of and for the year ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, based on our audits and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activity and the discretely presented component unit of the District, as of June 30, 2024 and 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Gateway Technical College Foundation, Inc. (the Foundation), which represents 100% and 100%, respectively, of the assets and revenues of the discretely presented component unit as of and for the years ended June 30, 2024 and 2023. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of other auditors.

Emphasis-of-Matter - Report on Summarized Comparative Information

Other auditors' have previously audited the discretely presented component unit's 2024 financial statements, and expressed unmodified opinions on the financial statements in their report dated August 30, 2024. In the other auditors' opinion, the summarized comparative information presented herein for the Foundation as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Milwaukee, Wisconsin
November 8, 2024

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, 2024.

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

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

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

Statements of Net Position

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

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

Stated in Thousands (\$000)					
	<u>2024</u>	<u>2023</u>	<u>Incr (Decr)</u> <u>2024-2023</u>	<u>2022</u>	<u>Incr (Decr)</u> <u>2023-2022</u>
<u>Assets</u>					
Cash and other current assets	\$ 68,525	\$ 62,907	\$ 5,618	\$ 60,830	\$ 2,077
Capital assets, net of accumulated depreciation/amortization	<u>111,783</u>	<u>110,960</u>	<u>823</u>	<u>135,460</u>	<u>(24,500)</u>
Total Assets	<u>180,308</u>	<u>173,867</u>	<u>6,441</u>	<u>196,290</u>	<u>(22,423)</u>
<u>Deferred Outflows</u>					
Deferred outflows related to pension and OPEB	<u>36,163</u>	<u>57,876</u>	<u>(21,713)</u>	<u>47,715</u>	<u>10,161</u>
<u>Liabilities</u>					
Current	24,389	22,665	1,724	23,422	(757)
Non-Current	<u>83,417</u>	<u>96,334</u>	<u>(12,917)</u>	<u>83,052</u>	<u>13,282</u>
Total Liabilities	<u>107,806</u>	<u>118,999</u>	<u>(11,193)</u>	<u>106,474</u>	<u>12,525</u>
<u>Deferred Inflows</u>					
Deferred inflows related to pension, OPEB, and leases	<u>28,874</u>	<u>38,832</u>	<u>(9,958)</u>	<u>62,325</u>	<u>(23,493)</u>
<u>Net Position</u>					
Net investment in capital assets	40,985	40,517	468	40,019	498
Restricted	6,272	5,746	526	30,201	(24,455)
Unrestricted	<u>32,534</u>	<u>27,649</u>	<u>4,885</u>	<u>4,986</u>	<u>22,663</u>
Total Net Position	<u>\$ 79,791</u>	<u>\$ 73,912</u>	<u>\$ 5,879</u>	<u>\$ 75,206</u>	<u>\$ (1,294)</u>

Total assets and deferred outflows decreased \$15.3 million or 6.6% in FY 2024 and \$12.3 million or 5.0% in FY 2023. Total liabilities and deferred inflows decreased by \$11.0 million or 6.5% in FY 2023 as compared to a decrease of \$21.2 million or 13.4% in FY 2024. Overall, the total net position increased by \$5.9 million or 8.0% in FY 2024 while FY 2023 experienced a \$1.3 million or 1.7% decrease for the fiscal year.

Fiscal Year 2024 Compared to Fiscal Year 2023

- In FY 2024 cash and cash equivalents experienced an increase of \$3.8 million or 7.8% due to a continued effort to control expenditures in light of stagnant revenues compared to \$1.9 million or 4.1% increase in FY 2023.
- Non-Current assets increased by \$1.7 million or 1.5% due mainly to new leases and an increase in the value of the lease receivable.
- Other assets increased by \$1.0 million or 7.1% due mainly to an increase in the property tax receivable because of slightly less taxes collected by year end.
- Deferred outflows, which includes amounts related to the District's Wisconsin Retirement System pension liability and OPEB liability, decreased \$21.7 million in FY 2024 as compared to an increase of \$10.2 million in FY 2023. The decrease is due to

2024 as compared to an increase of \$10.2 million in FY 2023. The decrease is due to the change in deferred outflows related to the District's pension liability of \$4.2 million in FY 2024 as compared to a liability of \$15.8 million in FY 2023. In addition, the District saw a decrease in its deferred outflows related to its OPEB obligation of \$0.2 million in FY2024. (Additional information can be found in footnotes six and seven in the notes to the financial statements).

- Overall current liabilities increased \$1.7 million or 7.6% in FY 2024 as compared to a decrease of \$0.8 million or 3.2% in FY 2023. The increase in FY 2024 is due mainly to increases in accrued payroll benefits, general obligation debt and accounts payable due to the timing of unpaid invoices at year end at the end of FY 2024.
- Non-Current liabilities decreased \$12.9 million or 13.4% in FY 2024 as compared to an increase of \$13.3 million or 16.0% in FY 2023. The decrease in FY 2024 is due to the decrease in the value of the pension liability of 11.6 million or 73.4%. There was also a decrease in the OPEB liability of \$1.2 million or 7.2%. (Additional information can be found in footnotes six and seven in the notes to the financial statements).
- Deferred inflows, which includes amounts related to the District's Wisconsin Retirement System pension liability (asset), OPEB liability and leases decreased by \$10.0 million or 25.6% in FY 2024. The decrease is due to the change in deferred inflows related to the District's pension liability in FY 2024 as well as the recording of deferred inflows relating changes in the District's OPEB and lease liabilities. (Additional information can be found in footnotes six and seven in the notes to the financial statements).

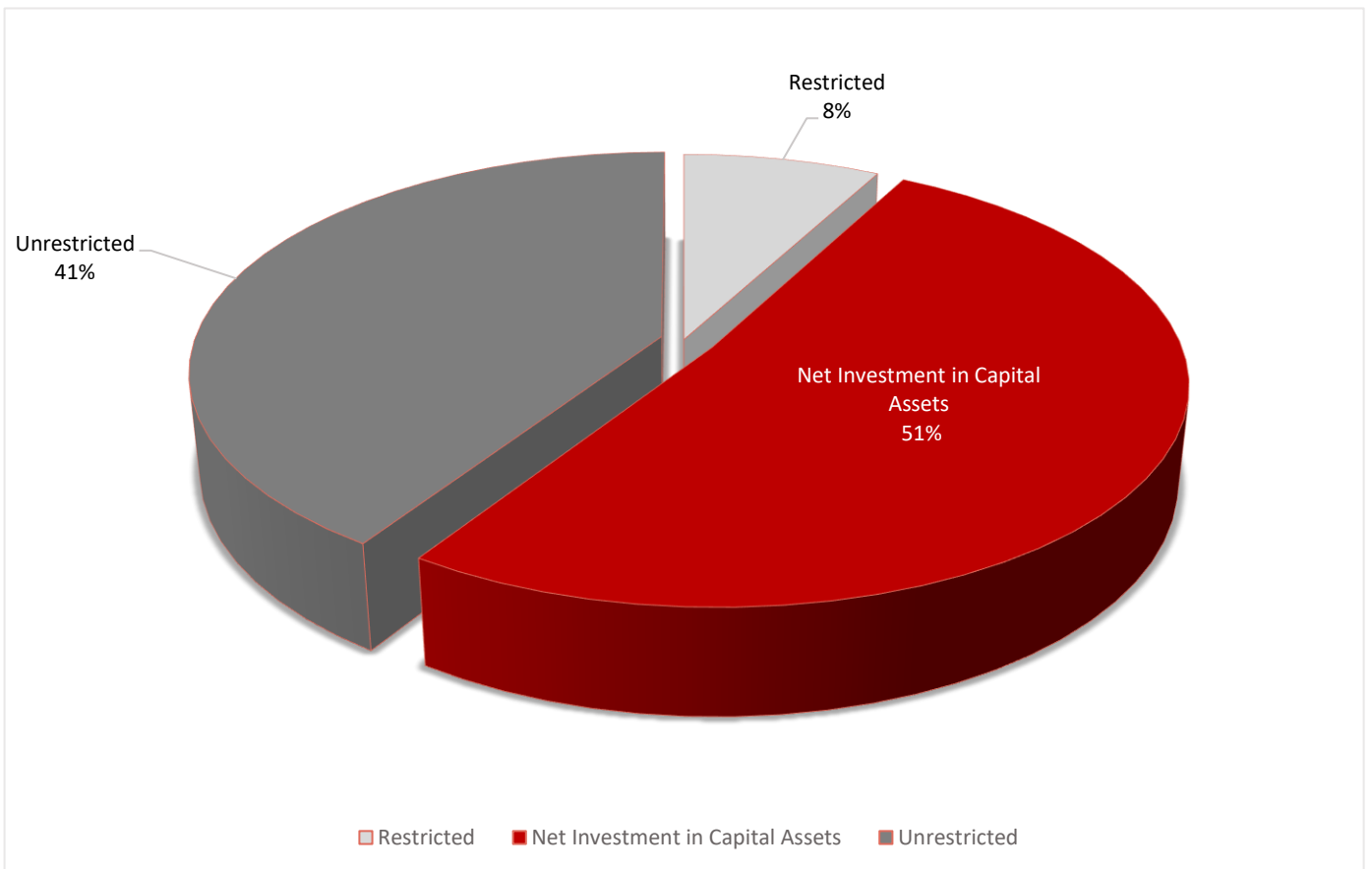
Fiscal Year 2023 Compared to Fiscal Year 2022

- In FY 2023 cash and cash equivalents experienced an increase of \$1.9 million or 4.1% due to a continued effort to control expenditures to mitigate the effects of decreased enrollment compared to \$4.1 million or 9.8% increase in FY 2022.
- Non-Current assets decreased by \$24.5 million or 18.0% due to the decrease in the value of the pension asset resulting in a pension liability for the year.
- Other assets increased by \$2.1 million or 1.6% due mainly to an increase in the federal and state aid receivable attributed to larger federal grant receivables and an increase in property tax receivables due to slightly less taxes collected by year end. These increases are offset by a decrease in prepaid expenses and the lease receivable at year end.
- Deferred outflows, which includes amounts related to the District's Wisconsin Retirement System pension liability and OPEB liability, increased \$10.2 million in FY 2023 as compared to an increase of \$15.2 million in FY 2022. The increase is due to the change in deferred outflows related to the District's pension liability of \$15.8 million in FY 2023. In addition, the District saw a decrease in its deferred outflows related to its OPEB obligation of \$0.8 million in FY2023. (Additional information can be found in footnotes six and seven in the notes to the financial statements).
- Overall current liabilities decreased \$.8 million or 3.2% in FY 2023 as compared to a decrease of \$.6 million or 6.5% in FY 2022. The decrease in FY 2023 is due mainly to a decrease in accrued payroll benefits, general obligation debt and unearned revenue. These decreases are offset by an increase in accounts payable due to the timing unpaid

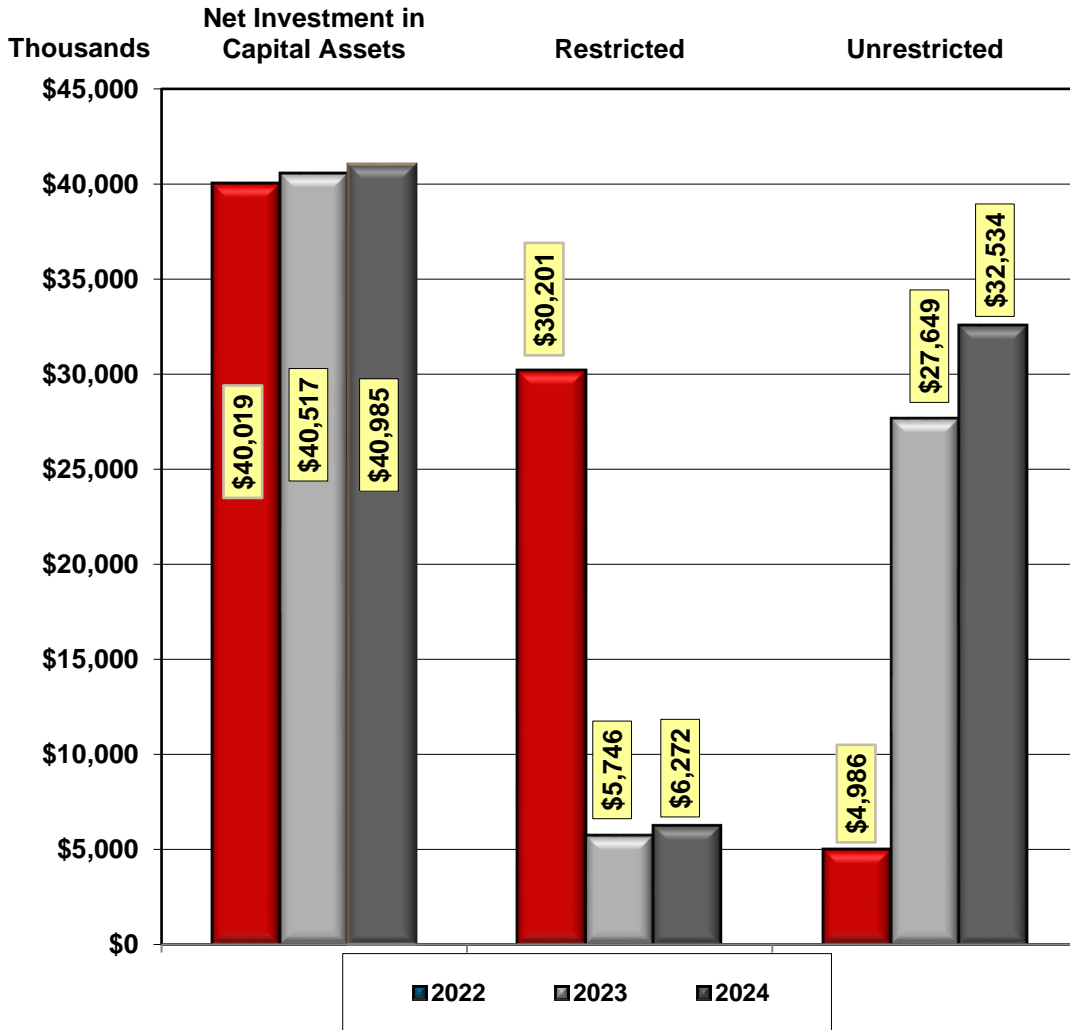
invoices at year end in FY23 and an increase in OPEB benefit liabilities due to higher benefit costs.

- Non-Current liabilities increased \$13.3 million or 16.0% in FY 2023 as compared to an increase of \$.6 million or .8% in FY 2022. The increase in FY 2023 is due the decrease in the value of the pension asset, resulting in a pension liability of \$15.8M. There was also a decrease in the OPEB liability of \$3.1 million or 16.6%, offset by an increase in lease liability of \$0.5 million. (Additional information can be found in footnotes six and seven in the notes to the financial statements).
- Deferred inflows, which includes amounts related to the District’s Wisconsin Retirement System pension liability (asset), OPEB liability and leases decreased by \$23.5 million or 37.7% in FY 2023. The decrease is due to the change in deferred inflows related to the District’s pension liability in FY 2023 as well as the recording of deferred inflows relating changes in the District’s OPEB and lease liabilities. (Additional information can be found in footnotes six and seven in the notes to the financial statements).

Net Position **June 30, 2024**



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



Statement of Revenues, Expenses and Changes in Net Position

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

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

Stated in Thousands (\$000)

	<u>2024</u>	<u>2023</u>	<u>Incr (Decr)</u> <u>2024-2023</u>	<u>2022</u>	<u>Incr (Decr)</u> <u>2023-2022</u>
<u>Operating Revenues</u>					
Student fees	\$ 11,110	\$ 10,718	\$ 392	\$ 11,586	\$ (868)
Federal & state grants	16,478	20,119	(3,641)	24,906	(4,787)
Contract revenues	7,391	7,485	(94)	6,650	835
Auxiliary & miscellaneous revenues	<u>1,848</u>	<u>1,513</u>	<u>335</u>	<u>1,482</u>	<u>31</u>
Total Operating Revenues	<u>36,827</u>	<u>39,835</u>	<u>(3,008)</u>	<u>44,624</u>	<u>(4,789)</u>
<u>Operating Expenses</u>					
Instruction	61,587	66,381	(4,794)	58,301	8,080
Instructional resources	1,115	1,141	(26)	1,056	85
Student services	15,487	15,840	(353)	12,794	3,046
General institutional	10,515	11,305	(790)	9,809	1,496
Physical plant	5,900	8,540	(2,640)	7,680	860
Student aid	13,719	12,185	1,534	20,471	(8,286)
Public services	427	428	(1)	375	53
Auxiliary services	769	462	307	536	(74)
Depreciation/amoritzation	<u>14,903</u>	<u>14,290</u>	<u>613</u>	<u>12,447</u>	<u>1,843</u>
Total Operating Expenses	<u>124,422</u>	<u>130,572</u>	<u>(6,150)</u>	<u>123,469</u>	<u>7,103</u>
<u>Non-operating Revenues (Expenses)</u>					
Property taxes	40,465	39,172	1,293	38,190	982
State appropriations	43,492	43,277	215	42,467	810
Federal nonoperating grants	9,407	7,946	1,461	7,194	752
Loss on disposal of capital assets	(110)	(27)	(83)	(33)	6
Investment income	1,979	924	1,055	55	869
Interest expense & debt issuance costs	<u>(2,090)</u>	<u>(1,849)</u>	<u>(241)</u>	<u>(1,655)</u>	<u>(194)</u>
Total Non-operating Revenues (Expenses)	<u>93,143</u>	<u>89,443</u>	<u>3,700</u>	<u>86,218</u>	<u>3,225</u>
<u>Capital Contributions</u>					
Federal & state capital grants	131	-	131	3,180	(3,180)
Other capital grants/donations	<u>200</u>	<u>-</u>	<u>200</u>	<u>92</u>	<u>(92)</u>
Total Capital Contributions	<u>331</u>	<u>-</u>	<u>331</u>	<u>3,272</u>	<u>(3,272)</u>
Net increase (decrease) in net position	5,879	(1,294)	7,173	10,645	(11,939)
Net Position - beginning of year	<u>73,912</u>	<u>75,206</u>		<u>64,561</u>	
Net Position - end of year	<u>\$ 79,791</u>	<u>\$ 73,912</u>		<u>\$ 75,206</u>	

Operating Revenues include the charges for services offered by the District and other federal and state operating grants. During FY 2024, the District generated \$36.8 million of operating revenue, which is a 7.6% decrease or \$3.0 million less than in FY 2023. Significant changes for the fiscal years are as follows:

Fiscal Year 2024 Compared to Fiscal Year 2023

- Student Tuition net of scholarship allowances increased by \$0.4 million or 3.7% in FY 2024 due to higher tuition allowances in FY24 than in FY23 as compared to an increase of \$.8 million or 7.9% in FY 2023.
- Federal grants decreased by \$3.5 million or 21.5% in FY 2024 versus 2023 due to The elimination of utilization of Higher Education Emergency Relief funding grants in FY24.
- State grants decreased by \$.1 million or 3.0% in FY 2024 versus 2023 due to a decrease in state grants received in FY24.
- Miscellaneous revenues increased by \$.2 million or 14.0% in 2024.

Fiscal Year 2023 Compared to Fiscal Year 2022

- Student Tuition net of scholarship allowances decreased by \$0.9 million or 7.5% in FY 2023 due to higher tuition allowances in FY23 than in FY22 as compared to an increase of \$.4 million or 3.3% in FY 2022.
- Federal grants decreased by \$5.4 million or 24.9% in FY 2023 versus 2022 due to decreased utilization of Higher Education Emergency Relief funding grants in FY23.
- State grants increased by \$.6 million or 20.5% in FY 2023 versus 2022 due to an increase in state grants received in FY23.
- Contract revenues increased by \$.8 million or 12.6% in 2023 versus 2022 due to increased contract revenue as the coronavirus subsided.

Operating Expenses are costs incurred for providing education, training, and related services. Overall operating expenses decreased by \$6.1 million or 4.7% in FY 2024 as compared to an increase of \$7.1 million or 5.8% in FY 2023. Changes within operating expenses for the fiscal years are as follows:

Fiscal Year 2024 Compared to Fiscal Year 2023

- Operating expenses decreased by \$6.1 million in FY 2024 compared to an increase of \$7.1 million in FY 2023. The FY 2024 decrease is due to decreased pension and OPEB expense and a decrease in expenditures due to remaining use of Emergency Relief funds occurring in FY 2023.

Fiscal Year 2023 Compared to Fiscal Year 2022

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

Non-Operating Revenues represent funds that are obtained to support operations but are not directly related to operating activity. Wisconsin legislation subsidizes the operating expenses of the sixteen technical colleges by authorizing an allocation of state revenue and giving the colleges the authority to levy property taxes in the municipalities they serve. Overall, non-operating revenues, net of interest expense, increased by \$3.7 million or 4.1% in FY 2024 compared to a \$3.2 million increase or 3.7% in FY 2023. The significant components of the fiscal years are as follows:

- Property taxes are a primary source of revenue for the District comprising 30.6% of our revenue source in FY 2024. Overall property tax revenues for the year were \$40.5 million, an increase of \$1.3 million or 3.3% more than recognized in FY 2023.

The 2013 Wisconsin Act 20, among other things, eliminated the mill rate limitation that had been in place for technical districts in previous fiscal years and in its place introduced a tax levy limitation (the "Tax Levy Limit"). 2013 Wisconsin Act 145 signed into law March 24, 2014 replaces the tax levy limit with a revenue limit beginning in fiscal year 2015. Act 145 also shifted a portion of funding for technical college districts in the state from property taxes levied to a state aid payment. This shift in revenues has been in place for the past eight fiscal years. State appropriations increased \$.2 million or 0.5% compared to a \$0.8 million or 1.9% increase in FY 2023. 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.

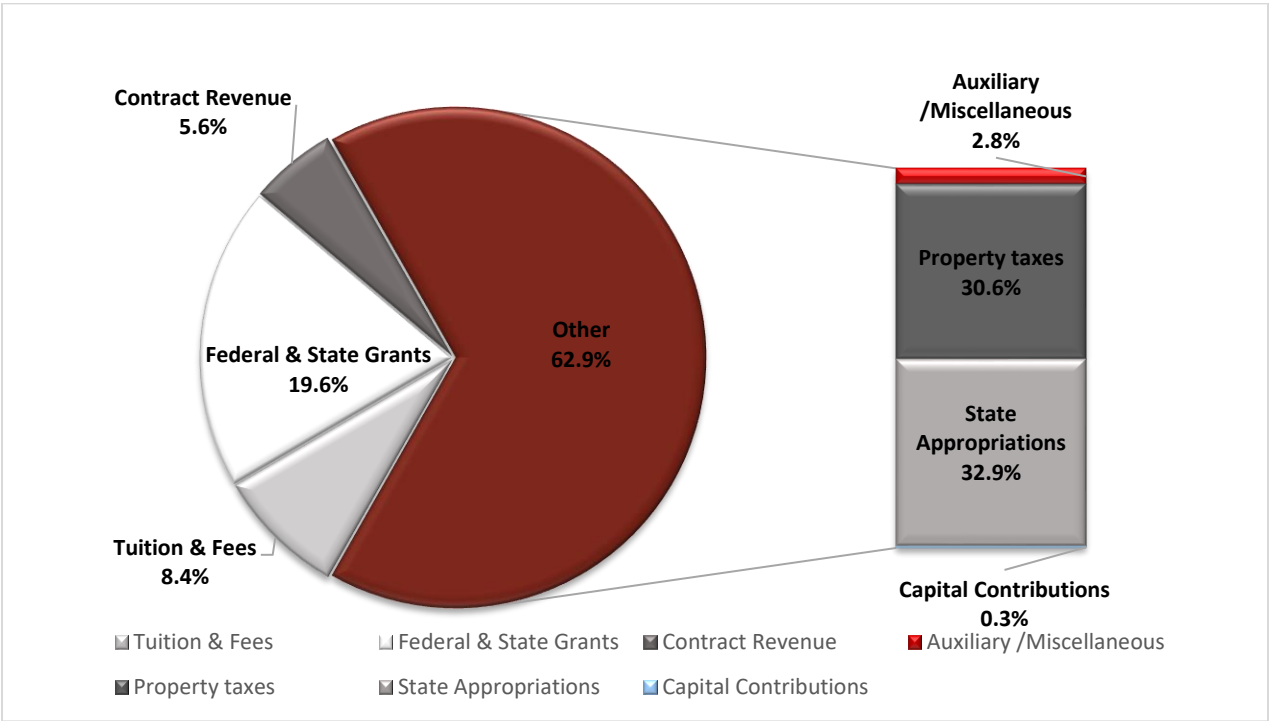
Non-Operating Expenses consist of interest expense and debt issuance costs on long-term debt. Debt issuance costs are recognized as an expense in the year they are incurred. FY 2023 reflected an increase of \$193,812 or 11.7% for the expense, while FY 2024 reflects an increase of \$241,601 or 13.0%. 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 100.0% in FY 2024 or \$331,193 as compared to a decrease of 100.0% in FY 2023 of \$3,271,778. The increase in FY 2024 was due to an increase in federal and state capital grants, contributions and donations from FY 2023.

The following graphs represent the distribution of revenues and operating expenses for the fiscal year ended June 30, 2024.

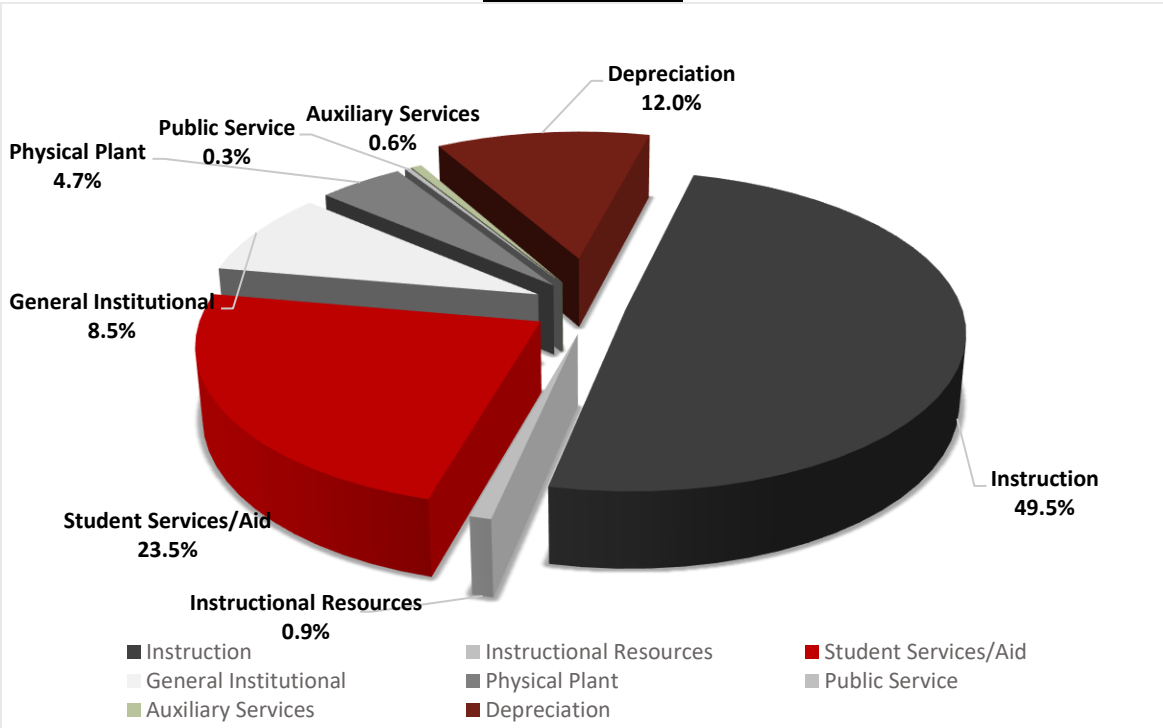
Revenues

June 30, 2024



Operating Expenses

June 30, 2024



Statements of Cash Flows

The Statement of Cash Flows presents information related to cash inflows and outflows, summarized by operating, non-capital financing, capital financing, and investing activities. This statement is important in evaluating Gateway's ability to meet financial obligations as they mature.

The following schedule highlights the major components of the Statement of Cash Flows.

Stated in Thousands (\$000)

	<u>2024</u>	<u>2023</u>	<u>Incr (Decr)</u> <u>2024-2023</u>	<u>2022</u>	<u>Incr (Decr)</u> <u>2023-2022</u>
Cash Used By Operating Activities	\$ (74,100)	\$ (74,040)	\$ (60)	\$ (67,695)	\$ (6,345)
Cash Provided By Non-Capital Financing Activities	92,236	90,274	1,962	88,444	1,830
Cash Used By Capital and Related Financing Activities	(16,351)	(15,266)	(1,085)	(16,661)	1,395
Cash Provided By Investing Activities	<u>1,979</u>	<u>924</u>	<u>1,055</u>	<u>55</u>	<u>869</u>
Net Increase in Cash and Cash Equivalents	<u>\$ 3,764</u>	<u>\$ 1,892</u>	<u>\$ 1,872</u>	<u>\$ 4,143</u>	<u>\$ (2,251)</u>

Fiscal Year 2024 Compared to Fiscal Year 2023

The cash and cash equivalents balance increased from \$48.4 million in FY 2023 to \$52.1 million in FY 2024. Overall, in FY 2024, cash and cash equivalents increased by \$0.1 million or 0.1% as compared to the FY 2023 increase of \$1.9 million or 4.1%.

The District's cash used for operating activities decreased in FY 2024 as compared to FY 2023. \$0.06 million or 1.0% more cash was used for operating activities in FY 2024 compared to \$6.3 million or 9.4% more cash used in FY 2023.

Overall cash provided by non-capital financing activities increased by \$1.9 million or 2.2%. Local government property taxes received increased by \$0.3 million or 0.7%. State appropriations received increased by \$0.2 million or 0.5%. Federal grants increased by \$1.5 million or 18.4% due to an increase in federal aid to students.

Overall net cash used for capital and related financing activities increased by \$1.1 million or 7.1% in FY 2024 as compared to a decrease of \$1.4 million or 8.4% in FY 2023. The increase in FY 2024 is due mainly to an increase in purchases of capital assets of \$1.3 million. This increase is offset by a decrease in principal paid on the subscription liability of \$0.3 million.

Cash provided by investing activities increased by \$1,055,349 or 114.3% as the rate of return on investments in 2024 significantly increased compared to FY 2023.

Fiscal Year 2023 Compared to Fiscal Year 2022

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

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

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

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

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

Capital Asset and Debt Administration

Stated in Thousands (\$000)

	<u>2024</u>	<u>2023</u>	<u>Incr (Decr)</u> <u>2024-2023</u>	<u>2022</u>	<u>Incr (Decr)</u> <u>2023-2022</u>
Land and Land Improvements	\$ 18,692	\$ 17,703	\$ 989	\$ 15,664	\$ 2,039
Less Accumulated Depreciation	(7,824)	(6,817)	(1,007)	(5,903)	(914)
Buildings, Improvements and Leasehold Interest/Improvement	156,585	149,082	7,503	147,297	1,785
Less Accumulated Depreciation	(88,139)	(81,021)	(7,118)	(74,009)	(7,012)
Intangible Assets	6,800	6,092	708	5,217	875
Less Accumulated Depreciation	(3,880)	(3,232)	(648)	(2,723)	(509)
Equipment	64,795	60,701	4,094	56,110	4,591
Less Accumulated Depreciation	(47,685)	(43,249)	(4,436)	(39,289)	(3,960)
Leased Assets (Right to Use)	7,623	7,003	620	5,511	1,492
Less Accumulated Depreciation/Amortization	(2,930)	(2,569)	(361)	(1,592)	(977)
Subscription Assets (Right to Use)	4,291	2,885	1,406	2,629	256
Less Accumulated Depreciation/Amortization	(1,742)	(985)	(757)	(685)	(300)
Construction in Progress	<u>5,197</u>	<u>5,367</u>	<u>(170)</u>	<u>2,629</u>	<u>2,738</u>
Cost of Capital Assets Net of Accumulated Depreciation	<u>\$111,783</u>	<u>\$110,960</u>	<u>\$ 823</u>	<u>\$110,856</u>	<u>\$ 104</u>
Capital asset related debt outstanding at Year End	<u>\$ 70,443</u>	<u>\$ 70,837</u>	<u>\$ (394)</u>	<u>\$ 68,936</u>	<u>\$ 1,901</u>

Fiscal Year 2024 Compared to Fiscal Year 2023

Overall capital assets, net of accumulated depreciation/amortization, increased by \$.03 million from FY 2023 to FY 2024. Remodeling improvements were completed at each campus; however, the major projects in 2024 were a science building remodel on the Kenosha campus totaling \$1.3 million, an HVAC upgrade in the Kenosha science wing totaling \$1.1 million and a roof upgrade in the Elkhorn north building totaling \$1.2 million. (Additional information about Gateway's capital assets may be found in footnote #4 in the financial statements).

The District had general obligation debt, relating to capital assets, outstanding of \$69.8 million at June 30, 2024, compared to \$70.2 million at June 30, 2023.

The District had a lease liability, relating to capital assets, outstanding of \$3.7 million at June 30, 2024, compared to \$3.5 million at June 30, 2023.

The District had a subscription-based information technology arrangement liability, relating to capital assets, outstanding of \$2.3 million at June 30, 2024, compared to \$1.6 million at June 30, 2023.

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

Fiscal Year 2023 Compared to Fiscal Year 2022

Overall capital assets, net of accumulated depreciation/amortization, increased by \$.1 million from FY 2022 to FY 2023. Remodeling improvements were completed at each campus; however, the major projects in 2023 were a fire suppression upgrade on the Racine campus totaling \$.9 million and parking lot upgrades on all campuses totaling \$2.4 million. (Additional information about Gateway's capital assets may be found in footnote #4 in the financial statements).

The District had general obligation debt, relating to capital assets, outstanding of \$70.2 million at June 30, 2023, compared to \$70.8 million at June 30, 2022.

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

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

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

Overall Financial Position

Gateway's financial position remains strong for fiscal year 2024 as evidenced by the following indicators:

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

"The Aaa rating reflects the district's extraordinarily large, diverse tax base fully valued at about \$73 billion and low leverage, with combined debt and pension burdens amounting to less than 2x operating revenue. The financial position is solid, with net current assets equal to about 20% of operating revenue. The district also has a strong and demonstrated ability to manage expenditures, which will continue to support solid financial performance despite its limited revenue-raising ability. Enrollment has declined over the past decade but has recently improved with about a 6% increase in fiscal 2024 (year-end June 30)."

- The current ratio, current assets compared to current liabilities, was at 2.7 times as of June 30, 2024, up from 2.8 times in 2023.

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

Economic Factors and Challenges

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

The District experienced a 6.57% increase in enrollment for FY 2024, reaching 4,041 full-time equivalent (FTE) students, up from 3,792 FTE in FY 2023, which saw only a 0.1% increase. This growth is largely attributed to strategic recruitment and retention efforts aimed at attracting new students. A key driver in FY 2024 has been the launch of *Moonshot for Equity*, an initiative focused on identifying and closing equity gaps. This initiative emphasizes targeted marketing, recruitment, retention, and completion strategies, using data-driven insights to inform actionable steps. The positive impact of these new efforts targeting enrollment became evident in FY 2023, and with the addition of *Moonshot for Equity*, enrollment growth has continued into FY 2024.

- Technical college responsiveness to employers/business/industry is essential to Wisconsin's business growth, job creation, competitiveness, closing the skills gap and prosperity. Local funding and local governance/control are essential to this

responsiveness. Due to 2013 Wisconsin Act 145 signed into law March 24, the college can no longer increase its operational tax levy except by an increase in its valuation due to net new construction or unless approved by referendum. In the future, this can potentially reduce the district's ability to be responsive to our communities if the state funding is reduced. Although currently, the bill allows the technical colleges the ability to raise their tax levies if the state fails to provide the funding.

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

Gateway is widely recognized and respected for its high-quality instruction and services. The District continues to excel in partnerships with local K-12 districts—which are experiencing significant growth—as well as with local businesses and community organizations to support evolving training and technology needs. This commitment is evident in our strategic plan, our focus on continuous quality improvement, and our dedication to student success. The District is confident that its long-term financial planning will enable it to effectively address future financial needs. The District's current financial position is strong, positioning us well to sustain this positive outlook.

Through ongoing strategic planning and strong a focus on diversity, equity and inclusion, flexibility, and innovation in engaging students and community partners, the college continues to make strides in attracting underserved student populations. In fact, at the end of this fiscal year, Gateway is on the verge of becoming a Hispanic Serving Institution. The District has positioned itself to be an industry leader and a strong positive force in our community.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

GATEWAY TECHNICAL COLLEGE DISTRICT
Statements of Net Position
June 30, 2024 and 2023

ASSETS	2024	2023
<u>Current Assets</u>		
Cash and cash equivalents	\$ 37,029,679	\$ 34,495,509
Restricted assets - cash and cash equivalents	15,088,315	13,858,132
Receivables:		
Property taxes	10,775,746	9,647,800
Accounts, net of reserve of \$195,000 and \$212,000 for 2024 and 2023, respectively	1,625,541	1,516,116
Federal and state aid	1,585,739	2,007,221
Lease - current portion	168,284	41,466
Prepaid expenses	514,813	480,017
Total Current Assets	<u>66,788,117</u>	<u>62,046,261</u>
<u>Non-Current Assets</u>		
Lease receivable	1,736,725	860,565
Capital assets	263,983,397	248,833,502
Less: accumulated depreciation/amortization	<u>(152,200,282)</u>	<u>(137,873,367)</u>
Total Non-Current Assets	<u>113,519,840</u>	<u>111,820,700</u>
 Total Assets	 <u>180,307,957</u>	 <u>173,866,961</u>
 DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to OPEB	776,724	998,973
Deferred outflows related to pensions	<u>35,386,050</u>	<u>56,876,251</u>
Total Deferred Outflows of Resources	<u>36,162,774</u>	<u>57,875,224</u>
 TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	 <u>216,470,731</u>	 <u>231,742,185</u>
 LIABILITIES		
<u>Current Liabilities</u>		
Accounts payable	3,922,171	3,087,337
Accrued payroll and benefits	2,849,793	2,250,769
Accrued vacation	796,784	764,732
Accrued interest payable	553,556	500,950
Unearned revenue	757,526	890,146
General obligation debt - current portion	12,860,000	12,475,000
Lease liability - current portion	664,804	834,351
Subscription liability - current portion	766,552	476,921
Other postemployment benefits - current portion	<u>1,217,868</u>	<u>1,384,476</u>
Total Current Liabilities	<u>24,389,054</u>	<u>22,664,682</u>
<u>Non-Current Liabilities</u>		
General obligation debt	60,018,194	60,881,400
Lease liability	3,057,390	2,690,141
Subscription liability	1,543,934	1,152,026
Other postemployment benefits	14,528,830	15,745,025
Net pension liability	4,199,592	15,773,492
Unearned revenue	<u>68,784</u>	<u>91,712</u>
Total Non-Current Liabilities, Less Current Portion	<u>83,416,724</u>	<u>96,333,796</u>
 Total Liabilities	 <u>107,805,778</u>	 <u>118,998,478</u>
 DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to OPEB	4,564,943	4,964,869
Deferred inflows related to pensions	22,435,271	33,019,448
Deferred inflows related to leases	<u>1,873,463</u>	<u>847,249</u>
Total Deferred Inflows of Resources	<u>28,873,677</u>	<u>38,831,566</u>
 NET POSITION		
Net investment in capital assets	40,984,978	40,516,824
Restricted for:		
Debt service	4,174,622	3,538,369
Student organizations	2,097,181	2,208,041
Unrestricted	<u>32,534,495</u>	<u>27,648,907</u>
 Total Net Position	 <u>\$ 79,791,276</u>	 <u>\$ 73,912,141</u>

GATEWAY TECHNICAL COLLEGE DISTRICT
Statements of Revenues, Expenses and Changes in Net Position
For the years ended June 30, 2024 and 2023

<u>Operating Revenues</u>	2024	2023
Student tuition and program fees, net of scholarship allowances of \$6,027,125 and \$4,823,984 for 2024 and 2023, respectively	\$ 11,109,944	\$ 10,717,666
Federal grants	12,841,758	16,368,152
State grants	3,636,127	3,751,024
Contract revenue	7,391,348	7,485,450
Auxiliary enterprise revenues	392,488	237,017
Miscellaneous - institutional revenue	1,455,769	1,276,300
Total Operating Revenues	<u>36,827,434</u>	<u>39,835,609</u>
<u>Operating Expenses</u>		
Instruction	61,586,722	66,380,443
Instructional resources	1,115,183	1,140,803
Student services	15,486,666	15,839,806
General institutional	10,514,888	11,305,075
Physical plant	5,900,623	8,540,347
Student aid	13,719,594	12,185,390
Public services	427,095	428,072
Auxiliary services	768,805	462,114
Depreciation/Amortization	14,902,782	14,290,226
Total Operating Expenses	<u>124,422,358</u>	<u>130,572,276</u>
Net Operating Loss	<u>(87,594,924)</u>	<u>(90,736,667)</u>
<u>Nonoperating Revenues (Expenses)</u>		
Property taxes	40,465,504	39,172,340
State appropriations	43,491,609	43,277,009
Federal nonoperating grants	9,407,511	7,945,574
Loss on disposal of capital assets	(110,381)	(27,215)
Investment income (net of fees)	1,978,928	923,579
Interest expense & debt issuance costs	(2,090,305)	(1,848,704)
Total Nonoperating Revenues (Expenses)	<u>93,142,866</u>	<u>89,442,583</u>
<u>Capital Contributions</u>		
State capital grants	67,665	-
Federal capital grants	63,125	-
Contributions	81,512	-
Total Capital Contributions	<u>331,193</u>	<u>-</u>
Change in Net Position	5,879,135	(1,294,084)
Net Position - Beginning of Year	<u>73,912,141</u>	<u>75,206,225</u>
Net Position - End of Year	<u>\$ 79,791,276</u>	<u>\$ 73,912,141</u>

The accompanying notes are an integral part of these statements.

GATEWAY TECHNICAL COLLEGE DISTRICT

Statements of Cash Flows

For the years ended June 30, 2024 and 2023

	2024	2023
<u>Cash flows from operating activities</u>		
Tuition and fees received	\$ 11,072,640	\$ 10,482,699
Federal and state grants received	16,899,367	19,775,638
Contract revenues received	6,187,629	7,797,087
Payments to employees, including related benefits	(78,153,256)	(74,349,956)
Payments for materials and services	(31,944,647)	(39,203,626)
Direct Loan Receipts	8,272,784	7,648,901
Direct Loan Disbursements	(8,272,784)	(7,648,901)
Auxiliary enterprise revenues received	392,488	237,017
Other receipts	1,445,841	1,221,373
	<u>(74,099,938)</u>	<u>(74,039,768)</u>
<u>Cash flows from non-capital financing activities</u>		
Local government property taxes received	39,337,558	39,066,171
State appropriations received	43,491,609	43,261,812
Federal grants received	9,407,511	7,945,574
	<u>92,236,678</u>	<u>90,273,557</u>
<u>Cash flows from capital and related financing activities</u>		
State and federal grants received for capital assets	130,790	133,061
Purchases of capital assets	(12,308,613)	(10,959,060)
Proceeds from issuance of capital debt	13,000,000	13,000,000
Premium received on debt issuance	604,203	639,809
Debt issuance costs paid	(309,875)	(254,806)
Principal paid on capital debt	(13,460,000)	(13,600,000)
Principal paid on lease liability	(942,450)	(990,316)
Principal paid on subscription liability	(724,367)	(1,018,899)
Interest paid on capital debt	(2,141,671)	(2,012,076)
Interest paid on lease liability	(134,174)	(127,476)
Interest paid on subscription liability	(65,158)	(76,011)
	<u>(16,351,315)</u>	<u>(15,265,774)</u>
<u>Cash flows from investing activities</u>		
Investment income received	1,978,928	923,579
	<u>1,978,928</u>	<u>923,579</u>
Net increase in cash and cash equivalents	3,764,353	1,891,594
<u>Cash and cash equivalents</u>		
Beginning of year	48,353,641	46,462,047
End of year	<u>\$ 52,117,994</u>	<u>\$ 48,353,641</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position		
Cash and cash equivalents	\$ 37,029,679	\$ 34,495,509
Restricted assets - cash and cash equivalents	15,088,315	13,858,132
	<u>\$ 52,117,994</u>	<u>\$ 48,353,641</u>

The accompanying notes are an integral part of these statements.

GATEWAY TECHNICAL COLLEGE DISTRICT
Statements of Cash Flows (Continued)
For the years ended June 30, 2024 and 2023

	2024	2023
<u>Reconciliation of operating loss to net cash</u>		
<u>used for operating activities:</u>		
Operating loss	\$ (87,594,924)	\$ (90,736,667)
Adjustment to reconcile operating loss to net cash used for operating activities:		
Depreciation/amortization	14,902,782	14,290,226
Changes in assets and liabilities:		
(Increase) decrease		
Receivables	(690,921)	(232,429)
Prepaid expenses	(34,796)	36,026
Increase (decrease)		
Accounts payable	44,535	(647,585)
Accrued payroll and benefits	599,024	(351,605)
Accrued vacation	32,052	7,460
OPEB liability	(1,382,803)	(2,991,174)
OPEB related deferred outflows	222,249	802,387
OPEB related deferred inflows	(399,926)	1,525,756
Lease related deferred inflows	1,026,214	(110,154)
Unearned revenue	(155,548)	(137,368)
Pension related liability	(11,573,900)	40,377,545
Pension related deferred outflows	36,125,097	15,832,378
Pension related deferred inflows	(25,219,073)	(51,704,564)
	<u>\$ (74,099,938)</u>	<u>\$ (74,039,768)</u>
Net cash used for operating activities	0	0
 Non Cash Capital and Related Financing Activities:		
Capital asset additions financed through accounts payable	\$ 308,824	\$ 178,684
Right-to-use assets acquired through leases	1,140,152	1,491,722
Right-to-use assets acquired through subscriptions	1,405,906	747,554

The accompanying notes are an integral part of these statements.

Gateway Technical College Foundation, Inc.
(A Component Unit of Gateway Technical College District)
Statement of Financial Position
June 30, 2024
With Summarized Financial Information for June 30, 2023

	2024	2023
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 330,638	\$ 551,280
Cash and Cash Equivalents—Trust	938,836	354,080
Accounts Receivable	3,950	-
Prepaid Expenses	5,744	5,253
Promises to Give (Notes B & I)	1,229,167	1,214,579
Total Current Assets	<u>2,508,335</u>	<u>2,125,192</u>
Property (Note B)		
Building and Improvements	299,533	299,533
Construction in Progress	-	187,842
Land	163,291	163,291
	<u>462,824</u>	<u>650,666</u>
Less: Accumulated Depreciation	108,685	96,436
Net Property	<u>354,139</u>	<u>554,230</u>
Other Assets		
Investments (Notes B & D)	18,598,410	16,197,931
Promises to Give (Notes B & I)	29,131	1,167,000
Total Other Assets	<u>18,627,541</u>	<u>17,364,931</u>
Total Assets	<u><u>\$ 21,490,015</u></u>	<u><u>\$ 20,044,353</u></u>
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 90,508	\$ 81,181
Security Deposit	33,424	33,424
Grants/Scholarships Payable	315,105	157,888
Total Current Liabilities	<u>439,037</u>	<u>272,493</u>
Net Assets		
Without Donor Restrictions	3,181,851	1,465,311
With Donor Restrictions	17,869,127	18,306,549
Total Net Assets	<u>21,050,978</u>	<u>19,771,860</u>
Total Liabilities and Net Assets	<u><u>\$ 21,490,015</u></u>	<u><u>\$ 20,044,353</u></u>

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

Gateway Technical College Foundation, Inc.
(A Component Unit of Gateway Technical College District)
Statement of Activities
For the Year Ended June 30, 2024
With Summarized Financial Information for the Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total for the Year Ended June 30, 2024	Total for the Year Ended June 30, 2023
Revenue and Support				
Contributions	\$ 51,240	\$ 733,938	\$ 785,178	\$ 651,888
In-Kind Services (Note G)	627,419	-	627,419	206,408
Special Events: (Golf Outing and Innovation)	99,693	-	99,693	121,552
Rental Income	51,240	-	51,240	157,838
Investment Income (Note D)	1,466,598	451,651	1,918,249	1,422,202
Interest Income	2,046	-	2,046	2,451
Total Revenue and Support	<u>2,298,236</u>	<u>1,185,589</u>	<u>3,483,825</u>	<u>2,562,339</u>
Net Assets Released from Restrictions	<u>1,623,011</u>	<u>(1,623,011)</u>	<u>-</u>	<u>-</u>
Expenses				
Supporting Activities				
Management and General				
Licenses	130	-	130	25
Legal and Accounting	40,327	-	40,327	35,004
Insurance	5,355	-	5,355	9,057
Board Development	200	-	200	-
Trust Fees	98,056	-	98,056	84,748
Bank Fees	600	-	600	600
Depreciation Expense	12,249	-	12,249	57,181
Food for Event and Meetings	21	-	21	358
Membership Dues	750	-	750	750
Subscription—Software	600	-	600	600
Blackbaud FE Training	1,540	-	1,540	1,540
Fundraising				
Professional Development	5,355	-	5,355	3,705
Subscription Software	17,708	-	17,708	17,004
Printing	2,038	-	2,038	490
Marketing	2,046	-	2,046	755
Dues	295	-	295	3,167
Food for Events and Meetings	348	-	348	2,156
Golf Outing	22,803	-	22,803	18,119
Golf Outing: Tokens of Appreciation	4,398	-	4,398	5,077
Virtual Event Hosting and Online Fundraising Apps	2,495	-	2,495	2,495
Training and Development	1,058	-	1,058	-
Other Periodicals	260	-	260	-
Online Credit Card Processing Fees	2,756	-	2,756	2,743
Venue Decoration	448	-	448	850
Total Supporting Activities	<u>221,836</u>	<u>-</u>	<u>221,836</u>	<u>246,424</u>

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

Gateway Technical College Foundation, Inc.
(A Component Unit of Gateway Technical College District)
Statement of Activities
For the Year Ended June 30, 2024
With Summarized Financial Information for the Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total for the Year Ended June 30, 2024	Total for the Year Ended June 30, 2023
Expenses (cont.)				
Program				
Student Emergency Funds	\$ 44,069	-	\$ 44,069	\$ 20,727
Food for Thought	3,859	-	3,859	1,061
Scholarships				
Scholarships Annual	473,471	-	473,471	203,141
Scholarships One-Time	120	-	120	8,320
Scholarships Endowed	156,628	-	156,628	151,459
Scholarships Promise	87,565	-	87,565	106,412
Scholarships Promise 2 Finish	48,417	-	48,417	127,321
Fresh Start to Finish	1,631	-	1,631	1,481
Student Supplies Direct Aid	-	-	-	2,600
Promise Book Fund	33,215	-	33,215	34,613
GED Testing Subsidy	477	-	477	-
Vouchers for Tuition and Prizes	7,930	-	7,930	5,176
Other Student Direct Aid	3,025	-	-	-
Tokens of Appreciation	5,809	-	5,809	1,101
Background Checks	6,722	-	-	-
Supplies for College	348,930	-	348,930	8,394
Supplies for Foundation	376	-	376	103
Signage and Printing	1,065	-	1,065	1,232
Rentals for Events	610	-	610	1,244
Marketing	151	-	151	169
Digital Media Subscriptions	3,778	-	3,778	499
Food for Event and Meetings	3,198	-	3,198	7,847
WGTD: Program Fund	1,829	-	1,829	1,373
Activities at Gateway	171,039	-	171,039	125,916
Alumni Activities	-	-	-	65
Building/Capital	-	-	-	14,710
Office Supplies	-	-	-	391
Travel	448	-	448	587
Printing	-	-	-	3,081
Salary: Clerical	5,624	-	5,624	4,799
Foundation Associate	51,565	-	51,565	36,000
Salary: Foundation Staff	184,478	-	184,478	130,140
Fringe Benefits				
College Foundation Department	75,919	-	75,919	52,155
Additional Support to College - Building Transfer	73,149	-	73,149	28,218
Total Program	1,795,097	-	1,795,097	1,080,335
Total Expenses	2,016,933	-	2,016,933	1,326,759
Change in Net Assets	1,904,314	(437,422)	1,466,892	1,235,580
Net Assets at July 1,	1,465,311	18,306,549	19,771,860	18,536,280
Prior Period Adjustment (Note O)	(187,774)	-	(187,774)	-
Net Assets at July 1 as Restated	1,277,537	18,306,549	19,584,086	-
Net Assets at June 30,	\$3,181,851	\$17,869,127	\$ 21,050,978	\$ 19,771,860

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

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GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(1) Summary of Significant Accounting Policies

The Board of Directors (Board) of the Gateway Technical College District (the District) oversees the operations of what is generally referred to as Gateway Technical College under provisions of Chapter 38 of the Wisconsin Statutes. The geographic area of the District includes all of Kenosha and Walworth County and nearly all of Racine County. The District operates campuses located in the cities of Elkhorn, Burlington, Kenosha, Racine and Sturtevant, as well as an aviation center at the Kenosha airport and learning centers in the surrounding communities. The District is fully accredited by the 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 applicable to public colleges and universities as well as those prescribed by the Wisconsin Technical College System Board (WTCSB). The District reports are based on all applicable Government Accounting Standards Board (GASB) pronouncements. When applicable, certain prior year amounts have been reclassified to conform to current year presentation. The following is a summary of the more significant accounting policies.

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(1) Summary of Significant Accounting Policies (continued)

(a) Reporting Entity

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

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

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

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

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

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

(c) Budgetary Data

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(1) Summary of Significant Accounting Policies (continued)

(c) Budgetary Data (continued)

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

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

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

(d) Property Tax Receivable

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

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

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(1) Summary of Significant Accounting Policies (continued)

(e) Student Receivables

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

(f) Cash, Cash Equivalents and Investments

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

(g) Prepaid Expenses

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

(h) Capital Assets

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

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

(i) Compensated Absences

Employees are granted vacation and sick leave benefits in varying amounts in accordance with the provisions of union contracts and District policy. Liabilities for

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(1) Summary of Significant Accounting Policies (continued)

(i) Compensated Absences (continued)

vacation and salary related payments, including social security taxes, are recorded when incurred. Employees can carryover 80 vacation hours subsequent to the year in which they are earned. Any vacation benefits in excess of 80 hours lapse if not utilized in the year subsequent to that in which they are earned. In the event of retirement or death, the District is obligated to pay all unused vacation benefits. The amount of vacation benefits outstanding on June 30, 2024 and 2023 was \$796,784 and \$764,732, 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

The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset),
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions,
- Pension Expense (Revenue).

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

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

(l) Long-Term Obligations

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

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

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

Bond issuance costs are expensed as incurred.

(m) **Leases and Subscription-Based Information Technology Arrangements**

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

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

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

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

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

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

The lease or SBITA term includes the non-cancellable period of the lease or SBITA. Lease or SBITA payments included in the measurement of the lease or

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(1) Summary of Significant Accounting Policies (continued)

(m) Leases (continued)

SBITA liabilities are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

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

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

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

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

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

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

(n) Tuition and Fees

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

(o) Unearned Revenues

Unearned revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

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

(o) **Unearned Revenues (continued)**

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.

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

In addition to assets, the statement of net position will sometimes report a section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods 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 assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category on the statement of net position. They are related to the District's proportionate share of the Wisconsin Retirement System pension plan which is deferred and amortized over the expected remaining service lives of the pension plan participants, amounts related to the District's OPEB liability which are recognized as an expense over a closed period of time, and lease revenues which are recognized over the remaining term of the lease.

(q) **Scholarship Allowances and Student Aid**

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(1) Summary of Significant Accounting Policies (continued)

(r) 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.

(s) Net Position

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

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

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

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

Unrestricted net position: Unrestricted net position represents resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the District and

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(1) Summary of Significant Accounting Policies (continued)

(s) Net Position (continued)

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.

(t) Reclassifications

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

(2) Cash and Cash Equivalents

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

Cash and Cash Equivalents	2024	2023
Cash on hand	\$ 53,002	\$ 23,904
Demand deposits	42,545,140	38,656,764
Wisconsin Local Government Investment Pool	9,519,853	9,672,973
Total Cash and Cash Equivalents	\$ 52,117,995	\$ 48,353,641

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

Restricted for	2024	2023
Capital Projects	\$ 10,360,136	\$ 9,818,813
Debt Service	4,728,179	4,039,319
	15,088,315	13,858,132
Unrestricted	37,029,680	34,495,509
Total Cash and Cash Equivalents	\$ 52,117,995	\$ 48,353,641

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(2) Cash and Cash Equivalents (continued)

Custodial Credit Risk – Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution the District will not be able to recover its deposits or will 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 \$1,000,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. The cash and demand deposits were fully insured by an irrevocable Public Unit Deposit Letter of Credit issued from Johnson Financial Group. The value of the collateral for the deposits as of June 30, 2024, and 2023 was \$41,171,862 and \$38,144,566, respectively.

The District is authorized by Wisconsin Statute 66.0603 to invest in the following instruments:

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(2) Cash and Cash Equivalents (continued)

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

<u>June 30, 2024</u>	Fair	Investment Maturities (in Years)	
<u>Investment Type</u>	<u>Value</u>	<u>Less than 1</u>	<u>1-2</u>
Wisconsin Local Government Investment Pool	<u>\$ 9,519,853</u>	<u>\$ 9,519,853</u>	<u>\$ -</u>
<u>June 30, 2023</u>	Fair	Investment Maturities (in Years)	
<u>Investment Type</u>	<u>Value</u>	<u>Less than 1</u>	<u>1-2</u>
Wisconsin Local Government Investment Pool	<u>\$ 9,672,973</u>	<u>\$ 9,672,973</u>	<u>\$ -</u>

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, 2024, and 2023, the fair value of the District’s share of investments was equal to the carrying value.

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

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of an organization’s investment in a single issuer. Any investment that represents 5 percent or more of total investments is required to be disclosed. Exempt from this disclosure are investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds, external investments pools, and other pooled investments.

The District places no limit on the amount the District may invest in any one issuer. As of June 30, 2024, and June 30, 2023, 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

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(2) Cash and Cash Equivalents (continued)

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, 2024 and 2023 mature in less than one year.

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

(3) Property Tax

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

The combined tax rate for the fiscal years ended June 30, 2024, and 2023, were as follows:

	<u>2024</u>		<u>2023</u>	
	<u>Mill Rate</u>	<u>Amount Levied</u>	<u>Mill Rate</u>	<u>Amount Levied</u>
Operating levy	0.38744	\$ 24,695,144	0.38744	\$ 23,520,094
Debt service levy	0.25007	<u>15,729,000</u>	0.25007	<u>15,181,000</u>
 Total Property Tax Levy		 <u><u>\$ 40,424,144</u></u>		 <u><u>\$ 38,701,094</u></u>

The state enacted legislation to exempt computer equipment for property tax purposes and provide supplemental aid to hold taxing units harmless from loss of revenue. The District received \$137,601 and \$137,601 in state aid revenue in lieu of property tax for the year ended June 30, 2024, and 2023, 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 \$40,465,504 and \$39,172,340 for the years ended June 30, 2024, and 2023, respectively, which includes the District's property tax levy and miscellaneous other tax collection related adjustments.

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(4) Capital Assets

The following are the changes in the District's capital assets for the years ended June 30, 2024 and 2023:

	2024			Balance June 30, 2024
	Balance July 1, 2023	Additions	Disposals	
Capital assets, not being depreciated/amortized:				
Land	\$ 2,379,913	\$ -	\$ -	\$ 2,379,913
Construction in progress	5,366,583	7,258,263	7,427,388	5,197,458
Total capital assets not depreciated/amortized	<u>7,746,496</u>	<u>7,258,263</u>	<u>7,427,388</u>	<u>7,577,371</u>
Capital assets, being depreciated/amortized:				
Land improvements	15,323,297	988,805	-	16,312,102
Buildings and improvements	142,988,776	7,261,889	-	150,250,665
Intangible assets	6,092,006	708,020	-	6,800,026
Equipment	60,701,208	4,160,256	66,875	64,794,589
Leased Assets (Right to Use)	7,003,191	1,243,683	623,636	7,623,238
Leasehold interest	958,193	-	-	958,193
Subscription Assets (Right to Use)	2,885,056	1,405,906	-	4,290,961
Leasehold improvement	5,135,279	240,973	-	5,376,252
Total capital assets being depreciated/amortized	<u>241,087,006</u>	<u>16,009,532</u>	<u>690,511</u>	<u>256,406,026</u>
Total capital assets	<u>248,833,502</u>	<u>23,267,795</u>	<u>8,117,899</u>	<u>263,983,397</u>
Less accumulated depreciation/amortization for:				
Land improvements	6,817,408	1,006,977	-	7,824,385
Buildings and improvements	76,842,106	6,811,586	-	83,653,692
Intangible assets	3,231,611	648,500	-	3,880,111
Equipment	43,249,033	4,475,945	40,477	47,684,501
Leased Assets (Right to Use)	2,568,884	896,717	535,390	2,930,211
Leasehold interest	958,188	-	-	958,188
Subscription Assets (Right to Use)	984,815	757,073	-	1,741,888
Leasehold improvement	3,221,322	305,984	-	3,527,306
Total accumulated depreciation/amortization	<u>137,873,367</u>	<u>14,902,782</u>	<u>575,867</u>	<u>152,200,282</u>
Net capital assets	110,960,135	<u>\$ 8,365,013</u>	<u>\$ 7,542,032</u>	111,783,115
Less capital related debt premium	(3,146,400)			(3,128,194)
Plus capital project funds borrowed but not spent	8,066,528			8,112,737
Less capital asset related debt	(70,210,000)			(69,750,000)
Less right-to-use subscriptions	(1,628,947)			(2,310,486)
Less right-to-use leases	(3,524,492)			(3,722,194)
Less Capital asset related debt	<u>(70,443,311)</u>			<u>(70,798,137)</u>
Net investment in capital assets	<u>\$ 40,516,824</u>			<u>\$ 40,984,978</u>

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(4) Capital Assets (continued)

	2023			Balance June 30, 2023
	Balance July 1, 2022	Additions	Disposals	
Capital assets, not being depreciated/amortized:				
Land	\$ 2,379,913	\$ -	\$ -	\$ 2,379,913
Construction in progress	2,629,247	6,333,495	3,596,159	5,366,583
Total capital assets not depreciated/amortized	<u>5,009,160</u>	<u>6,333,495</u>	<u>3,596,159</u>	<u>7,746,496</u>
Capital assets, being depreciated/amortized:				
Land improvements	13,284,392	2,038,905	-	15,323,297
Buildings and improvements	141,290,709	1,698,067	-	142,988,776
Intangible assets	5,217,239	874,767	-	6,092,006
Equipment	56,109,546	4,771,999	180,337	60,701,208
Leased Assets (Right to Use)	5,511,469	1,491,722	-	7,003,191
Leasehold interest	958,193	-	-	958,193
Subscription Assets (Right to Use)	2,629,609	747,554	492,107	2,885,056
Leasehold improvement	5,048,369	86,910	-	5,135,279
Total capital assets being depreciated/amortized	<u>230,049,526</u>	<u>11,709,924</u>	<u>672,444</u>	<u>241,087,006</u>
Total capital assets	<u>235,058,686</u>	<u>18,043,419</u>	<u>4,268,603</u>	<u>248,833,502</u>
Less accumulated depreciation/amortization for:				
Land improvements	5,903,386	914,022	-	6,817,408
Buildings and improvements	70,200,483	6,641,623	-	76,842,106
Intangible assets	2,723,159	508,452	-	3,231,611
Equipment	39,288,629	4,087,774	127,370	43,249,033
Leased Assets (Right to Use)	1,592,384	976,500	-	2,568,884
Leasehold interest	909,376	48,812	-	958,188
Subscription Assets (Right to Use)	685,618	791,304	492,107	984,815
Leasehold improvement	2,899,583	321,739	-	3,221,322
Total accumulated depreciation/amortization	<u>124,202,618</u>	<u>14,290,226</u>	<u>619,477</u>	<u>137,873,367</u>
Net capital assets	110,856,068	<u>\$ 3,753,193</u>	<u>\$ 3,649,126</u>	110,960,135
Less capital related debt premium	(3,092,604)			(3,146,400)
Plus capital project funds borrowed but not spent	7,989,293			8,066,528
Less capital asset related debt	(70,810,000)			(70,210,000)
Less right-to-use subscriptions	(1,900,292)			(1,628,947)
Less right-to-use leases	(3,023,086)			(3,524,492)
Less Capital asset related debt	<u>(70,836,689)</u>			<u>(70,443,311)</u>
Net investment in capital assets	<u>\$ 40,019,379</u>			<u>\$ 40,516,824</u>

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(5) Long-Term Obligations

The following is a summary of the changes in long-term obligations for the years ended June 30, 2024, and 2023:

	<u>July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2024</u>	<u>Due Within One Year</u>
General Obligation Debt	\$ 70,210,000	\$ 13,000,000	\$ 13,460,000	\$ 69,750,000	\$ 12,860,000
Plus Deferred Premium	3,146,400	604,203	616,406	3,134,197	-
Lease Liability - Right to Use	3,524,492	1,140,152	942,449	3,722,195	664,804
Subscription Liability - Right to Use	1,628,947	1,405,906	724,367	2,310,486	766,552
	<u>\$ 78,509,839</u>	<u>\$ 16,150,261</u>	<u>\$ 15,743,222</u>	<u>\$ 78,916,878</u>	<u>\$ 14,291,356</u>

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

General obligation debt outstanding at June 30, 2024 and 2023, consists of the following notes:

	<u>2024</u>	<u>2023</u>
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 \$1,000,000 on July 9, 2015, through R.W. Baird & Co., to finance various facility remodeling projects).	\$1,070,000	\$2,100,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of \$35,000 to \$185,000, plus interest, to April 1, 2025 (issued for \$1,500,000 on September 15, 2015, through R.W. Baird & Co., to finance the Elkhorn Manufacturing Lab and Racine Electrical Substation).	185,000	365,000

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(5) <u>Long-Term Obligations (continued)</u>	<u>2024</u>	<u>2023</u>
<p>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).</p>	\$270,000	\$530,000
<p>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).</p>	600,000	900,000
<p>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 district general repairs).</p>	370,000	545,000
<p>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).</p>	370,000	545,000
<p>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).</p>	245,000	365,000
<p>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).</p>	495,000	650,000

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(5) Long-Term Obligations (continued)

	<u>2024</u>	<u>2023</u>
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of \$100,000 to \$375,000, plus interest, to April 1, 2027 (issued for \$1,500,000 on April 12, 2017, through R.W. Baird & Co., to finance facility remodeling projects).	\$375,000	\$490,000
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).	1,500,000	2,550,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of \$140,000 to \$170,000, plus interest, to April 1, 2027 (issued for \$1,500,000 on August 1, 2017, through R.W. Baird & Co., to finance various facility remodeling projects).	495,000	650,000
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).	555,000	725,000
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).	555,000	725,000
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).	540,000	665,000

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(5) Long-Term Obligations (continued)

	<u>2024</u>	<u>2023</u>
General obligation promissory notes, 2.00% to 4.00%, payable in annual installments of \$300,000 to \$1,970,000, plus interest, to April 1, 2028 (issued for \$6,500,000 on July 5, 2018, through FTN Financial Capital Markets., to finance the Racine Building 2nd floor remodeling project and acquisition of equipment).	\$1,220,000	\$1,500,000
General obligation promissory notes, 3.00% to 4.00%, payable in annual installments of \$200,000 plus interest, to April 1, 2028 (issued for \$1,000,000 on August 1, 2018, through R.W. Baird & Co., to finance the various facility remodeling projects).	800,000	1,000,000
General obligation promissory notes, 3.00% to 4.00%, payable in annual installments of \$200,000 to \$235,000, plus interest, to April 1, 2028 (issued for \$1,500,000 on November 8, 2018, through R.W. Baird & Co., to finance the SC Johnson iMet Center expansion).	895,000	1,100,000
General obligation promissory notes, 3.00% to 4.00%, payable in annual installments of \$200,000 to \$235,000, plus interest, to April 1, 2028 (issued for \$1,500,000 on March 13, 2019, through R.W. Baird & Co., to finance the Kenosha Academic Building 2nd floor remodel).	895,000	1,100,000
General obligation promissory notes, 3.00% to 4.00%, payable in annual installments of \$200,000 to \$400,000, plus interest, to April 1, 2029 (issued for \$1,000,000 on April 10, 2019, through R.W. Baird & Co., to finance various facility remodeling projects).	1,000,000	1,000,000
General obligation promissory notes, 3.00% to 4.00%, payable in annual installments of \$200,000 to \$500,000, plus interest, to April 1, 2029 (issued for \$1,500,000 on May 1, 2019, through R.W. Baird & Co., to finance the Kenosha Academic Building 2nd floor remodel).	1,000,000	1,000,000

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(5) Long-Term Obligations (continued)

	<u>2024</u>	<u>2023</u>
General obligation promissory notes, 3.00%, payable in annual installments of \$705,000 to \$930,000, plus interest, to April 1, 2029 (issued for \$6,500,000 on July 18, 2019, through Raymond James & Associates, to finance the acquisition of equipment and various facility remodeling projects).	\$4,305,000	\$5,065,000
General obligation promissory notes, 3.00%, payable in annual installments of \$200,000 to \$240,000, plus interest, to April 1, 2029 (issued for \$1,500,000 on August 1, 2019, through R.W. Baird & Co., to finance general repairs).	1,100,000	1,300,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of \$200,000 to \$235,000, plus interest, to April 1, 2029 (issued for \$1,500,000 on February 13, 2020, through R.W. Baird & Co., to finance the Kenosha Academic Building 2nd floor remodel).	1,100,000	1,300,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of \$200,000 to \$230,000, plus interest, to April 1, 2029 (issued for \$1,500,000 on March 11, 2020, through R.W. Baird & Co., to finance the EVOC Track expansion).	1,100,000	1,300,000
General obligation promissory notes, 3.00%, payable in annual installments of \$200,000 to \$240,000, plus interest, to April 1, 2029 (issued for \$1,500,000 on May 5, 2020, through R.W. Baird & Co., to finance the Kenosha Academic Building 2nd floor remodel).	1,100,000	1,300,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of \$200,000 to \$240,000, plus interest, to April 1, 2030 (issued for \$1,500,000 on June 10, 2020, through R.W. Baird & Co., to finance the Kenosha Academic Building 2nd floor remodel and general repairs).	1,300,000	1,300,000

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(5) Long-Term Obligations (continued)

	<u>2024</u>	<u>2023</u>
General obligation promissory notes, 2.00%, payable in annual installments of \$340,000 to \$450,000, plus interest, to April 1, 2030 (issued for \$4,000,000 on August 5, 2020, through Baird, to finance the acquisition of equipment and various facility remodeling projects).	\$2,450,000	\$2,805,000
General obligation promissory notes, 1.00% to 2.00%, payable in annual installments of \$230,000 to \$260,000, plus interest, to April 1, 2030 (issued for \$1,500,000 on September 15, 2020, through R.W. Baird & Co., to finance a remodel of the Racine Lake Building Dean and LSC offices along with repairs and signage).	975,000	975,000
General obligation promissory notes, 1.00% to 2.00%, payable in annual installments of \$225,000 to \$275,000, plus interest, to April 1, 2030 (issued for \$1,500,000 on January 6, 2021, through R.W. Baird & Co., to finance the Lincoln Building Expansion).	1,500,000	1,500,000
General obligation promissory notes, 1.00% to 2.00%, payable in annual installments of \$400,000 to \$495,000, plus interest, to April 1, 2030 (issued for \$4,000,000 on February 4, 2021, through R.W. Baird & Co., to finance the Lincoln Building remodel and the acquisition of equipment).	2,765,000	3,190,000
General obligation promissory notes, 1.00% to 2.00%, payable in annual installments of \$200,000 to \$2,425,000, plus interest, to April 1, 2030 (issued for \$5,490,000 on April 15, 2021, through R.W. Baird & Co., to finance the Elkhorn North Building Remodel and debt refundings).	1,300,000	1,500,000
General obligation promissory notes, 2.00%, payable in annual installments of \$130,000 to \$170,000, plus interest, to April 1, 2031 (issued for \$1,500,000 on May 12, 2021, through R.W. Baird & Co., to finance general repairs and maintenance).	1,095,000	1,235,000
General obligation promissory notes, 2.00%, payable in annual installments of \$100,000 plus interest, to April 1, 2031 (issued for \$1,000,000 on June 15, 2021, through R.W. Baird & Co., to finance the Elkhorn Culinary Lab remodel and general repairs).	700,000	800,000

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(5) Long-Term Obligations (continued)

	<u>2024</u>	<u>2023</u>
General obligation promissory notes, 1.25% to 2.00%, payable in annual installments of \$280,000 to \$600,000 plus interest, to April 1, 2031 (issued for \$4,000,000 on August 5, 2021, through BNY Mellon Capital Markets, to finance the Lincoln Building 2nd floor remodel and the acquisition of equipment).	\$2,680,000	\$ 3,235,000
General obligation promissory notes, 2.00%, payable in annual installments of \$165,000 to \$175,000 plus interest, to April 1, 2031 (issued for \$1,500,000 on September 15, 2021, through R.W. Baird & Co., to finance the Lincoln Building 3rd floor remodel).	1,170,000	1,335,000
General obligation promissory notes, 2.00%, payable in annual installments of \$175,000 to \$200,000 plus interest, to April 1, 2031 (issued for \$1,500,000 on January 6, 2022, through R.W. Baird & Co., to finance the Lincoln Building 3rd floor remodel).	1,325,000	1,500,000
General obligation promissory notes, 2.00% to 3.00%, payable in annual installments of \$285,000 to \$2,420,000 plus interest, to April 1, 2031 (issued for \$7,370,000 on February 15, 2022, through R.W. Baird & Co., to finance the acquisition of equipment, fire suppression, and general repairs).	3,295,000	5,715,000
General obligation promissory notes, 3.00%, payable in annual installments of \$160,000 to \$215,000 plus interest, to April 1, 2032 (issued for \$1,500,000 on April 7, 2022, through R.W. Baird & Co., to finance general repairs).	1,500,000	1,500,000
General obligation promissory notes, 4.00%, payable in annual installments of \$355,000 to \$400,000 plus interest, to April 1, 2032 (issued for \$1,500,000 on May 12, 2022, through R.W. Baird & Co., to finance parking lot and site improvements).	1,500,000	1,500,000
General obligation promissory notes, 4.00%, payable in annual installments of \$235,000 to \$265,000 plus interest, to April 1, 2028 (issued for \$1,000,000 on June 15, 2022, through R.W. Baird & Co., to finance Culinary Lab updates and general repairs).	1,000,000	1,000,000
	3,640,000	4,000,000
General obligation promissory notes, 3.00% - 4.00%, payable in annual installments of \$360,000 to \$540,000 plus interest, to April 1, 2032 (issued for \$4,000,000 on August 1, 2022, through R.W. Baird & Co., to finance the Kenosha Science Wing remodel, signage, general repairs, and equipment).		

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(5) Long-Term Obligations (continued)

	<u>2024</u>	<u>2023</u>
General obligation promissory notes, 4.00%, payable in annual installments of \$150,000 plus interest, to April 1, 2032 (issued for \$1,500,000 on September 8, 2023, through R.W. Baird & Co., to finance general repairs and signage.)	\$1,200,000	\$1,350,000
General obligation promissory notes, 4.00%-5.00%, payable in annual installments of \$250,000 to \$500,000 plus interest, to April 1, 2027 (issued for \$1,500,000 on January 5, 2023, through R.W. Baird & Co., to finance North Building expansion.)	750,000	1,000,000
General obligation promissory notes, 2.00% - 4.00%, payable in annual installments of \$300,000 to \$560,000 plus interest, to April 1, 2032 (issued for \$4,000,000 on February 9, 2023, through Fidelity Capital Markets, to finance Elkhorn North Building roof repairs and equipment.)	3,700,000	4,000,000
General obligation promissory notes, 4.00% to 5.00%, payable in annual installments of \$235,000 to \$265,000 interest, to April 1, 2033 (issued for \$1,000,000 on April 13, 2023, through R.W. Baird & Co., to finance general repairs)	1,000,000	1,000,000
General obligation promissory notes, 4.00% to 5.00%, payable in annual installments of \$250,000 plus interest, to April 1, 2029 (issued for \$1,000,000 on June 13, 2023, through R.W. Baird & Co., to finance general repairs)	750,000	1,000,000
General obligation promissory notes, 4.00% to 5.00%, payable in annual installments of \$215,000 to \$300,000 plus interest, to April 1, 2033 (issued for \$2,500,000 on August 1, 2023, through R.W. Baird & Co., to finance equipment)	2,350,000	-0-
General obligation promissory notes, 5.00%, payable in annual installments of \$150,000 plus interest, to April 1, 2033 (issued for \$1,500,000 on October 12, 2023, through R.W. Baird & Co., to finance HVAC/R remodel and general repairs)	1,350,000	-0-
General obligation promissory notes, 5.00% to 5.75, payable in annual installments of \$200,000 to 205,000 plus interest, to April 1, 2028 (issued for \$1,500,000 on January 5, 2024, through R.W. Baird & Co, to finance the Lakeview Technology remodel)	815,000	-0-

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(5) Long-Term Obligations (continued)

	<u>2024</u>	<u>2023</u>
General obligation promissory notes, 3.00% to 4.00, payable in annual installments of \$345,000 to 540,000 plus interest, to April 1, 2033 (issued for \$4,000,000 on February 7, 2024, through Raymond James & Associates, to finance the Elkhorn North Building remodel and equipment)	\$4,000,000	\$-0-
General obligation promissory notes, 3.00% to 4.00, payable in annual installments of \$145,000 to 200,000 plus interest, to April 1, 2033 (issued for \$1,500,000 on April 10, 2024, through R.W. Baird & Co., to finance general repairs)	1,500,000	-0-
General obligation promissory notes, 3.00% to 4.00, payable in annual installments of \$250,000 plus interest, to April 1, 2034 (issued for \$1,000,000 on May 8, 2024, through R.W. Baird & Co., to finance general repairs)	1,000,000	-0-
General obligation promissory notes, 3.00% to 4.00, payable in annual installments of \$335,000 plus interest, to April 1, 2030 (issued for \$1,000,000 on June 13, 2024, through R.W. Baird & Co., to finance HVAC upgrades in Kenosha and Racine)	<u>1,000,000</u>	<u>-0-</u>
Total General Long-Term Obligation Debt	<u>\$ 69,750,000</u>	<u>\$70,210,000</u>

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 12,860,000	\$ 2,168,683	\$ 15,028,683
2026	11,670,000	1,772,131	13,442,131
2027	10,475,000	1,418,794	11,893,794
2028	9,685,000	1,101,281	10,786,281
2029	8,895,000	790,894	9,685,894
2030-2034	<u>16,165,000</u>	<u>1,155,743</u>	<u>17,320,743</u>
	<u>\$ 69,750,000</u>	<u>\$ 8,407,526</u>	<u>\$ 78,157,526</u>

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(5) Long-Term Obligations (continued)

Chapter 67.03(1) of the Wisconsin State Statutes limits general obligation debt of the District to 5% of the equalized value of the taxable property located in the District. As of June 30, 2024, the 5% limitation was \$3,647,280,838 and the District's outstanding general obligation debt (net of resources available to pay principal and interest) was \$68,650,589. The 5% limit, as of June 30, 2023, was \$3,214,668,131 and the District's outstanding general obligation debt (net of resources available to pay principal and interest) was \$69,808,387.

Chapter 67.03(9) of the Wisconsin State Statutes limits bonded indebtedness of the District to 2% of the equalized value of the taxable property located in the District. As of June 30, 2024, the 2% limitation was \$1,458,912,335 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, 2023, was \$1,285,867,252 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, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

(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.

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(6) Retirement System (continued)

(c) Benefits Provided

Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

(d) Post-Retirement Adjustments

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(6) Retirement System (continued)

(d) Post-Retirement Adjustments (continued)

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0
2023	1.6	(21.0)

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including Teachers, 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, 2024, and 2023, respectively, the WRS recognized \$3,612,265 and \$3,543,540 in contributions from the District.

Contribution rates for the reporting periods are:

<u>Employee Category</u>	<u>December 31, 2023</u>		<u>December 31, 2022</u>	
	<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives and elected officials)	6.80%	6.80%	6.50%	6.50%
Protective with Social Security	6.80%	13.20%	6.50%	12.00%
Protective without Social Security	6.80%	18.10%	6.50%	16.40%

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(6) Retirement System (continued)

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

At June 30, 2024 and 2023, the District reported a liability of \$4,199,592 and \$15,773,492, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, rolled forward to December 31, 2023.

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 was based on its share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023, the District's proportion was 0.28245729, which was a decrease of 0.01528478% from its proportion measured of 0.29774207%, as of December 31, 2022. At December 31, 2022, the District's proportion was .29774207%, which was a decrease of 0.00751217% from its proportion measured of 0.30525424% as of December 31, 2021.

For the years ended June 30, 2024, and 2023, the District recognized pension expense of \$2,948,573 and \$8,058,508, respectively.

At June 30, 2024, 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	\$ 16,932,712	\$ 22,427,481
Net differences between projected and actual earnings on pension plan investments	14,634,895	-0-
Changes in assumptions	1,830,481	-0-
Changes in proportion and differences between employer contributions and proportionate share of contributions	155,053	7,790
Employer contributions subsequent to the measurement date	1,832,909	-0-
Total	\$ 35,386,050	\$ 22,435,271

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(6) Retirement System (continued)

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

At June 30, 2023, 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	\$ 25,122,288	\$ 33,005,044
Net differences between projected and actual earnings on pension plan investments	26,795,521	-0-
Changes in assumptions	3,101,721	-0-
Changes in proportion and differences between employer contributions and proportionate share of contributions	125,952	14,404
Employer contributions subsequent to the measurement date	1,730,769	-0-
Total	\$ 56,876,251	\$ 33,019,448

\$1,832,909 reported as deferred outflows related to pension resulting from the WRS employer's contributions subsequent to the measurement date at June 30, 2024, will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended June 30:	(Revenue) Expense
2025	\$ 2,295,206
2026	2,410,025
2027	9,222,159
2028	(2,809,520)
	\$ 11,117,870

\$1,730,769 reported as deferred outflows related to pension resulting from the WRS employer's contributions subsequent to the measurement date at June 30, 2023, will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(6) Retirement System (continued)

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

Year ended June 30:	(Revenue) Expense
2024	\$ 942,096
2025	4,586,894
2026	4,707,747
2027	11,889,295
	\$ 22,126,032

(f) Actuarial Assumptions

The total pension liability in the December 31, 2023, and 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2022
Measurement Date of Net Pension Liability (Asset):	December 31, 2023
Experience Study:	Jan 1, 2018 – Dec 31, 2020 Published Nov 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation:	3.0%
Seniority/Merit:	0.1% - 5.6%
Mortality:	2020 WRS Experience Mort Table
Post-retirement Adjustments*	1.7%

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(6) Retirement System (continued)

(f) Actuarial Assumptions (continued)

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

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

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2021 using a three-year period from January 1, 2018, to December 31, 2020. The Total Pension Liability for December 31, 2023, is based upon a roll-forward of the liability calculated from the December 21, 2022 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(6) Retirement System (continued)

(f) Actuarial Assumptions (continued)

Asset Allocation Targets and Expected Returns						
As of December 31, 2023						
Core Fund Asset Class	Asset Allocation %		Long-Term Expected Nominal Rate of Return %		Long-Term Expected Real Rate of Return %	
Public Equities	40	%	7.3	%	4.5	%
Public Fixed Income	27		5.8		3.0	
Inflation Sensitive	19		4.4		1.7	
Real Estate	8		5.8		3.0	
Private Equity/Debt	18		9.6		6.7	
Leverage	(12)		3.7		1.0	
Total Core Fund	100	%	7.4	%	4.6	%
Variable Fund Asset Class						
U.S. Equities	70	%	6.8	%	4.0	%
International Equities	30		7.6		4.8	
Total Variable Fund	100	%	7.3	%	4.5	%
Asset allocations are managed within established ranges, target percentages may differ from actual monthly allocations						
New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.7%						
The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. Currently, an asset allocation target of 12% policy leverage is used subject to an allowable range of up to 20%.						

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(6) Retirement System (continued)

(f) Actuarial Assumptions (continued)

Asset Allocation Targets and Expected Returns						
As of December 31, 2022						
<u>Core Fund Asset Class</u>	<u>Asset Allocation</u>		<u>Long-Term Expected Nominal Rate of Return %</u>		<u>Long-Term Expected Real Rate of Return %</u>	
Public Equities	48	%	7.6	%	5.0	%
Public Fixed Income	25		5.3		2.7	
Inflation Sensitive	19		3.6		1.1	
Real Estate	8		5.2		2.6	
Private Equity/Debt	15		9.6		6.9	
Total Core Fund	115	%	7.4	%	4.8	%
<u>Variable Fund Asset Class</u>						
U.S. Equities	70	%	7.2	%	4.6	%
International Equities	30		8.1		5.5	
Total Variable Fund	100	%	7.7	%	5.1	%
Asset allocations are managed within established ranges, target percentages may differ from actual monthly allocations						
New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%						
The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.						

Single Discount rate. A single discount rate of 6.8% was used to measure the Total Pension Liability for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 3.77% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2023. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(6) Retirement System (continued)

(f) Actuarial Assumptions (continued)

employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80 percent, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

June 30, 2024	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase to Discount Rate (7.8%)
Proportionate share of the net pension liability (asset)	\$40,591,084	\$4,199,592	(\$21,265,075)
June 30, 2023	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase to Discount Rate (7.8%)
Proportionate share of the net pension liability (asset)	\$52,351,708	\$15,773,492	(\$9,389,182)

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

The District reported a payable as of June 30, 2024 and 2023 in the amount of \$691,842 and \$703,624, respectively, for the outstanding amount of contributions to the pension plan.

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(7) Other Post-Employment Benefits (OPEB) – FY 2024

(a) Plan Description

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

<u>Participant Count</u>	
Inactive employees or beneficiaries currently receiving benefit payments	487
Active employees	<u>596</u>
 Total Participants	 <u><u>1,083</u></u>

(b) Benefits Provided

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

The District pays full medical and dental premiums for eligible retirees and dependents retired prior to October 1, 2004. Retirees on or after October 1, 2004, who were eligible as of June 30, 2020, and elected coverage have a portion of their premiums paid by the District with the amount depending on the date of retirement. Coverage ends at age 65. All other employees hired before July 1, 2014, that meet the retirement age and service requirements have the choice of having a portion of their medical premiums paid for 3 years (though not above the age of Medicare eligibility) or contributions to a retiree HRA account of \$1,000 per full-service year plus \$20 per hour of sick time at retirement. Gateway Technical College also maintains a life insurance policy on all retirees which meet the same eligibility guidelines. The benefit amount is one times salary, rounded to the next \$1,000 with a maximum benefit of \$150,000 for retirees prior to July 1, 2012, and \$50,000 for all other retirees. The pre-65 benefit amount is reduced 75% at age 65, 50% at age 66, and 25% at age 67.

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

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(7) Other Post-Employment Benefits (OPEB) – FY 2024 (continued)

(c) Contributions

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

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

* See plan descriptions for additional detailed eligibility requirements

(d) Total OPEB Obligation

The District's total OPEB liability was measured as of June 30, 2024, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total OPEB liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	3.0 percent
Salary Increases:	3.0 percent
Healthcare cost trend rates:	8.00 percent graded down to 5.0 percent for the years beginning July 1, 2035 and later.

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

The long-term expected rate of return on OPEB plan investments was valued at 4.21%.

Discount rate. The discount rate used to measure the total OPEB liability was 4.21% and is based off the S&P municipal bond 20-year high-grade rate index. No assets have been accumulated in an irrevocable trust.

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(7) Other Post-Employment Benefits (OPEB) – FY 2024 (continued)

(d) Total OPEB Obligation (continued)

	Increase (Decrease)
	Total OPEB Liability
Balance at July 1, 2023	\$ 17,129,501
Changes for the year:	
Service cost	257,537
Interest	680,035
Differences between expected and actual experience	(1,413,496)
Changes in Assumptions	284,408
Benefit payments	(1,191,287)
Net changes	(1,382,803)
Balance at June 30, 2024	\$ 15,746,698

(e) Changes in the Total OPEB Liability

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

	1% Decrease to Discount Rate (3.21%)	Current Discount Rate (4.21%)	1% Increase to Discount Rate (5.21%)
Total OPEB Liability	\$ 16,863,857	\$ 15,746,698	\$ 14,775,952

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 (7.0 percent decreasing to 4.0 percent) or 1-percentage-point higher (9.0 percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

	1% Decrease (7.0% decreasing to 4.00%)	Healthcare Cost Trend Rates (8.0% decreasing to 5.00%)	1% Increase (9.0% decreasing to 6.00%)
Total OPEB liability	\$ 15,427,640	\$ 15,746,698	\$ 16,088,134

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(7) Other Post-Employment Benefits (OPEB) – FY 2024 (continued)

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

For the year ended June 30, 2024, the District recognized OPEB revenue of (\$369,193). At June 30, 2024, the District reported deferred outflows of resources of \$776,724 and deferred inflows of resources of \$4,564,943 related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 239,039	\$ 2,087,524
Changes in assumptions	537,685	2,477,419
Total	\$ 776,724	\$ 4,564,943

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

Year ended June 30:	(Revenue) Expense
2025	(1,204,707)
2026	(1,287,273)
2027	(934,843)
2028	(339,258)
Thereafter	(22,138)
	\$ (3,788,219)

(g) Payable to the OPEB Plan

At June 30, 2024, the District reported a payable of \$691,842 for the outstanding amount of contributions to the Plan required for the year ended June 30, 2024.

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

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

(a) Plan Description

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

Participant Count

Inactive employees or beneficiaries currently receiving benefit payments	480
Active employees	<u>611</u>
 Total Participants	 <u><u>1,091</u></u>

(b) Benefits Provided

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

The District pays full medical and dental premiums for eligible retirees and dependents retired prior to October 1, 2004. Retirees on or after October 1, 2004, who were eligible as of June 30, 2020, and elected coverage have a portion of their premiums paid by the District with the amount depending on the date of retirement. Coverage ends at age 65. All other employees hired before July 1, 2014 that meet the retirement age and service requirements have the choice of having a portion of their medical premiums paid for 3 years (though not above the age of Medicare eligibility) or contributions to a retiree HRA account of \$1,000 per full-service year plus \$20 per hour of sick time at retirement. Gateway Technical College also maintains a life insurance policy for all retirees which meet the same eligibility guidelines. The benefit amount is one times salary, rounded to the next \$1,000 with a maximum benefit of \$150,000 for retirees prior to July 1, 2012 and \$50,000 for all other retirees. The pre-65 benefit amount is reduced 75% at age 65, 50% at age 66, and 25% at age 67.

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

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

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

(c) Contributions

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

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

* See plan descriptions for additional detailed eligibility requirements

(d) Total OPEB Obligation

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

Actuarial Assumptions. The total OPEB liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	3.0 percent
Salary Increases:	3.0 percent
Healthcare cost trend rates:	9.00 percent graded down to 5.0 percent for the years beginning July 1, 2032 and later.

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

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

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

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

(d) Total OPEB Obligation (continued)

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

(e) Changes in the Total OPEB Liability

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

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

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

	1% Decrease (8.0% decreasing to 4.00%)	Healthcare Cost Trend Rates (9.0% decreasing to 5.00%)	1% Increase (10.0% decreasing to 6.00%)
Total OPEB liability	\$ 16,759,576	\$ 17,129,501	\$ 17,528,094

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

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

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

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

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

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

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

(g) Payable to the OPEB Plan

At June 30, 2023, the District reported a payable of \$703,624 for the outstanding amount of contributions to the Plan required for the year ended June 30, 2023.

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(8) Subscription Based Information Technology Arrangements

During fiscal year 2023, one of the significant arrangements the District entered into was with Zoom Phone with a term of 5 years, an interest rate of 4 percent and annual payments of \$103,819 with an expiration in 2028. An initial liability was recorded in the amount of \$480,673. The District has information technology arrangements for subscriptions under long-term, non-cancelable arrangements. The arrangements expire at various dates through 2028.

During fiscal year 2024, the District entered into arrangements that were significant for Ellucian CRM Advise, CRM Recruit, Elevate with a term of 5 years, an interest rate of 4 percent and an expiration date in 2028. An initial liability was recorded in the amount of \$464,865, \$460,079 and \$201,115 respectively.

During fiscal year 2024, one of another significant arrangements the District entered into was Brightspace software with a term of 5 years, in interest rate of 4 percent and an expiration date in 2028. An initial liability was recorded in the amount of \$247,999.

Total future minimum payments under these arrangements are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 766,552	\$ 92,419	\$ 858,971
2026	822,352	61,757	884,109
2027	402,475	28,863	431,338
2028	<u>319,107</u>	<u>12,764</u>	<u>331,871</u>
	<u>\$2,310,486</u>	<u>\$ 195,803</u>	<u>\$2,506,289</u>

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

<u>Year ended June 30:</u>	<u>2024</u>	<u>2023</u>
Computer Software	\$4,290,961	\$2,885,056
Less: accumulated amortization	<u>(1,741,888)</u>	<u>(984,815)</u>
	<u>\$2,549,073</u>	<u>\$ 1,900,241</u>

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(9) **Risk Management**

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

Districts Mutual Insurance and Risk Management Services (DMI)

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

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

DMI operations are governed by a five-member board of directors. Member colleges do not exercise any control over the activities of DMI beyond election of the board of directors at the annual meeting. The board has the authority to adopt its own budget, set policy matters, and control the financial affairs of the company. For the fiscal years 2024 and 2023, the District paid a premium of \$680,959 and \$660,924 respectively.

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

The DMI financial statements can be obtained through Districts Mutual Insurance and Risk Management Services, 212 W Pinehurst Trail, Dakota Dunes, SD 57049.

Supplemental Insurance

In July 1997, the WTCS technical colleges formed the WTCS Insurance Trust to jointly purchase commercial insurance to provide coverage for losses from theft of, damages to, or destruction of assets. The trust is organized under Wisconsin Statutes 66.0301 and is governed by a board of trustees consisting of one trustee from each member college. Member entities include all sixteen WTCS technical colleges.

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(9) Risk Management (continued)

Supplemental Insurance (continued)

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

Arthur J. Gallagher Risk Management Services, Inc.

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

(10) Leases

Lease Liability: Right-to-Use Asset Agreements

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

The District leases aircraft from Christiansen Aviation with variable lease payments based on flight hours, five-year lease terms, 2% interest rates and expiration dates in 2024 and 2026.

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(10) Leases (continued)

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

During fiscal year 2024, the District entered into a right-to use lease arrangement for the Lakeview Technical Academy. This amendment is a nineteen-month lease term with an option to extend for six additional periods of one month each with an interest rate of 4% and monthly payments of \$6,430. The lease expires in 2025. An initial lease liability was recorded in the amount of \$154,500.

During fiscal year 2024, the District entered into two new right-to-use lease arrangements for mail equipment with a term of five years, an interest rate of 4% and quarterly payments of \$4,482. The leases expire in 2028. An initial lease liability was recorded in the amount of \$80,880.

The District entered into two new right-to-use lease arrangements for printer/copiers with a term of five years, an interest rate of 4% and 5% and monthly payments of \$2,949 and \$14,426 respectively. The lease expires in 2029 and 2029. An initial lease liability was recorded in the amount of \$160,840 and \$764,425.

The District also entered into one new right-to-use lease arrangement to lease space for Kenosha Emerging Leaders Academy with an initial term through December 31, 2024 with an option to renew for five additional one-year terms, an interest rate of 4.25% and an expiration date in 2029. An initial lease liability was recorded in the amount of \$83,038.

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

Total principal and interest costs for such leases were \$1,076,624 and \$1,108,437 for the fiscal years ended June 30, 2024 and 2023. The future minimum lease payments for these agreements are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 664,804	\$ 125,327	\$ 790,131
2026	548,516	102,744	651,260
2027	504,624	82,732	587,356
2028	524,706	62,604	587,310
2029	396,522	43,788	440,310
2030 - 2034	781,041	82,094	863,135
2035 - 2039	196,273	21,527	217,800
2040 - 2044	105,708	3,192	108,900
Total	<u>\$ 3,722,194</u>	<u>\$ 524,008</u>	<u>\$ 4,246,202</u>

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(10) Leases (continued)

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

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

	<u>2024</u>	<u>2023</u>
Leased Asset - Buildings	\$4,727,495	\$4,489,957
Leased Asset - Equipment	<u>2,895,743</u>	<u>2,513,234</u>
Subtotal	7,623,238	7,003,191
Less: Accumulated Amortization	<u>2,930,211</u>	<u>2,568,884</u>
Total	<u><u>\$4,693,027</u></u>	<u><u>\$4,434,307</u></u>

Lease Receivable

The District, acting as lessor, leases building space, furniture and radio tower space under long-term, non-cancelable lease agreements. The District used the incremental borrowing rate as the interest rate for the right-to-use asset agreements if an interest rate was not provided in the lease agreement. The leases expire at various dates between 2023 and 2064.

The District recognized \$196,021 and \$140,358 of total interest and lease revenue for the fiscal years ended June 30, 2024 and 2023. Total future minimum lease payments to be received under these lease agreements are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 176,418	\$ 73,007	\$ 249,425
2026	177,170	63,640	240,810
2027	182,949	56,505	239,454
2028	187,406	49,353	236,759
2029	85,639	43,774	129,413
2030 - 2034	111,370	196,132	307,502
2035 - 2039	47,421	190,228	237,649
2040 - 2044	50,711	18,565	69,276
2045 - 2049	100,574	167,693	268,267
2050 - 2054	167,254	141,253	308,507
2055 - 2059	255,339	99,444	354,783
2060 - 2064	<u>362,758</u>	<u>37,442</u>	<u>400,200</u>
Total	<u><u>\$ 1,905,009</u></u>	<u><u>\$ 1,137,036</u></u>	<u><u>\$ 3,042,045</u></u>

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(11) Expenses Classification

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

	<u>2024</u>	<u>2023</u>
Salaries and wages	\$ 56,887,152	\$ 58,146,336
Fringe benefits	21,229,304	20,364,835
Travel, memberships, professional dev.	1,236,771	1,166,767
Supplies and minor equipment	4,263,032	11,442,800
Contract services	8,519,543	8,858,176
Bank/Agency credit/collection fees	152,053	128,783
Rentals	76,461	56,584
Repairs and maintenance	443,701	512,679
Insurance	693,797	777,981
Utilities	1,817,753	2,103,743
Depreciation/amortization	14,902,782	14,290,226
Student aid	13,719,594	12,185,390
Bad debt expense	480,415	537,976
Total Operating Expenses	<u>\$ 124,422,358</u>	<u>\$ 130,572,276</u>

(12) Joint Venture

The District had implemented a computerized database through a joint venture with Moraine Park Technical College and Waukesha County Technical College (WCTC) by forming the Wisconsin Public Access Library System (WISPALS) in 1989. It was organized as a consortium under Wis. Stats. 66.0301 and Gateway Technical College performed the duties of fiscal agent for the consortium through December 31, 2015. As of January 1, 2016, that responsibility was shifted to WiLS, a third-party fiscal agent. Since 1997 and as of June 30, 2013, eight additional technical colleges have joined. Since June 30, 2015, there are eleven full members (CVTC, FVTC, GTC, LTC, MPTC, MSTC, NTC, NWTC, WCTC, WTC and Northwood Technical College), 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, 2024, and 2023, was \$55,255 and \$52,706, respectively. The net assets for the joint venture decreased by \$40,940 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.

GATEWAY TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

(13) Commitments and Contingent Liabilities

As of June 30, 2024, the District has commitments outstanding for construction projects of approximately \$4,830,234. As of June 30, 2023, the commitments for construction projects were \$4,867,966.

(14) Subsequent Events

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

Subsequent to June 30, 2024, the District issued \$5,500,000 in General Obligation Promissory Notes:

<u>Date</u>	<u>Interest Rate</u>	<u>Amount</u>	<u>Purpose</u>
8/1/2024	4%-5%	\$ 4,000,000	Proceeds to be used for \$1,500,000 for building improvements and \$2,500,000 for equipment
10/10/2024	4%	1,500,000	Proceeds to be used for building improvement projects.

Gateway Technical College Foundation, Inc.
(A Component Unit of Gateway Technical College District)
Notes to Financial Statements
June 30, 2024 and 2023

Note A. Nature of Organization

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

The Foundation supports the mission of the College by raising community awareness and financial resources, broadening its base of support and providing programs such as scholarships, grants, and funds for educational growth. The Foundation strengthens the diverse communities it serves by aligning resources with student needs.

Note B. Summary of Significant Accounting Policies

Basis of Accounting

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

Basis of Presentation

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

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

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

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

Restricted and Unrestricted Revenue and Support

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

This information is an integral part of these Financial Statements.

Gateway Technical College Foundation, Inc.
(A Component Unit of Gateway Technical College District)
Notes to Financial Statements
June 30, 2024 and 2023

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

Restricted and Unrestricted Revenue and Support (cont.)

Promises to Give

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

Investments

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

Return Objectives and Risk Parameters (Investment Policy)

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

Return Type

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

Gateway Technical College Foundation, Inc.
(A Component Unit of Gateway Technical College District)
Notes to Financial Statements
June 30, 2024 and 2023

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

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

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

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

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

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

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

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

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

Types of Funds

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

This information is an integral part of these Financial Statements.

Gateway Technical College Foundation, Inc.
(A Component Unit of Gateway Technical College District)
Notes to Financial Statements
June 30, 2024 and 2023

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

Types of Funds (cont.)

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

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

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

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

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

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

Property

Property is recorded at cost at the date of acquisition, or fair value at the date of donation in the case of gifts. Depreciation of the property is provided over the estimated useful lives of the property at 39 years on a straight-line basis. Depreciation for the years ended June 30, 2024 and 2023 was \$12,249 and \$57,181, respectively.

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

Cash and Cash Equivalents

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

Investment Pools—Income Allocation

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

This information is an integral part of these Financial Statements.

Gateway Technical College Foundation, Inc.
(A Component Unit of Gateway Technical College District)
Notes to Financial Statements
June 30, 2024 and 2023

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

Use of Estimates

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

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

Uncertain Tax Positions

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Foundation may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained upon examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Foundation and various positions related to the potential sources of unrelated business income tax (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the years ended June 30, 2024 and 2023. Accordingly, there is no accrued interest or penalties associated.

Open Tax Years

The Foundation's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2021, 2022, and 2023 are subject to examination by the Internal Revenue Service, generally for three years after they were filed. None of the Foundation's federal or state returns are currently under examination.

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

Interpretation of Relevant Law

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

This information is an integral part of these Financial Statements.

Gateway Technical College Foundation, Inc.
(A Component Unit of Gateway Technical College District)
Notes to Financial Statements
June 30, 2024 and 2023

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

Interpretation of Relevant Law (cont.)

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

Endowment Net Asset Composition by Type of Fund as of June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	\$ -	\$ 11,653,882	\$ 11,653,882
Board-Designated Endowment Funds	1,123,991	-	1,123,991
	<u>\$ 1,123,991</u>	<u>\$ 11,653,882</u>	<u>\$ 12,777,873</u>

Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets,			
Beginning of Year	\$ 931,197	\$ 10,295,137	\$ 11,226,334
Investment Income—Net Depreciation (Realized and Unrealized)	550,470	1,562,957	2,113,427
Contributions	50,459	196,321	246,780
Appropriation of Endowment Assets for Expenditure	(808,668)	-	(808,668)
Reclassification Endowment Net Assets	400,533	(400,533)	-
End of Year	<u>\$ 1,123,991</u>	<u>\$ 11,653,882</u>	<u>\$ 12,777,873</u>

This information is an integral part of these Financial Statements.

Gateway Technical College Foundation, Inc.
(A Component Unit of Gateway Technical College District)
Notes to Financial Statements
June 30, 2024 and 2023

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

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

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

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

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

Note D. Investments

Assets of Recurring Fair Value as of June 30, 2024

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value	Cost	Unrealized Appreciation (Depreciation)
Fixed Income Securities	\$ 7,045,479	\$ -	\$ -	\$ 7,045,479	\$ 5,454,380	\$ 1,591,099
Domestic Equities	6,423,290	-	-	6,423,290	2,364,447	4,058,843
International Equities	2,967,291	-	-	2,967,291	6,584,937	(3,617,646)
Alternatives	2,162,350	-	-	2,162,350	2,433,774	(271,424)
	<u>\$ 18,598,410</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,598,410</u>	<u>\$ 16,837,538</u>	<u>\$ 1,760,872</u>

This information is an integral part of these Financial Statements.

Gateway Technical College Foundation, Inc.
(A Component Unit of Gateway Technical College District)
Notes to Financial Statements
June 30, 2024 and 2023

Note D. Investments (cont.)

Investment return as of June 30, 2024, is summarized as follows:

	Cost
Interest/Dividend Income	\$ 755,773
Change in Unrealized Gains (Losses)	720,564
Realized Gain (Loss)	<u>441,912</u>
	<u><u>\$ 1,918,249</u></u>

Expenses relating to investment revenues, including custodial fees and advisory fees, amounted to \$98,056 and have not been netted against investment revenues in the accompanying Statement of Activities.

Assets of Recurring Fair Value as of June 30, 2023

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

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

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

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

This information is an integral part of these Financial Statements.

Gateway Technical College Foundation, Inc.
(A Component Unit of Gateway Technical College District)
Notes to Financial Statements
June 30, 2024 and 2023

Note E. Concentration of Credit Risk

The Foundation maintains cash balances at Johnson Bank and Trust in Kenosha, Wisconsin. Accounts at the bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At various times throughout the year, the Foundation had cash balances that exceeded FDIC limits. As of June 30, 2024 and 2023, the Foundation had \$378,764 and \$909,125, respectively, on deposit, of which \$128,764 and \$659,125 was not insured by the FDIC.

The Foundation has deposited cash equivalents and investments with Johnson Trust as Master Custodian. As of June 30, 2024, and 2023, there was a certificate of insurance with coverage of financial institution bond for any one loss of \$10,000,000 and professional liability with a per loss of \$10,000,000 subject to aggregate.

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

Note F. FASB Accounting Standards Codification 842—Leases

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

As of June 30, 2024, the Foundation was party to the following lease agreements with Gateway Technical College:

Lease for building space located at 3620 30th Avenue, Kenosha, Wisconsin. The lease commenced on December 1, 2014, for a period of 120 months, with monthly lease payments of \$1,609.

Lease for building space located at 3217 34th Avenue, Kenosha, Wisconsin. The lease commenced on August 1, 2020, for a period of 120 months. Lease payments are \$2,660.61 per month through July 31, 2025 and increasing to \$2,800 per month through July 31, 2030.

Total future minimum lease receipts for these leases as of June 30, 2024, are as follows:

Year Ending June 30,	Amount
2025	39,976
2026	33,461
2027	33,600
2028	33,600
Thereafter	70,000
Total	<u><u>\$210,637</u></u>

This information is an integral part of these Financial Statements.

Gateway Technical College Foundation, Inc.
(A Component Unit of Gateway Technical College District)
Notes to Financial Statements
June 30, 2024 and 2023

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

The Foundation entered into a ground lease with Gateway Technical College, which began on January 1, 2002, and terminated during the year ended June 30, 2024, without an option to renew. Under this lease, the premises were used for a childcare center and program laboratory space with the tenants being Every Child's Place, Inc., and Gateway Technical College. The construction of the building was at the expense of the Foundation. The Foundation agreed to pay \$1 annually for the land rent commencing on January 1, 2002. Upon termination of this lease, the title to the building, improvements, and appurtenances constructed or erected by the Foundation during the term of the lease vested in Gateway Technical College, and the Foundation ceased to have any interest in, and relinquished all rights to, the building. During the year ended June 30, 2023, the Foundation transferred assets with a Net Book Value of \$28,218 to Gateway Technical College in accordance with the terms of the lease and recognized this amount in the Statement of Activities as additional support for the College.

Note G. Donated Services

Donated services are recognized as in-kind services in accordance with FASB ASC 958, *Not-for-Profit Entities*, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. As of June 30, 2024 and 2023, \$627,419 and \$206,408, respectively, has been reflected in the financial statements for donated services. The Foundation generally pays for services requiring specific expertise. Donated services for the year ended June 30, 2024, include payroll services in the amount of \$260,397, audit services in the amount of \$10,356, and donated supplies in the amount of \$356,666. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Foundation that are not recognized in the financial statements since they do not meet the criteria for recognition under FASB ASC 958, *Not-for-Profit Entities*.

Note H. Comparative Financial Information

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

This information is an integral part of these Financial Statements.

Gateway Technical College Foundation, Inc.
(A Component Unit of Gateway Technical College District)
Notes to Financial Statements
June 30, 2024 and 2023

Note I. Promises to Give

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

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

	2024	2023
Less than One Year	\$ 1,229,167	\$ 1,214,579
More than One Year and Less than Five Years	<u>29,500</u>	<u>1,167,000</u>
	1,258,667	2,381,579
Less Discount (1.25 rate) on Promises to Give	<u>369</u>	<u>14,588</u>
Net Promises to Give	1,258,298	2,366,991
Less Amounts Representing Current Portions	<u>1,229,167</u>	<u>1,214,579</u>
Promises to Give, Net, More than One Year	<u>\$ 29,131</u>	<u>\$ 1,152,412</u>

Note J. Functional Classification of Expenses

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

	2024	2023
Program Activities	\$ 1,795,097	\$ 1,080,335
Supporting Activities		
Management and General	159,828	189,863
Fundraising	<u>62,008</u>	<u>56,561</u>
Total Supporting Activities	<u>221,836</u>	<u>250,510</u>
Total Operating Expenses	<u>\$ 2,016,933</u>	<u>\$ 1,326,759</u>

This information is an integral part of these Financial Statements.

Gateway Technical College Foundation, Inc.
(A Component Unit of Gateway Technical College District)
Notes to Financial Statements
June 30, 2024 and 2023

Note K. Liquidity and Availability of Financial Assets

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

As of June 30, 2024, the Foundation had \$1,269,474 of financial assets available to meet the cash needs for general expenditures within one year of the statement of financial position date. These financial assets primarily consisted of cash and cash equivalents.

Note L. Net Assets with Donor Restrictions

The Foundation's net assets with donor restrictions are available for the following purposes as of June 30, 2024, and 2023:

	2024	2023
Subject to Expenditure for Specified Purpose:		
Scholarships	\$ 12,127,790	\$ 12,042,854
Subject to the Foundation's Spending Policy:		
Scholarships	125,000	125,000
Perpetual in Nature:		
Scholarships—Endowment	<u>5,616,337</u>	<u>6,138,695</u>
Total Net Assets with Donor Restrictions	<u>\$ 17,869,127</u>	<u>\$ 18,306,549</u>

Note M. Subsequent Events

Management has evaluated all subsequent events through August 30, 2024, for possible inclusion of a disclosure in the financial statements.

This information is an integral part of these Financial Statements.

Gateway Technical College Foundation, Inc.
(A Component Unit of Gateway Technical College District)
Notes to Financial Statements
June 30, 2024 and 2023

Note N. Fraudulent Investment

On February 17, 2022, an SEC complaint was filed regarding a fraudulent scheme with one of the investments that the Foundation invests in. The founder and former CIO of the investment knowingly inflated the value of the assets held by manipulating a third-party pricing model that was used to value swaps held by the fund. The fund has suspended redemption of the funds and is in liquidation process.

During the year ended June 30, 2024, a change in custodian changed the way that this fund is valued on the statements. The fund was adjusted down to zero due to no readily determinable value on the market. The original cost of the investment was \$392,000. As of June 30, 2024, \$264,199 has been returned. The Foundation has been working with their investment advisors and expects to collect an additional amount ranging from \$12,000 to \$35,000. It is unknown when the distribution will occur as well as the actual amount to be received and therefore the amounts have not been recorded in these financial statements.

Note O. Prior Period Adjustment

During the year ended June 30, 2024, it was discovered that reimbursement payments related to the SIM property, which is managed by Gateway Technical College District, will be recorded as a leasehold improvement on Gateway Technical College District once completed, as part of their lease agreement. A prior period adjustment was recorded in the amount of \$187,774 as these payments should have been recorded as building and capital expenses in previous years. Additionally, \$73,179 was paid during the fiscal year toward this project.

This information is an integral part of these Financial Statements.

REQUIRED SUPPLEMENTARY INFORMATION

GATEWAY TECHNICAL COLLEGE

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

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	\$ 257,537	\$ 398,321	\$ 704,440	\$ 680,003	\$ 687,697	\$ 645,276	\$ 587,898
Interest	680,035	814,400	493,776	563,270	688,907	699,366	815,970
Benefit payments	(1,191,287)	(1,139,392)	(1,097,552)	(1,228,216)	(1,118,804)	(1,218,587)	(1,646,192)
Changes of benefit terms	-	-	-	-	(2,207,505)	-	-
Differences between expected and actual experience	(1,413,496)	(1,374,429)	395,459	288,870	(1,422,676)	(24,123)	1,457,283
Changes in assumptions	284,408	(1,690,074)	(3,340,700)	1,259,947	(224,346)	1,024,998	1,462,422
Net change in total OPEB liability	(1,382,803)	(2,991,174)	(2,844,577)	1,563,874	(3,596,727)	1,126,930	2,677,381
Total OPEB liability - beginning	17,129,501	20,120,675	22,965,252	21,401,378	24,998,105	23,871,175	21,193,794
Total OPEB liability - ending	\$ 15,746,698	\$ 17,129,501	\$ 20,120,675	\$ 22,965,252	\$ 21,401,378	\$ 24,998,105	\$ 23,871,175
Covered-employee payroll	\$ 48,002,673	\$ 48,122,630	\$ 44,997,830	\$ 44,016,382	\$ 44,184,940	\$ 43,187,900	\$ 40,911,888
District's total OPEB liability as a percentage of covered-employee payroll	32.80%	35.60%	44.71%	52.17%	48.44%	57.88%	58.35%

GATEWAY TECHNICAL COLLEGE

Schedule of Employer Contributions
Other Postemployment Benefits
Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution (ADC)	\$ 1,711,003	\$ 1,960,759	\$ 1,960,759	\$ 1,933,374	\$ 2,139,746	\$ 2,026,533	\$ 2,057,976
Contributions in relation to the ADC	1,139,392	1,097,552	1,097,552	1,228,216	1,143,804	1,218,587	1,646,192
Contribution deficiency (excess)	\$ 571,611	\$ 863,207	\$ 863,207	\$ 705,158	\$ 990,942	\$ 807,946	\$ 411,784
Covered-employee payroll	\$ 48,002,673	\$ 48,122,630	\$ 44,997,830	\$ 44,016,382	\$ 44,184,940	\$ 43,187,900	\$ 40,911,888
Contributions as a percentage of covered-employee payroll	2.37%	2.28%	2.44%	2.79%	2.60%	2.82%	4.02%

Key Methods and Assumption Used to Calculate ADC

	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Actuarial cost method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value
Asset valuation method	30 year Level Dollar	30 year Level Dollar	30 year Level Dollar	30 year Level Dollar	30 year Level Dollar	30 year Level Dollar	30 year Level Dollar	30 year Level Dollar	30 year Level Dollar
Amortization method	4.21%	4.13%	4.09%	2.18%	2.66%	2.79%	2.98%	2.79%	2.98%
Discount rate	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Inflation									

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

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Schedules of Wisconsin Retirement System Pension Plan Information
June 30, 2024

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

Plan Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll Plan Year	Proportionate Share of the Net Position Liability(Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/2015	0.3276965%	\$ 5,325,004	\$ 46,039,216	11.57%	98.20%
12/31/2016	0.3244030%	2,673,855	46,491,250	5.75%	99.12%
12/31/2017	0.3191383%	(9,475,595)	46,347,544	20.44%	102.93%
12/31/2018	0.3141638%	11,176,963	47,548,247	23.51%	96.45%
12/31/2019	0.3104454%	(10,010,177)	49,566,851	20.20%	102.96%
12/31/2020	0.3096303%	(19,330,650)	51,693,784	37.39%	105.26%
12/31/2021	0.3052542%	(24,604,053)	50,945,373	48.30%	106.02%
12/31/2022	0.2977421%	15,773,492	51,998,263	30.33%	95.72%
12/31/2023	0.2824573%	4,199,592	51,619,483	8.14%	98.85%

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

Schedule of Contributions
Last 10 Fiscal Years*

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll Fiscal Year	Contributions as a Percentage of Covered Payroll
6/30/2016	\$ 3,097,538	\$ 3,097,538	\$ -	\$ 46,235,719	6.70%
6/30/2017	3,095,524	3,095,524	-	46,205,511	6.70%
6/30/2018	3,174,648	3,174,648	-	47,033,912	6.75%
6/30/2019	3,216,986	3,216,986	-	48,567,201	6.62%
6/30/2020	3,323,018	3,323,018	-	49,966,764	6.65%
6/30/2021	3,362,433	3,362,433	-	49,813,819	6.75%
6/30/2022	3,438,337	3,438,337	-	51,825,994	6.63%
6/30/2023	3,543,540	3,543,540	-	53,341,274	6.64%
6/30/2024	3,612,265	3,612,265	-	52,730,898	6.85%

* 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, 2024

Note A - Governmental Accounting Standards Board Statement No. 75

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

Single-employer defined postemployment benefit plan:

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

	<u>Discount Rate</u>
6/30/2024	4.21%
6/30/2023	4.13%
6/30/2022	4.09%
6/30/2021	2.18%
6/30/2020	2.66%
6/30/2019	2.79%
6/30/2018	2.98%

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

Note B - Wisconsin Retirement System

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

6/30/2024	No significant change in assumptions were noted from the prior year
6/30/2023	No significant change in assumptions were noted from the prior year
6/30/2022	<u>LT Expected Rate of Return</u> : Decreased from 7% to 6.8% <u>Discount Rate</u> : Decreased from 7% to 6.8% <u>Mortality Table</u> : Changed from Wisconsin 2018 to 2020 WRS Experience <u>Post-Retirement Adj</u> : Decreased from 1.9% to 1.7%
6/30/2021	No significant change in assumptions were noted from the prior year
6/30/2020	No significant change in assumptions were noted from the prior year
6/30/2019	No significant change in assumptions were noted from the prior year
6/30/2018	<u>LT Expected Rate of Return</u> : Decreased from 7.2% to 7% <u>Discount Rate</u> : Decreased from 7.2% to 7% <u>Inflation</u> : Decreased from 3.2% to 3% <u>Seniority/Merit</u> : Decreased from 0.2%-5.6% to 0.1%-5.6% <u>Mortality Table</u> : Changed from 2012 to 2018 <u>Post-Retirement Adj</u> : Decreased from 2.1% to 1.9%
6/30/2017	No significant change in assumptions were noted from the prior year
6/30/2016	No significant change in assumptions were noted from the prior year
6/30/2015	No significant change in assumptions were noted from the prior year

SUPPLEMENTARY INFORMATION

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

GENERAL FUND

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

GATEWAY TECHNICAL COLLEGE DISTRICT

General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the year ended June 30, 2024

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Over (Under)
	Original	Final		
<u>Revenues</u>				
Local government - tax levy	\$ 21,727,194	\$ 21,602,244	\$ 21,643,604	\$ 41,360
Intergovernmental revenue:				
State	44,891,163	44,003,261	43,623,891	(379,370)
Federal	30,000	30,000	14,484	(15,516)
Tuition and fees:				
Statutory program fees	13,584,598	13,584,598	14,004,024	419,426
Material fees	725,211	725,211	829,573	104,362
Other student fees	1,547,870	1,547,870	1,528,393	(19,477)
Miscellaneous - institutional revenue	7,705,468	7,705,468	9,351,236	1,645,768
 Total revenues	90,211,504	89,198,652	90,995,205	1,796,553
 <u>Expenditures</u>				
Instruction	61,622,646	61,189,768	59,357,135	1,832,633
Instructional resources	1,191,134	1,187,212	1,149,425	37,787
Student services	13,114,764	13,071,587	12,112,815	958,772
General institutional	8,873,312	8,944,099	8,932,828	11,271
Physical plant	7,409,648	7,515,254	7,507,458	7,796
 Total expenditures	92,211,504	91,907,920	89,059,661	2,848,259
 Net change in fund balance	(2,000,000)	(2,709,268)	1,935,544	4,644,812
 <u>Fund balance</u>				
Beginning of year	33,153,495	33,153,495	33,153,495	-
End of year	\$ 31,153,495	\$ 30,444,227	\$ 35,089,039	\$ 4,644,812

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, 2024

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Over (Under)
	Original	Final		
<u>Revenues</u>				
Local government - tax levy	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ -
Intergovernmental revenue:				
State	1,267,888	1,966,529	1,316,439	(650,090)
Federal	4,366,517	4,677,148	4,071,925	(605,223)
Miscellaneous - institutional revenue	92,418	204,530	204,615	85
Total revenues	7,726,823	8,848,207	7,592,979	(1,255,228)
<u>Expenditures</u>				
Instruction	4,319,838	5,092,729	4,026,752	1,065,977
Student services	1,941,866	2,149,181	1,942,812	206,369
General institutional	1,057,201	1,113,379	720,965	392,414
Physical plant	-	70,000	64,350	5,650
Public services	407,918	422,918	420,279	2,639
Total expenditures	7,726,823	8,848,207	7,175,158	1,673,049
Net change in fund balance	-	-	417,821	417,821
<u>Fund balance</u>				
Beginning of year	3,277,432	3,277,432	3,277,432	-
End of year	\$ 3,277,432	\$ 3,277,432	\$ 3,695,253	\$ 417,821

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, 2024

	<u>Budget Amounts</u>		Actual on a Budgetary Basis	Variance with Final Budget- Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Intergovernmental revenue:				
State	\$ 2,254,000	\$ 2,254,000	\$ 2,187,406	\$ (66,594)
Federal	18,531,500	18,531,500	18,162,860	(368,640)
Miscellaneous - institutional revenue	<u>1,963,600</u>	<u>1,963,600</u>	<u>1,768,894</u>	<u>(194,706)</u>
Total revenues	<u>23,581,000</u>	<u>23,581,000</u>	<u>22,980,379</u>	<u>(600,621)</u>
<u>Expenditures</u>				
Student services	23,564,000	23,564,000	23,132,761	431,239
General institutional	<u>17,000</u>	<u>17,000</u>	<u>6,563</u>	<u>10,437</u>
Total expenditures	<u>23,581,000</u>	<u>23,581,000</u>	<u>23,139,324</u>	<u>441,676</u>
Net change in fund balance	-	-	(158,945)	(158,945)
<u>Fund balance</u>				
Beginning of year	<u>1,479,017</u>	<u>1,479,017</u>	<u>1,479,017</u>	<u>-</u>
End of year	<u>\$ 1,479,017</u>	<u>\$ 1,479,017</u>	<u>\$ 1,320,072</u>	<u>\$ (158,945)</u>

CAPITAL PROJECTS FUND

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Capital Projects Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the year ended June 30, 2024

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Over (Under)
	Original	Final		
<u>Revenues</u>				
Intergovernmental revenue:				
State	\$ 75,000	\$ 75,000	\$ 67,665	\$ (7,335)
Federal	75,000	75,000	63,125	(11,875)
Miscellaneous - institutional revenue	200,000	200,000	608,531	408,531
Total revenues	350,000	350,000	739,321	389,321
<u>Expenditures</u>				
Instruction	2,163,000	2,463,000	2,445,217	17,783
Instructional resources	15,000	15,000	-	15,000
Student services	10,000	71,131	56,497	14,634
General institutional	3,000,000	3,000,000	2,658,323	341,677
Physical plant	8,150,000	8,750,000	8,731,248	18,752
Public services	12,000	12,000	12,000	-
Total expenditures	13,350,000	14,311,131	13,903,285	407,846
Revenues over (under) expenditures	(13,000,000)	(13,961,131)	(13,163,964)	797,167
<u>Other financing sources</u>				
Long-term debt issued	13,000,000	13,000,000	13,000,000	-
Leases Issued	-	900,000	1,140,152	240,152
Transfers in	-	61,131	-	(61,131)
Total other financing sources	13,000,000	13,961,131	14,140,152	179,021
Net change in fund balance	-	-	976,188	976,188
<u>Fund balance</u>				
Beginning of year	3,814,026	3,814,026	3,814,026	-
End of year	\$ 3,814,026	\$ 3,814,026	\$ 4,790,214	\$ 976,188

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, 2024

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Local government - tax levy	\$ 16,776,900	\$ 16,776,900	\$ 16,776,900	\$ -
Miscellaneous - institutional revenue	<u>25,000</u>	<u>25,000</u>	<u>295,920</u>	<u>270,920</u>
Total revenues	<u>16,801,900</u>	<u>16,801,900</u>	<u>17,072,820</u>	<u>270,920</u>
<u>Expenditures</u>				
Physical plant				
Principal retirement	14,421,242	14,421,242	14,402,450	18,792
Interest	2,345,448	2,335,448	2,275,839	59,609
Financing costs	<u>300,000</u>	<u>310,000</u>	<u>309,875</u>	<u>125</u>
Total expenditures	<u>17,066,690</u>	<u>17,066,690</u>	<u>16,988,164</u>	<u>78,526</u>
<u>Other financing sources</u>				
Proceeds of debt premium	<u>620,000</u>	<u>620,000</u>	<u>604,203</u>	<u>(15,797)</u>
Net change in fund balance	355,210	355,210	688,859	333,649
<u>Fund balance</u>				
Beginning of year	<u>4,039,319</u>	<u>4,039,319</u>	<u>4,039,319</u>	<u>-</u>
End of year	<u>\$ 4,394,529</u>	<u>\$ 4,394,529</u>	<u>\$ 4,728,178</u>	<u>\$ 333,649</u>

ENTERPRISE FUNDS

Enterprise funds are used to account for operations (other than for the educational operations) that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The operations of the District's culinary arts, auto lab, and various other minor services are accounted for in the enterprise funds in a manner similar to accounting for private enterprise operations.

GATEWAY TECHNICAL COLLEGE DISTRICT

Enterprise Fund Schedule of Revenues, Expenses, and Changes in Net Position
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the year ended June 30, 2024

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Over (Under)
	Original	Final		
<u>Operating Revenues</u>				
Local government - tax levy	\$ 45,000	\$ 45,000	\$ 45,000	\$ -
Tuition and fees - other student fees	205,000	240,000	239,957	(43)
Miscellaneous - institutional revenue	<u>375,000</u>	<u>411,050</u>	<u>410,928</u>	<u>(122)</u>
Total revenues	<u>625,000</u>	<u>696,050</u>	<u>695,885</u>	<u>(165)</u>
<u>Operating Expenses</u>				
Auxiliary services	<u>625,000</u>	<u>775,000</u>	<u>769,177</u>	<u>5,823</u>
Change in net position	-	(78,950)	(73,292)	5,658
<u>Net Position</u>				
Beginning of year	<u>1,010,988</u>	<u>1,010,988</u>	<u>1,010,988</u>	<u>-</u>
End of year	<u>\$ 1,010,988</u>	<u>\$ 932,038</u>	<u>\$ 937,696</u>	<u>\$ 5,658</u>

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Schedule to Reconcile the Budgetary (Non-GAAP) Combined Balance Sheet - All Fund Types to the Statements of Net Position
June 30, 2024

ASSETS	General Fund	Special Revenue Funds Operating	Non-Aidable	Capital Projects Fund	Debt Service Fund	Enterprise Fund	Total	Reconciling Items	Statement of Net Position
ASSETS									
Assets									
Cash and cash equivalents	\$ 37,029,679	\$ -	\$ -	\$ 10,360,137	\$ 4,728,178	\$ -	\$ 52,117,994	\$ -	\$ 52,117,994
Receivables:									
Property taxes	10,775,746	-	-	-	-	-	10,775,746	-	10,775,746
Accounts, net of reserve of \$165,000	1,571,692	1,560	-	52,289	-	-	1,625,541	-	1,625,541
Federal and state aid	205,949	1,341,932	37,858	-	-	-	1,585,739	-	1,585,739
Lease	-	1,047,068	857,941	-	-	966,006	1,905,009	-	1,905,009
Due from other funds	-	2,583,524	1,285,000	-	-	-	4,832,530	(4,832,530)	-
Prepaid expenditures	489,959	14,422	-	10,432	-	-	514,813	-	514,813
Capital assets	-	-	-	-	-	-	-	263,983,397	263,983,397
Less: accumulated depreciation	-	-	-	-	-	-	-	(152,200,282)	(152,200,282)
Net pension asset	-	-	-	-	-	-	-	-	-
Total Assets	50,930,966	4,988,506	1,320,858	10,422,858	4,728,178	966,006	73,357,372	106,950,585	180,307,957
DEFERRED OUTFLOWS OF RESOURCES									
Deferred outflows related to OPEB	-	-	-	-	-	-	-	776,724	776,724
Deferred outflows related to pensions	-	-	-	-	-	-	-	35,386,050	35,386,050
Total deferred outflows of resources	-	-	-	-	-	-	-	36,162,774	36,162,774
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	50,930,966	4,988,506	1,320,858	10,422,858	4,728,178	966,006	73,357,372	143,113,359	216,470,731
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND EQUITY									
Liabilities									
Accounts payable	3,771,710	111,515	436	10,200	-	28,310	3,922,171	-	3,922,171
Accrued payroll and benefits	2,849,525	268	-	-	-	-	2,849,793	-	2,849,793
Accrued vacation	796,784	-	-	-	-	-	796,784	-	796,784
Accrued interest payable	-	-	-	-	-	-	-	553,556	553,556
Due to other funds	4,832,530	-	-	-	-	-	4,832,530	(4,832,530)	-
Unearned revenues	3,506,839	1,164,464	-	-	-	-	4,671,303	-	4,671,303
Other post-employment benefits liability	-	-	-	-	-	-	-	15,746,698	15,746,698
Net pension liability	-	-	-	-	-	-	-	4,199,592	4,199,592
Long-term liabilities	-	-	-	-	-	-	-	78,910,874	78,910,874
Total liabilities	15,757,388	1,276,247	436	10,200	-	28,310	17,072,581	90,733,197	107,805,778
Deferred Inflows of Resources									
Deferred inflows related to OPEB	-	-	-	-	-	-	-	4,564,943	4,564,943
Deferred inflows related to pensions	-	-	-	-	-	-	-	22,435,271	22,435,271
Deferred inflows related to leases	-	-	-	-	-	-	-	1,873,463	1,873,463
Total deferred inflows of resources	-	-	-	-	-	-	-	28,873,677	28,873,677
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	15,757,388	1,276,247	436	10,200	-	28,310	17,072,581	119,606,874	136,679,455
Fund balances / net position									
Net investment in capital assets	-	-	-	-	-	-	-	40,984,978	40,984,978
Net position	-	-	-	-	-	-	-	30,887,531	31,825,227
Fund balances:									
Unreserved/unrestricted	489,959	14,422	-	-	-	937,696	937,696	(504,381)	-
Reserved for prepaid expenditures	-	-	-	-	-	-	-	2,097,181	2,097,181
Reserved for student organizations	-	-	-	-	-	-	-	777,109	-
Reserved for student financial assistance (deficit)	-	-	(777,109)	4,790,214	-	-	4,790,214	(4,790,214)	-
Reserved for capital projects	-	-	-	-	4,728,178	-	4,728,178	(553,556)	4,174,622
Reserved for debt service	4,370,000	-	-	-	-	-	4,370,000	(4,370,000)	-
Reserved for OPEB - Other post employment benefits	-	-	-	-	-	-	-	709,268	709,268
Unreserved - Designated for:									
State aid fluctuations	5,168,785	713,801	-	-	-	-	5,882,586	(5,882,586)	-
Subsequent year	24,351,027	2,967,030	-	-	-	-	27,318,057	(27,318,057)	-
Operations	-	-	-	-	-	-	-	-	-
Reserve for encumbrances	35,089,039	3,695,253	1,320,072	4,790,214	4,728,178	937,696	50,560,452	29,230,824	79,791,276
	84,539	17,006	350	5,622,444	-	-	5,724,339	(5,724,339)	-
Total Liabilities, Deferred Inflows of Resources, and Fund Equity	50,930,966	4,988,506	1,320,858	10,422,858	4,728,178	966,006	73,357,372	143,113,359	216,470,731

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, 2024

Revenues	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		
187,866 (65,054)											
Local government - tax levy	\$ 21,643,604	\$ 2,000,000	\$ -	\$ -	\$ 16,776,900	\$ 45,000	\$ 40,465,504	\$ -	\$ 40,465,504		
Intergovernmental revenue:											
State	43,623,891	1,316,439	2,187,406	67,665	-	-	47,195,401	-	47,195,401 (1)		
Federal	14,484	4,071,925	18,162,860	63,125	-	-	22,312,394	-	22,312,394 (2)		
Tuition and fees:											
Statutory program fees	14,004,024	-	-	-	-	-	14,004,024	(5,442,443)	8,561,581		
Material fees	829,573	-	-	-	-	-	829,573	(325,278)	504,295		
Other student fees	1,528,393	-	861,219	-	-	239,957	2,629,569	(585,501)	2,044,068		
Miscellaneous - institutional revenue	9,351,236	204,615	1,768,894	608,531	295,920	410,928	12,640,124	(1,221,188)	11,418,936 (3)		
Total revenues	<u>90,995,205</u>	<u>7,592,979</u>	<u>22,980,379</u>	<u>739,321</u>	<u>17,072,820</u>	<u>695,885</u>	<u>140,076,589</u>	<u>(7,574,410)</u>	<u>132,502,179</u>		
Expenditures											
Instruction	59,357,135	4,026,752	-	2,445,217	-	-	65,829,104	(4,242,382)	61,586,722		
Instructional resources	1,149,425	-	-	-	-	-	1,149,425	(34,242)	1,115,183		
Student services	12,112,815	1,942,812	23,132,761	56,497	-	-	37,244,885	(21,758,219)	15,486,666		
General institutional	8,932,828	720,965	6,563	2,658,323	-	-	12,318,679	(1,803,791)	10,514,888		
Physical plant	7,507,458	64,350	-	8,731,248	-	-	16,303,056	(10,402,433)	5,900,623		
Student aid	-	-	-	-	-	-	-	13,719,594	13,719,594		
Public services	-	420,279	-	12,000	-	-	432,279	(5,184)	427,095		
Depreciation	-	-	-	-	-	-	-	14,902,782	14,902,782		
Auxiliary services	-	-	-	-	-	769,177	769,177	(372)	768,805		
Debt Service:											
Principal	-	-	-	-	14,402,450	-	14,402,450	(14,402,450)	-		
Interest and debt issuance costs	-	-	-	-	2,585,714	-	2,585,714	(495,409)	2,090,305		
Total expenditures	<u>89,059,661</u>	<u>7,175,158</u>	<u>23,139,324</u>	<u>13,903,285</u>	<u>16,988,164</u>	<u>769,177</u>	<u>151,034,769</u>	<u>(24,522,106)</u>	<u>126,512,663</u>		
Revenues over (under) expenditures	<u>1,935,544</u>	<u>417,821</u>	<u>(158,945)</u>	<u>(13,163,964)</u>	<u>84,656</u>	<u>(73,292)</u>	<u>(10,958,180)</u>	<u>16,947,696</u>	<u>5,989,516</u>		
Other financing sources (uses)											
Long-term debt issued	-	-	-	13,000,000	-	-	13,000,000	(13,000,000)	-		
Debt premium	-	-	-	-	604,203	-	604,203	(604,203)	-		
Leases issued	-	-	-	1,140,152	-	-	1,140,152	(1,140,152)	-		
Loss on disposal of capital assets	-	-	-	-	-	-	-	(110,381)	(110,381)		
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,140,152</u>	<u>604,203</u>	<u>-</u>	<u>14,744,355</u>	<u>(14,854,736)</u>	<u>(110,381)</u>		
Net change in fund balances	<u>1,935,544</u>	<u>417,821</u>	<u>(158,945)</u>	<u>976,188</u>	<u>688,859</u>	<u>(73,292)</u>	<u>3,786,175</u>	<u>2,092,960</u>	<u>5,879,135</u>		
Fund balances/net position											
Beginning of year	<u>33,153,497</u>	<u>3,277,432</u>	<u>1,479,017</u>	<u>3,814,026</u>	<u>4,039,319</u>	<u>1,010,988</u>	<u>46,774,279</u>	<u>27,137,862</u>	<u>73,912,141</u>		
End of year	<u>\$ 35,089,041</u>	<u>\$ 3,695,253</u>	<u>\$ 1,320,072</u>	<u>\$ 4,790,214</u>	<u>\$ 4,728,178</u>	<u>\$ 937,696</u>	<u>\$ 50,560,454</u>	<u>\$ 29,230,824</u>	<u>\$ 79,791,276</u>		

GATEWAY TECHNICAL COLLEGE DISTRICT

Schedule to Reconcile the Budgetary (Non-GAAP) Basis Financial Statements
to the Statements of Revenues, Expenses and Changes in Net Position (Continued)
June 30, 2024

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

Operating	\$ 3,636,127
Non-operating - State Appropriations	43,491,609
Non-operating - Capital Grants	<u>67,665</u>
 Total	 <u>\$ 47,195,401</u>

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

Operating	\$ 12,841,758
Non-operating - Federal	9,407,511
Non-operating - Capital Grants	<u>63,125</u>
 Total	 <u>\$ 22,312,394</u>

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

Contract revenue	\$ 7,391,348
Auxiliary enterprise revenues	392,488
Miscellaneous revenue	1,455,769
Investment income	1,978,928
Contributions	81,512
Donated capital assets	<u>118,891</u>
 Total	 <u>\$ 11,418,936</u>

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

	<u>2024</u>	<u>2023</u>
Budgetary basis fund equity	\$ 50,560,452	\$ 46,774,279
Capital assets capitalized - cost	263,983,397	248,833,502
Accumulated depreciation/amortization on general fixed	(152,200,282)	(137,873,367)
General obligation debt	(69,750,000)	(70,210,000)
Lease liability	(3,722,194)	(3,524,492)
Subscription Liability	(2,310,486)	(1,628,947)
Other post employment benefits	(15,746,698)	(17,129,501)
Deferred outflows related to OPEB	776,724	998,973
Deferred inflows related to OPEB	(4,564,943)	(4,964,869)
Net pension liability	(4,199,592)	(15,773,492)
Deferred outflows related to pension	35,386,050	56,876,251
Deferred inflows related to pension	(22,435,271)	(33,019,448)
Accrued interest on long-term debt	(544,574)	(502,758)
Accrued interest on leases	(8,982)	1,808
Summer school tuition and fees	2,063,242	1,910,896
Unamortized debt premium	(3,128,194)	(3,146,400)
Unearned revenue for govt-wide basis	(91,712)	(114,640)
Encumbrances	<u>5,724,339</u>	<u>6,404,346</u>
 Net position per basic financial statements	 <u>\$ 79,791,276</u>	 <u>\$ 73,912,141</u>

STATISTICAL SECTION

This part of the District's annual comprehensive 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)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Net Investment in Capital Assets	\$40,984,978	\$40,516,824	\$ 40,019,379	\$ 36,061,465	\$ 34,187,240	\$ 46,129,842	\$ 38,096,687	\$ 33,578,192	\$ 29,405,384	\$ 28,043,849
Restricted	6,271,803	5,746,410	30,200,596	24,126,665	14,719,181	1,773,899	1,422,826	1,747,878	1,871,265	10,228,591
Unrestricted	<u>32,534,495</u>	<u>27,648,907</u>	<u>4,986,250</u>	<u>4,372,601</u>	<u>4,962,962</u>	<u>883,321</u>	<u>8,821,739</u>	<u>32,450,095</u>	<u>37,704,933</u>	<u>30,835,816</u>
Total Net Position	<u>\$79,791,276</u>	<u>\$73,912,141</u>	<u>\$ 75,206,225</u>	<u>\$ 64,560,731</u>	<u>\$ 53,869,383</u>	<u>\$ 48,787,062</u>	<u>\$ 48,341,252</u>	<u>\$ 67,776,165</u>	<u>\$ 68,981,582</u>	<u>\$ 69,108,256</u>

GATEWAY TECHNICAL COLLEGE DISTRICT

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Operating Revenues										
Student tuition and program fees, net of scholarship allowances	\$ 11,109,944	\$ 10,717,666	\$ 11,585,539	\$ 11,212,027	\$ 9,889,474	\$ 10,831,143	\$ 10,688,633	\$ 10,236,726	\$ 10,893,182	\$ 8,358,987
Federal grants ⁽¹⁾	12,841,758	16,368,152	21,792,729	16,354,334	13,767,204	13,702,153	25,492,038	23,463,690	28,229,715	32,707,370
State grants	3,636,127	3,751,024	3,113,578	3,732,051	3,493,792	3,934,751	3,136,499	3,550,591	4,473,934	4,228,572
Local grants	-	-	-	-	-	-	92,447	74,948	99,930	102,347
Contract revenue	7,391,348	7,485,450	6,650,117	4,118,837	4,689,288	5,334,506	4,500,392	3,203,987	3,169,078	2,648,419
Auxiliary enterprise revenues	392,488	237,017	185,822	266,025	299,343	292,977	286,708	276,482	297,187	267,355
Miscellaneous - institutional revenue	1,455,769	1,276,300	1,296,615	1,693,975	1,476,176	1,166,144	1,273,257	1,391,155	1,317,622	1,424,325
Total operating revenues	36,827,434	39,835,609	44,624,400	37,377,249	33,615,277	35,261,674	45,469,974	42,197,579	48,480,648	49,737,375
Operating Expenses										
Instruction	61,586,722	66,380,443	58,301,060	55,335,023	57,201,437	60,245,160	58,960,476	55,694,295	57,310,939	55,474,683
Institutional resources	1,115,183	1,140,803	1,056,204	1,022,827	1,124,875	1,268,595	1,290,041	1,285,524	1,291,616	1,254,306
Student services	15,486,666	15,839,806	12,793,854	13,785,305	15,544,161	14,593,819	15,027,450	15,133,896	14,134,379	13,332,974
General institutional	10,514,888	11,305,075	9,126,615	11,055,417	10,499,436	11,377,155	11,174,034	9,892,887	9,924,868	8,767,271
Physical plant	5,900,623	8,540,347	7,679,710	8,144,872	6,341,421	9,065,927	8,078,510	8,208,117	7,737,633	7,887,141
Student aid	13,719,594	12,185,390	20,470,596	12,736,637	13,518,512	16,074,582	17,297,573	14,857,458	19,033,629	20,997,405
Public services	427,095	428,072	375,779	334,535	399,054	407,167	345,341	345,972	333,587	374,190
Auxiliary services	768,805	462,114	535,578	545,117	636,343	427,679	463,117	422,896	483,319	509,387
Depreciation/amortization	14,902,782	14,290,226	13,129,186	10,791,025	10,116,853	9,193,288	8,174,908	7,366,157	6,802,725	5,976,124
Total operating expenses	124,422,358	130,572,276	123,488,582	113,750,758	115,382,091	122,653,371	120,811,451	113,207,202	117,052,695	114,573,481
Operating loss	(87,594,924)	(90,736,667)	(78,844,182)	(76,373,509)	(81,766,814)	(87,391,697)	(75,341,477)	(71,009,623)	(68,572,047)	(64,836,106)
Non-Operating Revenues (Expenses)										
Property taxes	40,465,504	39,172,340	38,190,484	39,261,271	36,778,620	34,852,092	33,180,261	31,938,159	30,422,589	28,771,203
State appropriations	43,491,609	43,277,009	42,467,122	39,836,926	39,939,154	39,333,811	38,669,011	39,350,827	38,923,246	38,467,086
Federal nonoperating grants ⁽¹⁾	9,407,511	7,945,574	7,193,520	8,053,659	9,701,777	9,941,945	-	-	-	-
Gain (loss) on sale of capital assets	(110,381)	(27,215)	(33,558)	(7,858)	-	15,000	(24,135)	(27,216)	(115,602)	(61,308)
Investment income	1,978,928	923,579	55,222	37,351	273,222	454,788	198,420	92,351	60,764	46,692
Interest expense and debt issuance costs	(2,090,305)	(1,848,704)	(1,654,892)	(1,809,502)	(1,777,066)	(1,718,436)	(1,609,316)	(1,640,096)	(1,569,534)	(1,556,932)
Total non-operating revenues (expenses)	93,142,866	89,442,583	86,217,898	85,371,847	84,915,707	82,879,200	70,414,241	69,714,025	67,721,463	65,666,740
Capital Contributions										
State and federal capital appropriations	130,790	-	3,179,778	1,496,423	1,061,052	4,484,674	106,828	90,181	472,336	184,384
Contributions	81,512	-	92,000	70,437	171,819	356,700	269,696	-	184,000	208,750
Donated capital assets	118,891	-	-	10,000	289,742	116,933	152,564	-	67,574	306,990
Total capital contributions	331,193	-	3,271,778	1,576,860	1,522,613	4,958,307	529,088	90,181	723,910	700,124
Cumulative effect of change in accounting principle ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾ in Net Position	\$ 5,879,135	\$ (1,294,084)	\$ 10,645,494	\$ 116,150	\$ 410,815	\$ 445,810	\$ (15,036,765)	\$ (1,205,417)	\$ (126,674)	\$ 14,561,340
Increase/(Decrease) in Net Position	\$ 5,879,135	\$ (1,294,084)	\$ 10,645,494	\$ 116,150	\$ 410,815	\$ 445,810	\$ (15,036,765)	\$ (1,205,417)	\$ (126,674)	\$ 16,092,098

(1) Reclassified FY20 and FY19 Pell grant revenue as nonoperating revenue per GASB and WTCS guidelines.

(2) The District implemented GASB 68 and 71 beginning with fiscal year ended June 30, 2015.

(3) The District implemented GASB 65 beginning with fiscal year ended June 30, 2013.

(4) The District implemented GASB 73 beginning with fiscal year ended June 30, 2018.

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

(6) The District implemented GASB 87 beginning with fiscal year ended June 30, 2022.

GATEWAY TECHNICAL COLLEGE

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

	2024	% of Total	2023	% of Total	2022	% of Total	2021	% of Total	2020	% of Total	2019	% of Total	2018	% of Total	2017	% of Total	2016	% of Total	2015	% of Total
Expense Classifications																				
Salaries and wages	\$ 56,887,152	44.9%	\$ 58,146,336	43.9%	\$ 55,828,033	44.6%	\$ 53,212,679	46.0%	\$ 54,804,167	46.8%	\$ 52,831,152	42.5%	\$ 51,945,888	42.4%	\$ 50,750,747	44.2%	\$ 51,344,768	43.2%	\$ 50,731,715	43.7%
Fringe benefits	21,229,304	16.8%	20,364,835	15.4%	20,631,966	16.5%	20,828,635	18.0%	19,080,068	16.3%	18,590,626	14.9%	18,398,827	15.0%	18,528,651	16.1%	18,801,734	15.8%	18,895,006	16.3%
Travel, memberships and subscriptions	1,236,771	1.0%	1,166,767	0.9%	666,943	0.5%	687,190	0.6%	972,707	0.8%	1,428,835	1.1%	1,495,105	1.2%	1,173,732	1.0%	1,354,686	1.1%	1,464,452	1.3%
Supplies and minor equipment	4,263,032	3.4%	11,442,800	8.6%	2,054,462	1.6%	4,660,225	4.0%	6,776,792	5.8%	14,328,358	11.5%	13,149,991	10.7%	11,736,282	10.2%	11,638,941	9.8%	7,983,678	6.9%
Contract services	8,519,543	6.7%	8,858,176	6.7%	7,604,696	6.1%	6,558,304	5.7%	5,902,941	5.0%	6,028,748	4.8%	6,155,993	5.0%	5,028,221	4.4%	4,108,271	3.5%	4,236,256	3.6%
Bank/Agency credit/collection fees	152,053	0.1%	128,783	0.1%	121,470	0.1%	118,500	0.1%	112,938	0.1%	118,492	0.1%	117,082	0.1%	125,840	0.1%	113,000	0.1%	100,306	0.1%
Rentals	76,461	0.1%	56,584	0.0%	41,911	0.0%	974,758	0.8%	804,706	0.7%	713,315	0.6%	689,104	0.6%	621,270	0.5%	702,054	0.6%	732,774	0.6%
Repairs and maintenance	443,701	0.4%	512,679	0.4%	492,176	0.4%	446,405	0.4%	552,967	0.5%	653,633	0.5%	698,571	0.6%	666,439	0.6%	746,178	0.6%	818,435	0.7%
Insurance	693,797	0.5%	777,981	0.6%	537,966	0.4%	940,320	0.8%	764,806	0.7%	662,315	0.5%	594,661	0.5%	619,665	0.5%	618,252	0.5%	540,802	0.5%
Utilities	1,817,752	1.4%	2,103,743	1.6%	2,002,819	1.6%	2,052,456	1.8%	1,615,597	1.4%	1,735,647	1.4%	1,734,754	1.4%	1,638,070	1.4%	1,608,012	1.4%	1,669,042	1.4%
Depreciation	14,902,782	11.8%	14,290,226	10.8%	13,129,186	10.5%	10,791,025	9.3%	10,116,853	8.6%	9,193,288	7.4%	8,174,908	6.7%	7,366,157	6.4%	6,802,725	5.7%	5,976,124	5.1%
Student aid	13,719,594	10.8%	12,185,390	9.2%	20,470,596	16.4%	12,736,637	11.0%	13,518,512	11.5%	16,074,582	12.9%	17,297,573	14.1%	14,857,458	12.9%	19,033,629	16.0%	20,997,405	18.1%
Bad Debt Expense	480,415	0.4%	537,976	0.4%	(113,642)	-0.1%	(266,376)	-0.2%	359,037	0.3%	294,380	0.2%	358,994	0.3%	94,670	0.1%	180,618	0.2%	427,313	0.4%
Total operating expenses	124,422,358	98.3%	130,572,216	98.5%	123,468,582	98.7%	113,750,758	98.4%	115,382,091	98.5%	122,653,371	98.6%	120,811,451	98.7%	113,207,202	98.5%	117,052,868	98.6%	114,573,308	98.6%
Interest expense & debt issuance costs ⁽¹⁾	2,079,262	1.6%	1,926,634	1.5%	1,650,962	1.3%	1,809,502	1.6%	1,777,066	1.5%	1,718,436	1.4%	1,609,316	1.3%	1,640,096	1.4%	1,569,534	1.3%	1,556,932	1.3%
(Gain)/Loss on disposal of assets	110,381	0.1%	27,215	0.0%	33,558	0.0%	7,658	0.0%	-	0.0%	(15,000)	0.0%	24,135	0.0%	27,216	0.0%	115,602	0.1%	61,308	0.1%
Total non-operating expenses	2,189,643	1.7%	1,953,849	1.5%	1,684,520	1.3%	1,817,360	1.6%	1,777,066	1.5%	1,703,436	1.4%	1,633,451	1.3%	1,667,312	1.5%	1,685,136	1.4%	1,618,240	1.4%
Total Expenses ^{(2),(3)}	\$126,612,001	100.0%	\$132,526,125	100.0%	\$125,153,102	100.0%	\$115,568,118	100.0%	\$117,159,157	100.0%	\$124,356,807	100.0%	\$122,444,902	100.0%	\$114,874,514	100.0%	\$118,738,004	100.0%	\$116,191,548	100.0%

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

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

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

GATEWAY TECHNICAL COLLEGE DISTRICT

**Equalized Value and Tax Levy Distribution by Municipality
Fiscal Year 2024**

<u>County</u>	<u>Municipality</u>	<u>Taxable Equalized Valuation</u>	<u>Percent of Total</u>	<u>Total Tax Levy</u>
Kenosha	Town of:			
	Brighton	\$ 315,907,000	0.462275 %	\$ 186,871
	Paris	333,197,600	0.487577	197,099
	Randall	866,459,800	1.267914	512,543
	Somers	124,357,800	0.181976	73,562
	Wheatland	579,204,900	0.847566	342,621
	Village of:			
	Bristol	880,932,500	1.289092	521,104
	Genoa City	468,000	0.000685	277
	Paddock Lake	360,193,700	0.527081	213,068
	Pleasant Prairie	5,317,932,200	7.781871	3,145,755
	Salem Lakes	2,130,495,300	3.117610	1,260,267
	City of Kenosha	9,317,772,400	13.634943	5,511,809
Racine	Town of:			
	Burlington	\$ 1,110,656,700	1.625253 %	\$ 656,995
	Dover	568,576,200	0.832013	336,334
	Norway	594,062,358	0.869307	351,410
	Waterford	1,006,374,200	1.472654	595,308
	Village of:			
	Caledonia	3,355,163,700	4.909700	1,984,704
	Elmwood Park	61,697,400	0.090283	36,496
	Mount Pleasant	4,190,230,700	6.131675	2,478,677
	North Bay	50,513,000	0.073917	29,880
	Raymond	743,144,500	1.087463	439,598
	Rochester	553,446,700	0.809873	327,384
	Sturtevant	855,485,000	1.251854	506,051
	Union Grove	451,905,300	0.661285	267,319
	Waterford	695,585,700	1.017869	411,465
	Wind Point	360,574,800	0.527639	213,293
	Yorkville	859,154,800	1.257224	508,222
City of:				
Burlington	1,390,257,300	2.034400	822,389	
Racine	4,655,754,100	6.812888	2,754,052	
Walworth	Town of:			
	Bloomfield	\$ 187,549,200	0.274446 %	\$ 110,942
	Darien	297,803,800	0.435784	176,162
	Delavan	1,652,323,700	2.417889	977,411
	East Troy	1,279,995,000	1.873051	757,165
	Geneva	1,691,720,400	2.475539	1,000,716
	La Fayette	430,104,700	0.629384	254,423
	La Grange	1,269,826,600	1.858171	751,150
	Linn	3,010,462,200	4.405289	1,780,800
	Lyons	738,401,300	1.080522	436,792
	Richmond	415,467,100	0.607964	245,764
	Sharon	120,617,300	0.176502	71,350
	Spring Prairie	419,119,500	0.613309	247,925
	Sugar Creek	638,909,100	0.934933	377,938

GATEWAY TECHNICAL COLLEGE DISTRICT

**Equalized Value and Tax Levy Distribution by Municipality
Fiscal Year 2024**

<u>County</u>	<u>Municipality</u>	<u>Taxable Equalized Valuation</u>	<u>Percent of Total</u>	<u>Total Tax Levy</u>
	Troy	455,332,900	0.666301	269,346
	Walworth	382,518,600	0.559750	226,274
	Whitewater	484,660,100	0.709216	286,694
	Village of:			
	Bloomfield	627,896,900	0.918818	371,424
	Darien	177,179,400	0.259271	104,808
	East Troy	576,100,600	0.843023	340,785
	Fontana	2,002,722,200	2.930636	1,184,685
	Genoa City	305,831,900	0.447532	180,911
	Mukwonago	32,590,346	0.047690	19,278
	Sharon	97,792,500	0.143102	57,848
	Walworth	362,702,500	0.530752	214,552
	Williams Bay	1,396,515,100	2.043557	826,091
	City of:			
	Burlington	12,089,000	0.017690	7,151
	Delavan	892,164,400	1.305528	527,748
	Elkhorn	1,182,448,600	1.730308	699,462
	Lake Geneva	2,260,598,500	3.307994	1,337,228
	Whitewater	815,152,600	1.192834	482,193
	Totals	<u>\$ 68,337,451,204</u>	<u>100</u> %	<u>\$ 40,424,144</u>

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

GATEWAY TECHNICAL COLLEGE DISTRICT

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

Fiscal Year Ended <u>June 30,</u>	Taxes Levied for <u>the Fiscal Year</u>		Collected within the <u>Fiscal Year of the Levy</u>		Collections in Subsequent <u>Year</u>		<u>Total Collections to Date</u> Percentage of Levy	
	<u>Amount</u>	<u>Percentage of Levy</u>	<u>Amount</u>	<u>Percentage of Levy</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Percentage of Levy</u>
2015	28,778,925	72.11	20,751,423	72.11	8,027,502		28,778,925	100.00
2016	30,224,031	72.21	21,823,887	72.21	8,400,144		30,224,031	100.00
2017	31,603,276	73.36	23,184,470	73.36	8,418,806		31,603,276	100.00
2018	33,214,919	75.01	24,913,647	75.01	8,301,272		33,214,919	100.00
2019	34,780,642	73.64	25,613,018	73.64	9,167,624		34,780,642	100.00
2020	36,765,641	72.38	26,610,748	72.38	10,154,893		36,765,641	100.00
2021	39,229,440	74.16	29,094,476	74.16	10,134,964		39,229,440	100.00
2022	38,142,213	74.99	28,601,744	74.99	9,540,469		38,142,213	100.00
2023	38,701,094	75.07	29,053,294	75.07	9,647,800		38,701,094	100.00
2024	40,424,144	73.34	29,648,398	73.34	-		29,648,398	73.34

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 taxing 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
2023 Equalized Valuation and Tax Levy**

<u>Municipality</u>	<u>County</u>	<u>Equalized Value</u>	<u>Tax Levy</u>	<u>Percentage of Total Tax Levy</u>
City of Kenosha	Kenosha	\$ 9,317,772,400	\$ 5,511,809	13.63 %
Village of Pleasant Prairie	Kenosha	5,317,932,200	3,145,755	7.78
City of Racine	Racine	4,655,754,100	2,754,052	6.81
Village of Mount Pleasant	Racine	4,190,230,700	2,478,677	6.13
Village of Caledonia	Racine	3,355,163,700	1,984,704	4.91
Town of Linn	Walworth	3,010,462,200	1,780,800	4.41
Village of Salem Lakes	Kenosha	2,130,495,300	1,260,267	3.12
City of Lake Geneva	Walworth	2,260,598,500	1,337,228	3.31
Village of Fontana	Walworth	2,002,722,200	1,184,685	2.93
Town of Delavan	Walworth	<u>1,652,323,700</u>	<u>977,411</u>	<u>2.42</u>
Total Principal Taxing Districts		<u>\$ 37,893,455,000</u>	<u>\$ 22,415,388</u>	<u>55.45 %</u>
County:				
Racine		\$ 22,618,272,700	\$ 12,719,577	31.46 %
Kenosha		21,502,582,458	13,379,550	33.10
Walworth		<u>24,216,596,046</u>	<u>14,325,017</u>	<u>35.44</u>
		<u>\$ 68,337,451,204</u>	<u>\$ 40,424,144</u>	<u>100.00 %</u>

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

GATEWAY TECHNICAL COLLEGE DISTRICT

**Principal Property Taxpayers by County
Current Year and Nine Years Ago**

County	Name of Business	Type of Business	Year Ended June 30, 2024			Year Ended June 30, 2015		
			2023 Equalized Valuation	Rank	Percent of District Equalized Valuation	2014 Equalized Valuation	Rank	Percent of District Equalized Valuation
Racine (1)	FEWI Development Corporation	Commercial	\$ 598,782,600	1	0.88 %	\$ -	-	- %
	Core Corridor	Commercial	96,303,400	2	0.14	-	-	-
	Enterprise Business Park LLC	Commercial	80,881,900	3	0.12	-	-	-
	Mount Pleasant Apartments	Apartments	65,192,500	4	0.10	-	-	-
	NLP Grandview, LLC	Commercial	62,964,900	5	0.09	-	-	-
	S.C. Johnson & Son, Inc.	Manufacturing	62,585,146	6	0.09	117,338,650	1	0.31
	United, Natural Foods	Food Distributor	37,720,600	7	0.06	-	-	-
	All Saints Health Care	Healthcare	33,721,000	8	0.05	44,151,800	4	0.12
	Johnson Bank	Financial Services	25,000,000	9	0.04	-	-	-
	Modine Manufacturing Company	Manufacturing	19,521,900	10	0.03	-	-	-
	Racine Joint Venture (Regency Mall)	Retail	-	-	0.00	113,149,900	2	0.30
	Centerpoint Properties Trust(2)	Insurance	-	-	-	75,302,300	3	0.20
	Centennial 81 Fund LLC	Retail-Wal-Mart Stores	-	-	-	44,024,600	5	0.12
	Aurora Medical Center	Health Care Services	-	-	-	33,543,200	6	0.09
	CNH Global(6)	Manufacturing	-	-	-	32,872,100	7	0.09
	Inland Southeast Mount Pleasant	Village Center Strip Mall	-	-	-	26,024,500	8	0.07
	Bombardier Motor Corp	Manufacturing	-	-	-	20,068,700	9	0.05
High Ridge Improvements	DLC Management Corp	-	-	-	16,400,000	10	0.04	
Racine County Total			\$ 1,082,673,946		1.58 %	\$ 522,875,750		1.40 %
(1) Equalized value information is not available from Racine County. Racine County data is assessed value. (2) Formerly American National Insurance. (3) Formerly J.I. Case Corporation.								
Kenosha (1)	Route 142 LLC/Uline	Shipping Supply Distribution	\$ 215,134,800	1	0.31	\$ -	-	- %
	Pleasant Prairie Premium Outlets LLC	Shopping Mall	212,489,000	2	0.31	74,233,501	2	0.20
	Uline, Inc. (Route 165 LLC)	Commercial	198,127,700	3	0.29	89,454,991	1	0.24
	Harbo of America Manufacturing, LLC	Candy Manufacturer	163,881,300	4	0.24	-	-	-
	Kenosha Owner/Amazon	Retail Distribution	134,801,700	5	0.20	-	-	-
	Aurora Health Care	Health Care	98,798,800	6	0.14	-	-	-
	OhioCBCO (Meijer Distribution, Inc.)	Retail	97,247,800	7	0.14	33,569,246	9	0.09
	Bcore Corridor Pleasant Prairie LLC	Commercial	76,275,000	8	0.11	-	-	-
	Exeter 8500 109th LLC	Commercial	74,107,000	9	0.11	-	-	-
	Bristol Highlands Industrial LLC	Commercial	73,481,100	10	0.11	-	-	-
	Gordon Food Services	Commercial	-	-	-	67,012,905	3	0.18
	Centerpoint Properties Trust(2)	Commercial	-	-	-	62,414,259	4	0.17
	Affiliated Foods Midwest Coop.	Manufacturing	-	-	-	51,521,364	5	0.14
	CV II Lakeview LLC	Commercial	-	-	-	47,235,266	6	0.13
	Prime Outlets at Pleasant Prairie II LLC	Commercial	-	-	-	46,451,013	7	0.12
	Southport Plaza Ltd. Partners	Commercial	-	-	-	37,575,779	8	0.10
	Inland Diversified Pleasant Prairie	Commercial	-	-	-	33,380,700	10	0.09
Kenosha County Total			\$ 1,344,344,200		1.97 %	\$ 542,849,024		1.45 %
(1) Equalized value information is not available from Kenosha County. Kenosha County data is assessed value. (2) Formerly American National Insurance.								
Walworth	DLK Enterprises, Inc.	Farm/Real Estate	\$ 48,843,100	1	0.07	\$ 24,668,700	3	0.07
	Art Mortgage Borrower Propco	Mortgage	45,746,700	2	0.07	27,468,500	2	0.07
	SPEF VII, LLC	Commercial	43,201,700	3	0.06	-	-	-
	Grand Geneva, LLC	Resort	41,142,100	4	0.06	30,916,700	1	0.08
	Stag Industrial Holdings, LLC	Industrial	35,793,800	5	0.05	-	-	-
	Kikkoman Foods, Inc.	Factory	26,783,600	6	0.04	21,420,900	4	0.06
	Honey Creek of East Troy, LLP	Real Estate	25,003,600	7	0.04	10,942,700	10	0.03
	Store SPE Mills Fleet II 2017-7, LLC	Retail	24,168,300	8	0.04	-	-	-
	Delavan Lake Lawn, LLC	Resort/Airport	22,928,300	9	0.03	-	-	-
	Wisconsin Geneva Square Investors LLC	Investor	21,044,000	10	0.03	-	-	-
	Lake Geneva Retail DST	Retail	-	-	0.00	15,055,800	5	0.04
	Wal-Mart Associates	Retail	-	-	0.00	13,213,600	6	0.04
	Lake Geneva Shopping Center	Retail	-	-	0.00	13,202,600	7	0.04
	Paloma Geneva National, LLC	Golf course/Country Club	-	-	0.00	13,163,500	8	0.04
Lake Geneva Investors LLC	Investor	-	-	-	13,153,000	9	0.04	
Walworth County Total			\$ 334,255,200		0.49 %	\$ 183,206,000		0.49 %
Grand Total			\$ 2,761,273,346		4.04 %	\$ 1,248,930,774		3.34 %
Total District Equalized Valuation			\$ 68,337,451,204			\$ 37,360,066,597		

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 2015-2024

County	Year	Gateway District Direct Rates			School Districts		Total				State Tax Relief	Net Total
		Operational ⁽²⁾	Debt Service	Direct Rate	Elementary/Secondary	Local Tax ⁽³⁾	County Tax	Other Taxes ⁽⁴⁾	Property Tax			
Racine	2015	0.51	0.26	0.77	10.07	7.73	3.75	1.14	23.46	(1.70)	21.76	
	2016	0.52	0.27	0.79	10.59	7.78	3.67	1.26	24.09	(1.87)	22.22	
	2017	0.52	0.28	0.80	10.25	7.84	3.68	0.92	23.49	(1.82)	21.67	
	2018	0.52	0.29	0.81	10.10	7.66	3.60	0.84	23.01	(1.94)	21.07	
	2019	0.51	0.30	0.80	10.03	7.46	3.54	0.55	22.38	(1.87)	20.51	
	2020	0.50	0.30	0.80	9.66	7.06	3.41	0.60	21.53	(1.77)	19.76	
	2021	0.50	0.30	0.80	9.22	6.74	3.19	0.99	20.94	(1.65)	19.29	
	2022	0.44	0.28	0.72	8.72	6.33	3.09	1.37	20.23	(0.06)	20.17	
	2023	0.39	0.25	0.64	7.50	5.82	2.85	1.29	18.10	(0.07)	18.03	
	2024	0.36	0.23	0.59	7.40	5.44	2.66	1.53	17.62	(0.06)	17.56	
Kenosha	2015	0.51	0.26	0.77	11.00	6.88	4.93	1.91	25.49	(1.84)	23.65	
	2016	0.52	0.27	0.79	10.54	6.77	4.82	2.27	25.19	(1.99)	23.20	
	2017	0.52	0.28	0.80	9.86	6.58	4.70	2.44	24.38	(1.86)	22.52	
	2018	0.52	0.29	0.81	9.67	6.39	4.59	2.38	23.84	(1.89)	21.95	
	2019	0.51	0.30	0.80	9.12	6.19	4.39	2.25	22.75	(1.79)	20.96	
	2020	0.50	0.30	0.80	8.49	5.91	4.17	2.18	21.55	(1.66)	19.89	
	2021	0.50	0.30	0.80	8.55	5.76	4.03	2.18	21.32	(1.55)	19.77	
	2022	0.44	0.28	0.72	7.56	5.40	3.78	2.32	19.78	(0.09)	19.69	
	2023	0.39	0.25	0.64	6.62	5.19	3.41	1.45	17.31	(0.06)	17.25	
	2024	0.36	0.23	0.59	5.76	4.87	3.14	1.48	15.84	(0.05)	15.79	
Walworth	2015	0.51	0.26	0.77	9.69	3.47	4.60	0.84	19.37	(1.64)	17.73	
	2016	0.52	0.27	0.79	9.80	3.56	4.60	0.80	19.55	(1.84)	17.71	
	2017	0.52	0.28	0.80	9.60	3.63	4.53	0.66	19.22	(1.79)	17.43	
	2018	0.52	0.29	0.81	9.33	3.63	4.28	0.42	18.47	(1.91)	16.56	
	2019	0.51	0.30	0.80	9.05	3.57	3.97	0.41	17.80	(1.78)	16.02	
	2020	0.50	0.30	0.80	8.91	3.62	3.82	0.49	17.64	(1.70)	15.94	
	2021	0.50	0.30	0.80	8.43	3.57	3.63	0.53	16.96	(1.59)	15.37	
	2022	0.44	0.28	0.72	7.84	3.44	3.37	0.49	15.86	(0.01)	15.85	
	2023	0.39	0.25	0.64	7.01	3.25	2.94	0.39	14.23	(0.01)	14.22	
	2024	0.36	0.23	0.59	6.19	2.91	2.53	0.38	12.60	(0.01)	12.59	

(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 2014-2023
(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
2014	30,046,068	6,779,526	1,018,061	85,920	172,041	599,234	784,369	39,485,219	37,360,067	0.77031
% of Total	76.1%	17.2%	2.6%	0.2%	0.4%	1.5%	2.0%			
2015	30,316,996	7,013,667	1,066,217	86,108	145,026	603,999	815,903	40,047,916	38,022,996	0.79489
% of Total	75.7%	17.5%	2.7%	0.2%	0.4%	1.5%	2.0%			
2016	30,744,587	7,349,541	1,096,275	86,435	148,738	597,158	941,681	40,964,415	39,366,011	0.80281
% of Total	75.1%	17.9%	2.7%	0.2%	0.4%	1.5%	2.3%			
2017	31,396,251	7,622,884	1,070,556	86,863	158,974	598,748	931,441	41,865,717	40,911,627	0.81457
% of Total	75.0%	18.2%	2.6%	0.2%	0.4%	1.4%	2.2%			
2018	33,041,882	8,109,403	1,195,938	87,484	162,043	606,923	582,725	43,786,398	43,241,827	0.80433
% of Total	75.5%	18.5%	2.7%	0.2%	0.4%	1.4%	1.3%			
2019	35,009,135	8,648,596	1,196,368	86,939	164,678	619,171	582,861	46,307,748	46,065,079	0.79812
% of Total	75.6%	18.7%	2.6%	0.2%	0.4%	1.3%	1.3%			
2020	36,140,263	9,463,899	1,206,070	88,488	174,188	637,621	573,036	48,283,565	49,116,024	0.79871
% of Total	74.9%	19.6%	2.5%	0.2%	0.4%	1.3%	1.2%			
2021	38,735,647	10,370,194	1,268,371	91,405	180,896	674,616	599,345	51,920,474	52,871,126	0.72144
% of Total	74.6%	20.0%	2.4%	0.2%	0.3%	1.3%	1.2%			
2022	41,966,851	11,620,308	1,344,212	93,573	189,713	714,616	614,477	56,543,750	60,706,724	0.63751
% of Total	74.2%	20.6%	2.4%	0.2%	0.3%	1.3%	1.1%			
2023	45,823,775	12,509,167	1,642,259	98,658	203,089	756,082	679,800	61,712,830	68,337,451	0.59154
% of Total	74.3%	20.3%	2.7%	0.2%	0.3%	1.2%	1.1%			

Source: Wisconsin Department of Revenue

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

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

GATEWAY TECHNICAL COLLEGE DISTRICT

**Ratio of Net Debt to Equalized Value
and Net Debt Per Capita
Fiscal Years 2015-2024**

	Population ⁽¹⁾	Equalized Value- TID In ⁽²⁾	General Obligation Notes and Bonds	Premiums on Notes and Bonds	Lease Liability - Right to Use	Subscription-Based IT Arrangements	Net Debt ⁽³⁾		
							Amount	Ratio to Equalized Valuation	Per Capita
2015	465,446	\$ 39,011,536,747	\$ 53,170,000	\$ 1,229,874	\$ -	\$ -	\$ 54,399,874	\$ 0	\$ 116,877
2016	465,545	39,949,946,311	56,325,000	1,585,443	-	-	57,910,443	0	124,393
2017	465,792	41,244,887,120	61,110,000	1,662,384	-	-	62,772,384	0	134,765
2018	468,435	42,993,548,858	63,630,000	1,753,743	-	-	65,383,743	0	139,579
2019	470,620	45,272,714,289	65,690,000	2,080,972	-	-	67,770,972	0	144,004
2020	470,366	48,444,885,444	67,705,000	2,513,877	-	-	70,218,877	0	149,286
2021	473,629	52,083,834,750	68,950,000	2,780,350	-	-	71,730,350	0	151,448
2022	474,539	56,800,437,642	70,810,000	3,092,604	3,023,086	-	76,925,690	0	162,106
2023	473,591	64,293,362,616	70,210,000	3,146,400	3,524,492	1,628,947	78,509,839	0	165,776
2024	476,045	72,945,616,758	69,750,000	3,134,197	3,722,195	2,310,486	78,916,878	0	165,776

(1) Wisconsin Department of Administration, Demographic Services Center (2024 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 2024

2024 Equalized Valuation - TID In	\$ 72,945,616,758
	x 5%
Total debt limit - 5% of total equalized valuation	<u>3,647,280,838</u>
Debt applicable to limit:	
Total gross indebtedness (includes general obligation notes and bonds)	\$ 69,750,000
Less Net Position Restricted for Debt Service (GAAP basis)	<u>(1,045,411)</u>
Total amount of debt applicable to debt limit	<u>68,704,589</u>
Legal debt margin	<u><u>\$ 3,578,576,249</u></u>

Legal Debt Margin, Last Ten Fiscal Years

Fiscal Year	Equalized Valuation TID In	Legal Debt Limit 5%	Debt Applicable to Limit (Dollars in Thousands)				Legal Debt Margin	Total Net Debt Applicable to Debt Limit
			General Obligation Bonds	General Obligation Notes	Less Net Position Available	Total Net Debt Applicable to Limit		
2015	\$ 39,011,537	\$ 1,950,577	\$ -	\$ 53,170	\$ 701	\$ 52,469	\$ 1,898,108	2.69
2016	39,949,946	1,997,497	-	56,325	613	55,712	1,941,785	2.79
2017	41,244,887	2,062,244	-	61,110	852	60,258	2,001,986	2.92
2018	42,993,549	2,149,677	-	63,630	716	62,914	2,086,763	2.93
2019	45,272,714	2,263,636	-	65,690	948	64,742	2,198,894	2.86
2020	48,444,885	2,422,244	-	67,705	1,024	66,681	2,355,563	2.75
2021	52,083,835	2,604,192	-	68,950	357	68,593	2,535,599	2.63
2022	56,800,438	2,840,022	-	70,810	487	70,323	2,769,699	2.48
2023	64,293,363	3,214,668	-	70,210	402	69,808	3,144,860	2.17
2024	72,945,617	3,647,281	-	69,750	1,045	68,705	3,578,576	1.88

(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, 2024**

Jurisdiction ⁽¹⁾	Net Debt Outstanding	Applicable to Gateway Technical College District	
		Percentage ⁽²⁾	Amount
District:			
Gateway Technical College District General			
Obligation Debt	\$ 69,750,000	100%	\$ 69,750,000
Debt Premium	3,134,197	100%	3,134,197
Lease Liability - Right to Use	3,722,195	100%	3,722,195
Subscription-Based IT Arrangements	2,310,486	100%	2,310,486
Total Direct Debt	78,916,878		78,916,878
Towns:			
Racine County ⁽³⁾	2,503,775	Varies	1,121,502
Kenosha County	783,081	100%	783,081
Walworth County	26,885,925	100%	26,885,925
Town Total	30,172,780		28,790,507
Villages:			
Racine County	172,110,884	100%	172,110,884
Kenosha County	116,933,207	100%	116,933,207
Walworth County	92,243,442	100%	92,243,442
Village Total	381,287,534		381,287,534
Cities:			
Racine County	112,508,393	100%	112,508,393
Kenosha County	227,590,653	100%	227,590,653
Walworth County	93,815,080	100%	93,815,080
City Total	433,914,126		433,914,126
Counties:			
Racine County	138,420,000	96.64%	133,769,088
Kenosha County	154,655,000	100%	154,655,000
Walworth County	-	100%	-
County Total	293,075,000		288,424,088
School Districts:			
Racine County	426,997,155	96.64%	412,650,051
Kenosha County	202,696,487	100%	202,696,487
Walworth County	121,996,756	100%	121,996,756
School District Total	751,690,398		737,343,294
Sanitary Districts Total	42,612,391	100%	41,894,071
Total Direct and Overlapping debt	\$ 2,011,669,107		\$ 1,990,570,497

Source: Survey of each governmental unit - June 2024. (Sanitary district number from R.W. Baird & Co. report.)

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

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

(3) All towns are 100%, except the Town of Norway, which is 42.10% in the Gateway District.

GATEWAY TECHNICAL COLLEGE DISTRICT

**Demographic Statistics for Kenosha, Racine, and Walworth Counties
Historical Comparisons
2015-2024**

<u>Year</u>	<u>District Population (1)</u>	<u>Number of Housing Units (1)</u>	<u>Total Personal Income (2)</u>	<u>Per Capita Income (3)</u>	<u>Unemployment Rate (4)</u>	<u>Public and Private School Enrollment (5)</u>
2015	465,446	205,314	19,815,475	42,435	5.6%	85,222
2016	465,545	205,900	20,399,596	43,723	4.8%	83,633
2017	465,792	207,179	21,480,919	46,009	4.2%	83,876
2018	468,435	202,983	22,903,378	48,882	3.3%	81,806
2019	470,620	209,546	23,539,068	50,212	3.8%	80,882
2020	470,366	211,002	24,654,380	52,623	7.0%	79,099
2021	473,629	210,889	27,048,650	57,392	4.3%	75,422
2022	474,539	212,221	27,672,581	59,552	3.3%	76,149
2023	473,591	214,549	(6)	(6)	3.3%	76,006
2024	476,045	215,986			(6)	74,842

- (1) Wisconsin Department of Administration, Demographic Services Center (estimates final October 10)
- (2) U.S. Department of Commerce Bureau of Economic Analysis
- (3) U.S. Department of Commerce Bureau of Economic Analysis (amounts in thousands, tri-county average)
- (4) Wisconsin Department of Workforce Development, Office of Economic Advisors
- (5) Wisconsin Department of Public Instruction
- (6) Information not yet available

GATEWAY TECHNICAL COLLEGE DISTRICT

**Principal Employers
Current Year and Nine Years Ago**

County	Name of Business	Type of Business	Year Ended June 30, 2024			Year Ended June 30, 2015		
			Number of Employees	Rank	Percent of District Population	Number of Employees	Rank	Percent of District Population
Racine	S.C. Johnson & Son, Inc.	Manufacturing	2,500	1	0.53 %	2,000	4	0.43 %
	Racine Unified School District	Education	2,452	2	0.52	2,497	2	0.54
	All Saints Health Care	Healthcare	2,150	3	0.45	3,200	1	0.69
	Advocate Aurora (Burlington & Greater Racine)	Healthcare	2,050	4	0.43	-	-	0.00
	CNH Global ⁽¹⁾	Manufacturing - heavy equipment	1,500	5	0.32	2,208	3	0.47
	Cree, Inc.	Manufacturing - lighting	1,100	6	0.23	1,000	9	0.21
	In-Sink-Erator Division	Manufacturing - Disposals	1,040	7	0.22	1,000	8	0.21
	Racine County	Government	1,012	8	0.21	1,147	6	0.25
	Foxconn Industrial Internet	Manufacturer - Electronics	900	9	0.00	-	-	0.00
	The District ⁽²⁾	Education	798	10	0.17	1,104	7	0.00
City of Racine	Government	-	-	-	-	-	0.00	
Wheaton Franciscan Healthcare	Hospital	-	-	-	1,250	5	0.27	
Modine Manufacturing	Heat exchanger manufacturing	-	-	-	800	10	0.17	
Racine County Subtotal			15,502		3.26 %	16,206		3.48 %
Kenosha	KTR/Amazon	Online/retail/distribution	3,750	1	0.79 %	-	-	0.00 %
	Uline, Inc. (Route 165 LLC)	Shipping supply distribution	3,500	2	0.74	-	-	0.00
	Kenosha Unified School District No. 1	Education	3,000	3	0.63	2,944	1	0.63
	Froedtert South, Inc. (fka UHS, Inc.)	Health Care Services	2,100	4	0.44	2,000	2	0.00
	Advocate - Aurora Healthcare	Health Care Services	1,500	5	0.32	1,200	3	0.00
	Kenosha County	County Government	1,326	6	0.28	1,180	4	0.25
	City of Kenosha	Municipal Government	730	7	0.15	739	6	0.16
	Snap-On Tools Corporation	Manufacturer of hand tools	650	8	0.14	600	7	0.13
	University of Wisconsin - Parkside	Education	500	9	0.11	506	8	0.11
	Good Food Groups	Headquarters/food processing	450	10	0.09	750	5	0.00
Jockey International	Manufacturer, clothing	-	-	-	350	9	0.08	
Ocean Spray Cranberries	Manufacturer	-	-	-	275	10	0.06	
Kenosha County Subtotal			17,506		3.68 %	10,544		2.27 %
Walworth	University of Wisconsin-Whitewater	Education	1,289	1	0.27 %	1,018	2	0.22 %
	Pentair, Inc./Sta-Rite Industries Inc	Manufacturer - pumps	950	2	0.20	900	3	0.19
	Aurora Burlington Clinic/Memorial Hospital	Medical Clinic/Hospital	933	3	0.20	500	6	0.11
	Walworth County	Government	860	4	0.18	812	4	0.17
	Birds Eyes Foods LLC	Manufacturer - Fruits and Vegetables	700	5	0.15	350	10	0.08
	Generac Power Systems, Inc.	Manufacturer of Generators	600	6	0.13	-	-	0.00
	Mercy Health System	Health Care Services	600	7	0.13	-	-	0.00
	Nestle Confection and Snacks	Food products	550	8	0.12	-	-	0.00
	Abbey Resort	Resort	490	9	0.10	490	8	0.11
	Novares	Manufacturer of plastic products	420	10	0.09	-	-	0.00
Grand Geneva, LLC	Resort	-	-	-	1,100	1	0.24	
Miniature Precision Components	Automotive Parts	-	-	-	500	5	0.11	
Wal-Mart	Retail	-	-	-	500	7	0.11	
Elkhorn Area School District	Education	-	-	-	362	9	0.08	
Walworth County Subtotal⁽¹⁾			7,392		1.55 %	6,532		1.40 %
Total			40,400		8.49 %	33,282		7.15 %

(1) Based on median of ranges.

GATEWAY TECHNICAL COLLEGE DISTRICT

**Employment Trends by Equal Employment Opportunity Categories
Historical Comparisons
2014-2023**

<u>Category</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019⁽¹⁾</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Administrative/Managerial:	82	80	80	80	86	71	72	86	86	86
Female percent	45	65	65	64	63	55	60	58	58	63
Minority percent	17	23	19	21	17	24	24	23	23	28
Faculty:	253	249	245	238	241	253	259	246	243	230
Female percent	48	59	58	58	58	58	58	55	56	59
Minority percent	12	15	16	16	13	17	17	16	16	17
Professional/Noninstructional:	30	29	31	32	27	108	105	36	35	42
Female percent	53	72	71	72	70	74	72	75	60	74
Minority percent	30	45	39	41	37	34	36	28	26	31
Secretarial/Clerical:	81	75	72	75	72	91	93	71	71	59
Female percent	77	95	94	93	94	92	90	96	96	90
Minority percent	23	28	29	28	28	29	32	37	37	41
Technical/Paraprofessional:	148	136	132	129	139	57	52	133	137	133
Female percent	56	45	59	57	58	35	33	55	55	56
Minority percent	27	31	33	33	30	24	27	34	34	35
Service/Maintenance:	40	39	35	39	39	44	45	42	40	40
Female percent	10	10	11	10	13	14	18	29	25	30
Minority percent	30	36	37	41	33	32	4	43	43	38
Total:	634	608	595	593	604	624	626	614	612	590
Female percent	48	58	62	62	62	60	60	60	60	61
Minority percent	18	24	24	24	24	24	25	24	24	27

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

GATEWAY TECHNICAL COLLEGE DISTRICT

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

Student Enrollment ⁽¹⁾

Fiscal Year Ended June 30	Aidable				Non-Post-Community		Unduplicated Total
	Associate Degree	Technical Diploma	Vocational Adult	Non-Post- Secondary (ABE)	Collegiate Transfer	Service Program	
2015	9,718	2,136	5,409	4,110	-	-	18,336
2016	9,280	2,054	5,316	3,818	-	-	17,636
2017	8,857	2,039	4,469	3,231	-	-	16,260
2018	8,847	2,063	4,508	2,647	-	9	16,146
2019	8,583	2,217	3,876	2,613	-	-	15,393
2020	8,093	2,186	4,308	2,433	-	-	15,173
2021	7,590	1,959	2,665	1,685	-	-	12,255
2022	7,054	2,466	3,193	1,790	-	-	12,738
2023	6,834	2,561	3,329	1,788	191	-	12,866
2024	6,954	2,664	3,462	2,247	317	-	13,637

Full-Time Equivalents ⁽²⁾

Fiscal Year Ended June 30	Aidable				Non-Post-Community		Total
	Associate Degree	Technical Diploma	Vocational Adult	Non-Post- Secondary (ABE)	Collegiate Transfer	Service Program	
2015	3,930	464	117	408	-	-	4,919
2016	3,815	451	125	392	-	-	0
2017	3,644	446	103	344	-	-	4,537
2018	3,658	504	111	290	-	-	4,563
2019	3,547	526	113	292	-	-	4,478
2020	3,458	537	109	279	-	-	4,383
2021	3,193	459	71	181	-	-	3,904
2022	2,917	560	77	211	-	-	3,764
2023	2,852	602	83	228	26	-	3,792
2024	2,940	639	92	318	52	-	4,041

Source: Wisconsin Technical College System Board

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

WTCS Portal System Data (CLI620A)

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

GATEWAY TECHNICAL COLLEGE DISTRICT

Per Credit Course Fee History Last Ten Fiscal Years

Year	<u>Postsecondary/Vocational Adult⁽¹⁾</u>				<u>Non-Aidable⁽²⁾</u>	
	Resident		Out-of-State		Avocational Programs	Percent Change
	Program Fees	Percent Change	Program Fees ⁽³⁾	Percent Change		
2015	125.85	3.0	62.95	3.0	154.00	2.6
2016	128.40	2.0	64.20	2.0	162.00	5.2
2017	130.35	1.5	65.18	1.5	162.00	-
2018	132.20	1.4	66.10	1.4	162.00	-
2019	134.20	1.5	67.10	1.5	134.20	(17.2)
2020	136.50	1.7	68.25	1.7	136.50	1.7
2021	138.90	1.8	69.45	1.8	138.90	1.8
2022	141.00	1.5	70.50	1.5	141.00	1.5
2023	143.45	1.7	71.73	1.7	143.45	1.7
2024	146.20	1.9	73.10	1.9	146.20	1.9

Additional Per Credit Fees

Material Fees

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

Student Activity Fee

A supplemental fee is charged to all students enrolling in post-high school courses. This fee supports co-curricular activities including student government, student newspaper, multicultural and entertainment activities, student organizations and student clubs. The fee was set at 6.0% of program fees.

Notes:

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

GATEWAY TECHNICAL COLLEGE DISTRICT

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

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
2014	2,167	1,758	1,199	87	64	68	17.39	98
2015	1,855	1,522	1,103	87	69	73	17.93	98
2016	1,772	1,469	1,034	91	73	76	18.72	98
2017	1,725	1,386	928	89	72	77	17.61	99
2018	1,645	1,259	799	92	82	75	19.00	98
2019	1,693	900	296	89	75	56	20.25	94
2020	2,216	1,504	810	88	71	70	25.07	95
2021	1,770	1,289	755	91	68	69	22.66	96
2022	1,999	1,310	650	91	73	70	24.68	96
2023	2,125	1,193	598	92	72	71	25.35	93

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	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Racine	Racine Campus										
	Lincoln Building ⁽¹⁾	10,080	10,080	10,080	10,080	10,080	10,080	10,880	10,880	10,880	10,880
	Lake Building	81,127	81,127	81,127	81,127	81,127	81,127	81,127	81,127	81,127	81,127
	Tech Building	87,605	87,605	87,605	87,605	87,605	87,605	87,605	87,605	87,605	87,605
	Racine Building	68,786	68,786	68,786	68,786	68,786	68,786	68,786	68,786	68,786	68,786
	Connecting Passages	3,270	3,270	3,270	3,270	3,270	3,270	3,270	3,270	3,270	3,270
	Racine Campus Sub-Total	250,868	250,868	250,868	250,868	250,868	250,868	251,668	251,668	251,668	251,668
	IMET (formerly CATI)	89,149	89,149	89,149	89,149	89,149	89,149	53,370	53,370	53,370	53,370
	The Cut-Barber/Cos (Lease)	2,400	2,400	2,400	2,400	2,400	2,400	2,400	-	-	-
	Burn Building-Town of Dover (Land lease)	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440
Racine County Subtotal	343,857	343,857	343,857	343,857	343,857	343,857	308,078	308,878	306,478	306,478	
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	92,000	92,000	92,000	92,000	92,000
	Horticultural Buildings ⁽³⁾	15,648	15,648	15,648	15,648	15,648	15,648	15,648	15,648	15,648	15,648
	Science Building	45,187	45,187	45,187	45,187	45,187	45,187	45,187	45,187	45,187	45,187
	Student Commons	17,130	17,130	17,130	17,130	17,130	17,130	17,130	17,130	17,130	17,130
	Storage Buildings	4,550	4,550	4,550	4,550	4,550	4,550	4,550	4,550	4,550	4,550
	Protective Services	13,160	13,160	13,160	13,160	13,160	13,160	13,500	13,500	-	-
	Technical Building	62,640	62,640	62,640	62,640	62,640	62,640	62,880	62,880	62,880	62,880
	Kenosha Campus Subtotal	344,478	344,478	344,478	344,478	344,478	344,478	345,058	345,058	331,558	331,558
	Leased Facilities:										
Center for Sustainable Living	1,844	1,844	1,844	1,844	1,844	1,844	1,844	1,844	1,844	1,844	
Horizon Center (Aviation - Land Lease)	38,755	38,755	38,755	38,755	38,755	38,755	38,755	38,755	38,755	38,755	
Horizon Center Storage Bldg	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	
Lakeview Technology Center	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	
Kenosha County Job Center	-	-	-	462	462	462	462	462	462	1,026	1,026
Gateway Medical Park - East	-	-	-	-	-	-	-	-	-	-	4,724
Launch Box "1 Stop Center"	-	-	-	-	-	-	-	-	-	-	2,668
SIMI House	2,503	2,503	1,237	1,237	1,237	1,237	1,237	1,237	1,237	1,237	
Kenosha County Subtotal	403,380	403,380	402,114	402,576	402,576	402,576	403,156	403,156	389,656	390,220	384,212
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	44,372	44,372	44,372	44,372	44,372	44,372
	North Building	49,341	49,341	49,341	49,341	49,341	49,341	49,341	49,341	49,341	49,341
	Veterinary Science (prv Job Center)	6,468	6,468	6,468	6,468	6,468	6,468	6,468	6,468	6,468	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	109,454	109,454	109,454	109,454	109,454	109,454
	Burlington Campus (Leased)										
	380 Building	22,394	22,394	22,394	22,394	22,394	22,394	19,694	19,694	19,694	22,255
	496 Building	28,892	28,892	28,892	28,892	28,892	28,892	33,512	33,512	33,512	33,512
Walworth County Subtotal	160,740	160,740	160,740	160,740	160,740	160,740	162,660	162,660	162,660	161,621	
Total District Square Footage	907,977	907,977	906,711	907,173	907,173	907,173	874,694	874,694	858,794	859,358	852,311

Source: Effective FY 2019, numbers were revised using information from the Strategic Facility Planning Guide prepared by District staff. Effective FY 2010, numbers were revised using information from Gallagher Bassett Services, Inc report. Prior years were not restated and are based on Strategic Facility Planning Guide prepared by Architectural Associates LTD (June 2003) and District staff.

(1) Renamed from Main to Lincoln, correction made to total for FY 2010 - 2013.

(2) Renamed from Bioscience to Inspire.

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

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

Type of Coverage	Insurance Company	Policy Period	Details of Coverage*	Limits of Coverage	Annual Premium
Property Coverage	DMI	7/1/23 - 7/1/24	Covers all real and personal property, all risk; \$25,000 deductible per occurrence.		\$ 176,516
			Blanket Property Limit (Per Occurrence)	\$ 500,000,000	
			Certified Terrorism	\$ 500,000,000	
			Non-Certified Terrorism	\$ 500,000,000	
			Accounts Receivable	\$ 25,000,000	
			Fine Arts	\$ 15,000,000	
			Valuable Papers and Records	\$ 25,000,000	
			Extra Expenses	\$ 25,000,000	
			Electronic Data Processing Equipment	\$ 25,000,000	
			Miscellaneous Unnamed Locations	\$ 25,000,000	
			Newly Acquired Property (180 days reporting)	\$ 25,000,000	
			Building Ordinance including Demolition & ICC & Increased Time to Rebuild	\$ 25,000,000	
			Debris Removal - the greater of 25% of the loss or	\$ 25,000,000	
			Earth Movement and Volcanic Action (Annual Aggregate)	\$ 25,000,000	
			Flood and Water Damage (Annual Aggregate)	\$ 25,000,000	
			Flood in FEMA Zones Designated Using Letter A or V (Annual Aggregate)	\$ 25,000,000	
			Property in the Course of Construction	\$ 30,000,000	
			Transit	\$ 2,500,000	
			Ingress/Egress (1 mile limitation, 30 days limitation)	\$ 5,000,000	
			Interruption by Civil Authority (1 mile radius limitation, 30 day limitation)	\$ 5,000,000	
			Leasehold Interest	\$ 2,500,000	
			Service Interruption - Property Damage & Time Element Combined (Water, Communication Including Overhead Transmission Lines, Power Including Overhead Transmission Lines)	\$ 300,000,000	
			Mobile Equipment	\$ 1,000,000	
			Expediting Expenses	\$ 5,000,000	
			Pollutant Clean-Up and Removal (Annual Aggregate)	\$ 1,000,000	
			Claims Preparation Expenses (Subject to Max. 5% of Combined PD & TE Loss)	\$ 250,000	
			Defense Costs	\$ 250,000	
			Exhibition, Exposition, Fair or Trade Show	\$ 1,000,000	
			Fire Department Services Charges	\$ 250,000	
			Protection of Property	\$ 475,000	
			Radioactive Contamination	\$ 250,000	
			Royalties	\$ 250,000	
Equipment Breakdown	DMI	7/1/23 - 7/1/24	Comprehensive coverage; \$25,000 Deductible	\$ 100,000,000	\$ 10,511
			Property Damage	Included	
			Business Income	Included	
			Civil Authority	Included	
			Extra Expense	Included	
			Off-Premises Equipment Breakdown	\$ 25,000	
			Service Interruption	\$ 1,000,000	
			Contingent Business Income	\$ 25,000	
			Perishable Goods (Spoilage/Ammonia Contamination)	\$ 250,000	
			Data Restoration	\$ 250,000	
			Demolition	\$ 1,000,000	
			Ordinance or Law	\$ 1,000,000	
			Expediting Expenses	\$ 250,000	
			Hazardous Substances	\$ 250,000	
			Newly Acquired Locations (365 days)	Policy Limit	
			Broad Comprehensive Coverage (Including Production Machines, Computer Equipment)	Included	
			Repair or Replacement	Yes	
			Green Upgrade	\$ 25,000	
Workers' Compensation	DMI	7/1/23 - 7/1/24	Workers' Compensation - Wisconsin Benefits	Statutory	\$ 229,244
			- Bodily injury by accident, each accident	\$ 100,000	
		Employer's Liability	- Bodily injury by disease, policy limit	\$ 500,000	
			- Bodily injury by disease, each employee	\$ 100,000	
General Liability	DMI	7/1/23 - 7/1/24	Each Occurrence Limit	\$ 5,000,000	\$ 89,640
(Includes Professional, Automobile, and Educators Legal 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	
			Garage keepers Coverage (ACV up to...)	\$ 500,000	
			- Comprehensive Deductible (each customer auto/each event)	\$500 / \$2,500	
			- Collision Deductible (each customer auto)	\$ 500	
			Policy Deductible - per Occurrence	\$ 5,000	
			Automobile Physical Damage Deductible	Per College Choice	
[Educators Legal Liability (includes Directors & Officers, Employment Practices, and Employee Benefits Liability)]			- Per Wrongful Act	\$ 5,000,000	

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

Type of Coverage	Insurance Company	Policy Period	Details of Coverage*	Limits of Coverage	Annual Premium
			- Per Wrongful Act Deductible	\$ 100,000	
Deadly Weapon Protection	DMI	7/1/23 - 7/1/24	Liability & Claim Expense		\$ 5,007
			- Per Occurrence	\$ 1,000,000	
			- Aggregate	\$ 16,000,000	
			Mental Anguish - 25% of the Overall Limit		
			Counseling Services		
			- Per Occurrence	\$ 250,000	
			- Aggregate	\$ 1,000,000	
			Property Damage - per Occurrence / Aggregate	\$ 500,000	
			Deductible Per Occurrence	\$ 10,000	
Network Security (Cyber Risk)	DMI	7/1/23 - 7/1/24	Policy Aggregate Limit of Liability	Per College Choice	\$ 86,977
			Coverage for Privacy Breach and Response Services	\$ 500,000	
			Computer Expert Services, Legal Services, Public Relations, Crisis Management Expense	\$ 1,000,000	
			Per Claim Deductible	\$ 25,000	
			Deductible for Computer Expert Services, Legal Services, Public Relations and Crisis Management Expense	\$ 10,000	
Sabotage & Terrorism	DMI	7/1/23 - 7/1/24	Policy Deductible	\$ 20,000	\$ 3,679
			Overall Limit of Liability - For Any One (1) Occurrence and in the Aggregate, Damage and Financial Loss Combined During the Period of Insurance	\$ 100,000,000	
			Brand Rehabilitation: 10% of the Overall Limit of Liability or (Whichever the Lesser) Extension may be Limited	\$ 500,000	
			Claims Preparation: 10% of the Overall Limit of Liability or (Whichever the Lesser)	\$ 100,000	
			Contingent Financial Loss	\$ 5,000,000	
			Damage to Property at Any Unspecified Third Party Site (Other than sites included in the Referral Region and Zip Code list) Limit is per Damage / Financial Loss Combined	\$ 500,000	
			Damage to Property while in Transit - per Damage / Financial Loss Combined	\$ 500,000	
			Denial of Access	\$ 5,000,000	
			Seepage Contamination and Pollution / Clean up	\$ 5,000,000	
			Utilities	\$ 5,000,000	
			Attraction	\$ 5,000,000	
			Contract Works	\$ 5,000,000	
			Extinguishment Expenses	\$ 500,000	
			Threat	\$ 5,000,000	
			Excess Damage - Any One Occurrence for Damage & Financial Loss Combined as per the Associated Policy.	\$ 20,000	

TOTAL ANNUAL INSURANCE PREMIUMS PAID TO DISTRICTS MUTUAL INSURANCE: \$ 601,574

Type of Coverage	Insurance Company	Policy Period	Details of Coverage*	Limits of Coverage	Annual Premium
Crime	AIG (Written through the Trust)	7/1/23 - 7/1/24	Employee Theft	\$ 750,000	\$ 4,581
			Forgery or Alteration	\$ 750,000	
			ERISA Fidelity	\$ 750,000	
			Inside Premises - Money Theft and Securities	\$ 750,000	
			Inside Premises - Robbery Safe Burglary - Other Property	\$ 750,000	
			Outside Premises	\$ 750,000	
			Computer Fraud	\$ 750,000	
			Funds Transfer Fraud	\$ 750,000	
			Money Orders and Counterfeit Money	\$ 750,000	
			Credit, Debit or Charge Card Forgery	\$ 750,000	
			Impersonation Fraud Coverage	\$ 100,000	
			Computer Fraud Insuring Agreement - Cost, Fees or Other Expenses	\$ 25,000	
			Employee Theft Insuring Agreement - Cost, Fees or Other Expenses	\$ 25,000	
			Deductible	\$ 15,000	

Type of Coverage	Insurance Company	Policy Period	Details of Coverage*	Limits of Coverage	Annual Premium
International Package**	Chubb Insurance Company	Varies By College	Foreign General Liability - Each Occurrence	\$ 1,000,000	\$ 3,000
		10/16/23 - 10/16/2024	General Aggregate - Varies by College	\$ 5,000,000	
			Personal and Advertising Injury - Aggregate	\$ 1,000,000	
			Products - Completed Operations - Aggregate	\$ 2,000,000	
			Premises Damage Limit - Each Occurrence	\$ 1,000,000	
			Medical Expense Limit - Any One Person	\$ 50,000	
			Foreign Property		
			- Limit of Liability - per Occurrence	\$ 250,000	
			Contingent Auto Liability - Combined Single Limit		
			- Each Accident	\$ 1,000,000	
			- Auto Medical Payments	\$ 50,000	

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

Type of Coverage	Insurance Company	Policy Period	Details of Coverage*	Limits of Coverage	Annual Premium
			Foreign 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		
			- Third Country Nationals	Country of Origin	
			- Local Nationals	Employers Liability Only	
			- North American	State of Hire Benefits	
			Foreign Employers Liability		
			- Bodily injury by accident, each accident	\$ 1,000,000	
			- Bodily injury by disease, each employee	\$ 1,000,000	
			- Bodily injury by disease, policy limit	\$ 1,000,000	
			Executive Assistance (per covered person)	\$ 1,000,000	
			Kidnap and Extortion		
			- Extortion/Ransom Monies Payment-Each Covered Loss	\$ 250,000	
			- In-Transit Extortion / Ransom Monies Loss - Each Covered Loss	\$ 250,000	
			- Expenses - Each Covered Loss	\$ 250,000	
			- Legal Costs - Each Covered Loss	\$ 250,000	
			- Medical, Death or Dismemberment - Sublimit each Life	\$ 10,000	
			- Medical, Death or Dismemberment - Sublimit each Incident	\$ 100,000	
			- Incident Response - Each Covered Loss	\$ 250,000	
			Accidental Death and Dismemberment and Medical Expenses for Educational Service		
			- Accidental Death and Dismemberment	\$ 10,000	
			- Medical Expense - Per Covered Persons	\$ 10,000	
			- Aggregate Limit	\$ 2,000,000	
Business Travel Accident	CIGNA	7/1/23 - 7/1/24	Benefits for Scheduled Losses	\$ 100,000	\$ 184
(for Local Boards of Director Members)			- Aggregate	\$ 1,000,000	
			- Loss of Life		
			- Other Covered Losses as Scheduled		

TOTAL ANNUAL INSURANCE PREMIUMS PAID TO WISCONSIN TECHNICAL COLLEGE INSURANCE TRUST: \$ 7,765

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

** This coverage is provided on a request basis.

Deductible is Specified by Endorsement for Each College Location

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

Multimedia Liability	Arthur J. Gallagher	7/1/23 - 7/1/24	Errors and Omissions		\$ 4,940
WGTD 91.1 FM (Year 3 of 3 year policy)			Maximum Limit of liability for each claim	\$ 5,000,000	
			Retentions each and every claim	\$ 10,000	
			Policy No. 8177-2134		
Storage Tank Pollution	Arthur J. Gallagher	7/1/23 - 7/1/24	Policy Aggregate Limit:	\$ 1,000,000	\$ 485
Insured Site: 4940 - 88th Avenue, Kenosha, WI 53144			Each Confirmed Release Limit:	\$ 1,000,000	
			Defense Expense Aggregate Limit:	\$ 250,000	
			Deductible/Self-Insured Retention Per Incident:	\$ 5,000	
Veterinary Services - E&O Professional	Arthur J. Gallagher	7/1/23 - 7/1/24	Each occurrence limit	\$ 1,000,000	\$ 3,155
			Policy No. MKLV3PSM000607		
(Includes Professional Services: Veterinary Tech Student Practicums in a Clinical Setting Including Clinical Supervision by a Licensed			Aggregate	\$ 3,000,000	
			Deductible each claim:	\$ 1,000	

TOTAL ANNUAL INSURANCE PREMIUMS PAID TO ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES INC.: \$ 8,580

Aviation Insurance Coverages Purchased through Wenk Insurance Agency

Aviation Insurance	Wenk Aviation Insurance Agencies	7/1/22 - 7/1/23	Liability Coverage		\$ 63,040
			Single Limit Including Passengers and Property Damage	\$ 3,000,000	
			Medical Payments at Each Seat	\$ 5,000	
			Aircraft Physical Damage Coverages as indicated in policy	\$180,000, 200,000 and 715,000	
			Deductibles: Not in motion (all aircraft)	\$ 250	
			Deductibles: In motion (respectively by aircraft physical damage value)	\$1,000, 1,000 and 5,000	
			Hangarkeepers (Per Aircraft; Per Occurrence)	\$ 250,000	
			Deductible	\$ 5,000	
			Products	\$ 1,000,000	
			Premises Medical Payments (Each Person / Aggregate)	\$5,000 / \$25,000	
			Liability for Negligent Instruction (Per Occurrence)	\$ 1,000,000	

TOTAL ANNUAL INSURANCE PREMIUMS PAID TO WENK INSURANCE AGENCY: \$ 63,040

TOTAL ANNUAL PREMIUMS: \$ 680,959

Administration Center

3520 - 30th Avenue
Kenosha, WI 53144-1690

Burlington Center

496 McCanna Pkwy.
Burlington, WI 53105-3623

SC Johnson iMET Center

2320 Renaissance Blvd.
Sturtevant, WI 53177-1763

Elkhorn Campus

400 County Road H
Elkhorn, WI 53121-2046

HERO Center

380 McCanna Pkwy
Burlington, WI 53105-3622

**Horizon Center for
Transportation Technology**

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

Inspire Center

3520 - 30th Avenue
Kenosha, WI 53144-1690

Kenosha Campus

3520 - 30th Avenue
Kenosha, WI 53144-1690

**LakeView Advanced
Technology Center**

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

Racine Campus

1001 South Main Street
Racine, WI 53403-1582

WGTD HD

Your Gateway to Public Radio
wgtd.org
262.564.3800

Wisconsin Relay System: 711



APPENDIX B

FORM OF

CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Gateway Technical College District, Racine, Kenosha and Walworth Counties, Wisconsin (the "Issuer") in connection with the issuance of \$4,000,000 General Obligation Promissory Notes, Series 2024-2025C, dated January 9, 2025 (the "Securities"). The Securities are being issued pursuant to resolutions adopted on November 19, 2024 and December 19, 2024 (collectively, the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Final Official Statement" means the Final Official Statement dated December 19, 2024 delivered in connection with the Securities, which is available from the MSRB.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the District Board of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means the Gateway Technical College District, Racine, Kenosha and Walworth Counties, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Chief Financial Officer/Vice President Finance and Administration of the Issuer who can be contacted at 3520 30th Avenue, Kenosha, Wisconsin 53144-1690, phone (262) 564-3164, fax (262) 564-2831.

"Listed Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means any of the original underwriter(s) of the Securities (including the Purchaser) required to comply with the Rule in connection with the offering of the Securities.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof.

"SEC" means the Securities and Exchange Commission.

Section 3. Provision of Annual Report and Audited Financial Statements.

(a) The Issuer shall, not later than 270 days after the end of the Fiscal Year, commencing with the year ending June 30, 2025, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 270 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference the Audited Financial Statements, adopted annual budget and/or current general fund budget summary and updates of the following sections of the Final Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

1. TAX LEVIES, RATES AND COLLECTIONS
2. EQUALIZED VALUATIONS
3. INDEBTEDNESS OF THE DISTRICT - Direct Indebtedness

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
7. Modification to rights of holders of the Securities, if material;
8. Securities calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Securities, if material;
11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For the purposes of the event identified in subsection (a)12. above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) When a Listed Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Listed Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

(c) Unless otherwise required by law, the Issuer shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Securities.

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist

it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if the following conditions are met:

(a)(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer, or the type of business conducted; or

(ii) This Disclosure Certificate, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of beneficial owners of the Securities, as determined and certified to the Issuer by an underwriter, financial advisor, bond counsel or trustee.

In the event this Disclosure Certificate is amended for any reason other than to cure any ambiguities, inconsistencies, or typographical errors that may be contained herein, the Issuer agrees the next Annual Report it submits after such amendment shall include an explanation of the reasons for the amendment and the impact of the change, if any, on the type of financial statements or operating data being provided.

If the amendment concerns the accounting principles to be followed in preparing financial statements, then the Issuer agrees that it will give an event notice and that the next Annual Report it submits after such amendment will include a comparison between financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. (a) Except as described in the Final Official Statement, in the previous five years, the Issuer has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of events.

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders from time to time of the Securities, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 9th day of January, 2025.

Jason Tadlock
Chairperson

(SEAL)

Nicole Oberlin
Secretary

APPENDIX C

**FORM OF
LEGAL OPINION**

Quarles & Brady LLP
411 East Wisconsin Avenue
Milwaukee, WI 53202

January 9, 2025

Re: Gateway Technical College District, Wisconsin ("Issuer")
\$4,000,000 General Obligation Promissory Notes, Series 2024-2025C,
dated January 9, 2025 ("Notes")

We have acted as bond counsel to the Issuer in connection with the issuance of the Notes. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

The Notes are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on April 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2025	\$850,000	___%
2026	425,000	___
2027	425,000	___
2028	425,000	___
2029	375,000	___
2030	300,000	___
2031	300,000	___
2032	300,000	___
2033	300,000	___
2034	300,000	___

Interest is payable semi-annually on April 1 and October 1 of each year commencing on April 1, 2025.

The Notes maturing on April 1, 2033 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on April 1, 2032 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

[The Notes maturing in the years _____ are subject to mandatory redemption by lot as provided in the Notes, at the redemption price of par plus accrued interest to the date of redemption and without premium.]

We further certify that we have examined a sample of the Notes and find the same to be in proper form.

Based upon and subject to the foregoing, it is our opinion under existing law that:

1. The Notes have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.

2. All the taxable property in the territory of the Issuer is subject to the levy of ad valorem taxes to pay principal of, and interest on, the Notes, without limitation as to rate or amount. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Notes except to the extent that necessary funds have been irrevocably deposited into the debt service fund account established for the payment of the principal of and interest on the Notes.

3. The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). The Code contains requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Notes to be included in gross income retroactively to the date of issuance of the Notes. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Notes.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or any other offering material relating to the Notes. Further, we express no opinion regarding tax consequences arising with respect to the Notes other than as expressly set forth herein.

The rights of the owners of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and may be subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

QUARLES & BRADY LLP

APPENDIX D

OFFICIAL NOTICE OF SALE AND BID FORM

FOR

**GATEWAY TECHNICAL COLLEGE DISTRICT, WISCONSIN
\$4,000,000 General Obligation Promissory Notes, Series 2024-2025C**

Sale Date and Time: Thursday, December 19, 2024
9:30 a.m. Central Time

Place: Robert W. Baird & Co. Incorporated
Public Finance Department
777 East Wisconsin Avenue, 25th Floor

Attention: Ms. Danielle Olson
Phone: (414) 298-2657
Fax: (414) 298-7354

Bids will be accepted electronically
via PARITY

OFFICIAL NOTICE OF SALE

\$4,000,000

GATEWAY TECHNICAL COLLEGE DISTRICT
RACINE, KENOSHA AND WALWORTH COUNTIES, WISCONSIN
GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2024-2025C
DATED JANUARY 9, 2025

NOTICE IS HEREBY GIVEN that bids will be received by the District Board of the Gateway Technical College District, Racine, Kenosha and Walworth Counties, Wisconsin (the "District") for the purchase of all but no part of its Notes electronically via PARITY (as described below) or at the offices of the District's financial advisor, Robert W. Baird & Co. Incorporated, Public Finance Department, 25th Floor, 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202 ("Baird"), Attention: Ms. Danielle Olson, Financial Analyst, until 9:30 a.m. (Central Time) on:

December 19, 2024

at which time the bids will be publicly opened and read. Bids may be mailed or delivered to Baird at the address set forth above or submitted electronically via PARITY, as described below. Signed bids, without final price or coupons, may be submitted to Baird prior to the time of sale. The bidder shall be responsible for submitting to Baird the final bid price and coupons, by telephone (414) 298-2657 for inclusion in the submitted bid. Bids which are mailed or delivered should be plainly marked "Bid for Gateway Technical College District Notes". A meeting of the District Board will be held on December 19, 2024 for the purpose of taking action on such bids as may be received. Bids will only be considered by the District Board if the required good faith deposit has been received in accordance with the requirements set forth below.

Dates and Maturities: The Notes will be dated January 9, 2025 and will mature on April 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>
2025	\$850,000
2026	425,000
2027	425,000
2028	425,000
2029	375,000
2030	300,000
2031	300,000
2032	300,000
2033	300,000
2034	300,000

Interest: Interest on the Notes will be payable semi-annually on April 1 and October 1 of each year, commencing on April 1, 2025 to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day of the calendar month next

preceding each interest payment date. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the MSRB.

Optional Redemption: The Notes maturing on April 1, 2033 and thereafter will be subject to redemption prior to maturity, at the option of the District, on April 1, 2032 or on any date thereafter. Said Notes will be redeemable as a whole or in part, and if in part, from maturities selected by the District, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

No Term Bond Option: Bids for the Notes may not provide for term bonds.

Security and Purpose: The Notes are general obligations of the District. The principal of and interest on the Notes will be payable from ad valorem taxes, which may be levied without limitation as to rate or amount upon all of the taxable property located in the District. The Notes will be issued for the public purposes of financing building remodeling and improvement projects and the acquisition of movable equipment.

Registration: The Notes will be issued as fully-registered Notes without coupons and, when issued, will be registered only in the name of CEDE & CO., as nominee for The Depository Trust Company, New York, New York ("DTC").

DTC Book Entry Only System: UTILIZATION OF DTC IS REQUIRED. BIDS FOR THE NOTES MAY NOT PROVIDE FOR THE NOTES TO BE ISSUED ON A NON-DTC BASIS. DTC will act as securities depository of the Notes. A single Note certificate for each maturity will be issued to DTC and immobilized in its custody. Individual purchases may be made in book-entry form only pursuant to the rules and procedures established between DTC and its participants, in the denomination of \$5,000 or any integral multiple thereof. Individual purchasers will not receive certificates evidencing their ownership of the Notes purchased. The successful bidder shall be required to deposit the Note certificates with DTC as a condition to delivery of the Notes. The District will make payments of principal and interest on the Notes to DTC or its nominee as registered owner of the Notes in same-day funds. Transfer of those payments to participants of DTC will be the responsibility of DTC; transfer of the payments to beneficial owners by DTC participants will be the responsibility of such participants and other nominees of beneficial owners all as required by DTC rules and procedures. No assurance can be given by the District that DTC, its participants and other nominees of beneficial owners will make prompt transfer of the payments as required by DTC rules and procedures. The District assumes no liability for failures of DTC, its participants or other nominees to promptly transfer payments to beneficial owners of the Notes.

Depository: In the event that the securities depository relationship with DTC for the Notes is terminated and the District does not appoint a successor depository, the District will prepare, authenticate and deliver, at its expense, fully-registered certificated Notes in the denomination of \$5,000 or any integral multiple thereof in the aggregate principal amount of Notes of the same maturities and with the same interest rate or rates then outstanding to the beneficial owners of the Notes.

Fiscal Agent: The Notes shall be distributed to the owners in fully-registered form in the denomination of \$5,000 or any integral multiple thereof by the fiscal agent for the District (the "Fiscal Agent"). Such Fiscal Agent may be the Secretary or Treasurer and will be designated by the District at the time of the sale of the Notes. The Notes shall be payable as to interest by check or draft of the Fiscal Agent mailed to the registered owners whose names appear on the books of the Fiscal Agent at the close of business on the 15th day of the calendar month next preceding each interest payment date and as to principal by presentation of the Notes at the office of the Fiscal Agent. The District will pay all costs relating to the registration of the Notes.

No Designation as Qualified Tax-Exempt Obligations: The Notes will not be designated "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Bid Specifications: Bids will be received on an interest rate basis in integral multiples of One-Twentieth (1/20) or One-Eighth (1/8) of One Percent (1%). All Notes of the same maturity shall bear the same interest rate. No bid for less than One Hundred Percent (100%) of the principal amount of the Notes (\$4,000,000) nor more than One Hundred Four Percent (104%) of the principal amount of the Notes (\$4,160,000) plus accrued interest to the date of delivery will be considered. The Notes will be awarded to a responsible bidder whose proposal results in the lowest true interest cost to the District.

Type of Bid: Bids must be submitted either: (1) to Baird as set forth herein; or (2) electronically via PARITY, in accordance with this Official Notice of Sale, within a one hour period prior to the time of sale, but no bids will be received after the time established above for the opening of bids. If any provisions in this Notice are conflicting with any instructions or directions set forth in PARITY, this Official Notice of Sale shall control. The normal fee for use of PARITY may be obtained from PARITY, and such fee shall be the responsibility of the bidder. For further information about PARITY, potential bidders may contact Baird, 25th Floor, 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202 or PARITY, c/o i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, telephone (212) 849-5021. The District and Baird assume no responsibility or liability for bids submitted through PARITY. Each bidder shall be solely responsible for making necessary arrangements to access PARITY for purposes of submitting its electronic bid in a timely manner and in compliance with the requirements of the Official Notice of Sale. Neither the District, its agents nor PARITY shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and neither the District, its agents nor PARITY shall be responsible for a bidder's failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY. The District is using the services of PARITY solely as a communication mechanism to conduct the electronic bidding for the Notes, and PARITY is not an agent of the District.

The District may regard the electronic transmission of the bid via the electronic service (including information about the purchase price for the Notes and interest rate or rates to be borne by the Notes and any other information included in such transmission) as though the same information were submitted on the bid form and executed on behalf of the bidder by a duly

authorized signatory. If the bid is accepted by the District, the terms of the bid form, this Official Notice of Sale, and the information transmitted through the electronic service shall form a contract, and the bidder shall be bound by the terms of such contract.

For information purposes only, bidders are requested to state in their electronic bids the true interest cost to the District, as described in this Official Notice of Sale and in the written form of Official Bid Form. All electronic bids shall be deemed to incorporate the provisions of this Official Notice of Sale and the form of Official Bid Form.

Good Faith Deposit: A cashier's check in the amount of \$80,000 may be submitted contemporaneously with the bid or, in the alternative, a deposit in the amount of \$80,000 shall be made by the winning bidder by federal wire transfer as directed by the District to be received by the District no later than 1:00 p.m. prevailing Central Time on the day of the bid opening (December 19, 2024) as a guarantee of good faith on the part of the bidder to be forfeited as liquidated damages if such bid be accepted and the bidder fails to take up and pay for the Notes. The good faith deposit will be applied to the purchase price of the Notes. In the event the successful bidder fails to honor its accepted bid, the good faith deposit will be retained by the District. No interest shall be allowed on the good faith deposit. Payment for the balance of the purchase price of the Notes shall be made at the closing. Good faith checks of unsuccessful bidders will be returned by overnight delivery for next day receipt sent not later than the first business day following the sale.

Bond Insurance at Bidder's Option: If the Notes qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the bidder, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the successful bidder. Each bidder shall indicate if it is obtaining bond insurance and shall list the name of the bond insurer on the bidder's Official Bid Form. Any increased costs of issuance of the Notes resulting from such purchase of insurance shall be paid by the successful bidder, except that, if the District has requested and received a rating on the Notes from a rating agency, the District will pay that rating fee. Any other rating agency fees shall be the responsibility of the successful bidder. Failure of the municipal bond insurer to issue the policy after the Notes have been awarded to the successful bidder shall not constitute cause for failure or refusal by the successful bidder to accept delivery on the Notes.

Delivery: The Notes will be delivered in printed form, one Note per maturity, registered in the name of CEDE & CO., as nominee of DTC, securities depository of the Notes for the establishment of book-entry accounts at the direction of the successful bidder, within approximately forty-five (45) days after the award. Payment at the time of delivery must be made in federal or other immediately available funds. In the event delivery is not made within forty-five (45) days after the date of the sale of the Notes, the successful bidder may, prior to tender of the Notes, at its option, be relieved of its obligation under the contract to purchase the Notes and its good faith deposit shall be returned, but no interest shall be allowed thereon.

Legality: The successful bidder will be furnished without cost, the unqualified approving legal opinion of Quarles & Brady LLP of Milwaukee, Wisconsin. A transcript of the proceedings relative to the issuance of the Notes (including an arbitrage certificate and a no-

litigation certificate) will be furnished to the successful bidder without cost. A Continuing Disclosure Certificate will be delivered at closing setting forth the details and terms of the District's undertaking and such Certificate is a condition of closing.

Award Conditional: The award of the Notes will be made subject to expiration of the petition period provided for under Section 67.12(12)(e)5, Wisconsin Statutes, without the filing of a sufficient petition for a referendum with respect to the resolution authorizing the issuance of the Notes.

CUSIP Numbers: The District will assume no obligation for the assignment of CUSIP numbers on the Notes or for the correctness of any numbers printed thereon. The District will permit such numbers to be assigned and printed at the expense of the successful bidder, but neither the failure to print such numbers on any Notes nor any error with respect thereto will constitute cause for failure or refusal by the successful bidder to accept delivery of the Notes.

Establishment of Issue Price: (a) The winning bidder shall assist the District in establishing the issue price of the Notes and shall execute and deliver to the District at closing an Underwriter's Certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Notes, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the District and Bond Counsel. All actions to be taken by the District under this Official Notice of Sale to establish the issue price of the Notes may be taken on behalf of the District by the District's municipal advisor identified herein and any notice or report to be provided to the District may be provided to the District's municipal advisor.

(b) The District intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Notes) will apply to the initial sale of the Notes (the "competitive sale requirements") because:

- (1) the District shall disseminate this Official Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the District may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the District anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes at the highest price (or lowest interest cost), as set forth in this Official Notice of Sale.

Any bid submitted pursuant to this Official Notice of Sale shall be considered a firm offer for the purchase of the Notes, as specified in the bid.

(c) If all of the requirements of a "competitive sale" are not satisfied, the District shall advise the winning bidder of such fact prior to the time of award of the sale of the Notes to the underwriter. In such event, any proposal submitted will not be subject to cancellation or withdrawal and the District agrees to use the rule selected by the underwriter on its bid form to determine the issue price for the Notes. On its bid form, each underwriter must select one of the following two rules for determining the issue price of the Notes: (1) the first price at which 10% of a maturity of the Notes (the "10% test") is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Notes (the "hold-the-offering-price rule").

(d) If all of the requirements of a "competitive sale" are not satisfied and the underwriter selects the hold-the-offering-price rule, the winning bidder shall (i) confirm that the underwriter has offered or will offer the Notes to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriter participating in the purchase of the Notes, that the underwriter will neither offer nor sell unsold Notes of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriter has sold at least 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the District when the underwriter has sold 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The District acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Notes to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Notes to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering price rule, as set forth in the retail distribution agreement and the related pricing wires. The District further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Notes.

(e) If all of the requirements of a "competitive sale" are not satisfied and the underwriter selects the 10% test, the underwriter agrees to promptly report to the District, Bond Counsel and Baird the prices at which the Notes have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until the 10% test has been satisfied as to each maturity of the Notes or until all of the Notes of a certain maturity have been sold.

(f) By submitting a bid, each bidder confirms that (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Notes of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Notes of that maturity or all Notes of that maturity have been sold to the public, and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Notes to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Notes of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Notes of that maturity or all Notes of that maturity have been sold to the public, and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

(g) Sales of any Notes to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Official Notice of Sale. Further, for purposes of this Official Notice of Sale:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Notes to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the public),

(iii) a purchaser of any of the Notes is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of

another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date that the Notes are awarded by the District to the winning bidder.

Official Statement: Bidders may obtain a copy of the Preliminary Official Statement by request to the District's financial advisor prior to the bid opening. By submitting a bid, the successful bidder agrees to supply to the District within 24 hours after the award of the Notes all necessary pricing information and any underwriter identification necessary to complete the Preliminary Official Statement. Within seven business days of the award of the Notes, the successful bidder will be provided with an electronic copy of the Official Statement in pdf format. If the successful bidder is the manager of an underwriting syndicate, the successful bidder shall be responsible for distributing copies of the Official Statement and any addenda to syndicate members.

Certification Regarding Official Statement: The District will deliver, at closing, a certificate, executed by appropriate officers of the District acting in their official capacities, to the effect that the facts contained in the Official Statement relating to the District and the Notes are true and correct in all material respects, and that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The District also agrees to notify the successful bidder of any material developments impacting the District or the Notes of which the District becomes aware within 60 days after the delivery of the Notes.

Undertaking to Provide Continuing Disclosure: In order to assist bidders in complying with SEC Rule 15c2-12, as amended, the District will covenant to undertake (pursuant to a Resolution to be adopted by the District Board), to provide annual reports and timely notice of certain events for the benefit of holders of the Notes. The details and terms of the undertaking are set forth in a Continuing Disclosure Certificate to be executed and delivered by the District, a form of which is included in the Preliminary Official Statement and in the Final Official Statement.

Irregularities: The District reserves the right to reject any and all bids and to waive any and all irregularities.

Information: Copies of the Preliminary Official Statement and additional information may be obtained by addressing inquiries to: Robert W. Baird & Co. Incorporated; Attention: Ms. Danielle Olson, Financial Analyst, (414) 298-2657 or the undersigned.

Sharon Johnson
Chief Financial Officer/Vice President Finance and Administration
Gateway Technical College District
3520 30th Avenue
Kenosha, Wisconsin 53144-1690
Phone: (262) 564-3164

Exhibit A
(to Official Notice of Sale)

Gateway Technical College District, Wisconsin ("District")
\$4,000,000
General Obligation Promissory Notes, Series 2024-2025C,
dated January 9, 2025

UNDERWRITER'S CERTIFICATE

The undersigned, on behalf of _____ (the "Underwriter"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Notes").

1. ***Reasonably Expected Initial Offering Price.***

(a) As of the Sale Date, the reasonably expected initial offering prices of the Notes to the Public by the Underwriter are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Notes used by the Underwriter in formulating its bid to purchase the Notes. Attached as Schedule B is a true and correct copy of the bid provided by the Underwriter to purchase the Notes.

(b) The Underwriter was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Underwriter constituted a firm offer to purchase the Notes.

2. ***Bond Insurance.***

(a) The Municipal Bond Insurance Policy (the "Bond Insurance Policy") issued by _____ (the "Bond Insurer") was essential in marketing the Notes at the rates and prices at which they were marketed and the absence of the Bond Insurance Policy would have had a material adverse effect on the interest rates at which the Notes were sold.

(b) In our opinion, the Bond Insurance Premium paid to the Bond Insurer for its Bond Insurance Policy is a reasonable arm's-length charge for the transfer of credit risk which the Bond Insurance Policy represents.

(c) In our opinion, the present value of the Bond Insurance Premium is less than the present value of the interest on the Notes reasonably expected to be saved as a result of the Bond Insurance Policy. In making this determination present values were computed by using the yield on the Notes (determined with regard to the Bond Insurance Premium) as the discount rate.]

____. ***Defined Terms.***

(a) "Maturity" means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) "Sale Date" means the first day on which there is a binding contract in writing for the sale of a Maturity of the Notes. The Sale Date of the Notes is December 19, 2024.

(d) "Underwriter" means (i) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the District with respect to certain of the representations set forth in the Tax Exemption Certificate and with respect to compliance with the federal income tax rules affecting the Notes, and by Quarles & Brady LLP, Bond Counsel, in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G and other federal income tax advice that it may give to the District from time to time relating to the Notes.

[UNDERWRITER]

By: _____

Name: _____

Dated: January 9, 2025

SCHEDULE A
TO
UNDERWRITER'S CERTIFICATE

EXPECTED OFFERING PRICES

(See Attached)

SCHEDULE B
TO
UNDERWRITER'S CERTIFICATE

COPY OF UNDERWRITER'S BID

(See Attached)

December 19, 2024

BID FORM
GATEWAY TECHNICAL COLLEGE DISTRICT, WISCONSIN
\$4,000,000 General Obligation Promissory Notes, Series 2024-2025C

Mr. Jason Tadlock, District Chairperson
and Members of the District Board
Gateway Technical College District
3520 30th Avenue
Kenosha, WI 53144-1690

Dear Mr. Tadlock and Members of the District Board:

For all but no part of your issue of \$4,000,000 General Obligation Promissory Notes, Series 2024-2025C, (the "Notes"), said bid being no less than 100% of par (\$4,000,000) nor more than 104% of par (\$4,160,000), we offer to pay a price of \$_____. The dated date and delivery date of the Notes is January 9, 2025. The Notes shall bear interest as follows:

(April 1)	Rate	(April 1)	Rate
2025	_____ %	2030	_____ %
2026	_____ %	2031	_____ %
2027	_____ %	2032	_____ %
2028	_____ %	2033	_____ %
2029	_____ %	2034	_____ %

This bid is made subject to all the terms and conditions of the Official Notice of Sale heretofore received and the Official Notice of Sale heretofore published, all terms and conditions which are made a part hereof as fully as though set forth in full in this bid.

This bid is a firm offer for the purchase of the Notes identified in the Official Notice of Sale, on the terms set forth in this bid form and the Official Notice of Sale, and is not subject to any conditions, except as permitted by the Official Notice of Sale.

By submitting this bid, we confirm that we are an underwriter and have an established industry reputation for underwriting new issuances of municipal bonds.

YES: ____ NO: ____.

If the competitive sale requirements are not met, we elect to use either the: ____ 10% test, or the ____ hold-the-offering price rule to determine the issue price of the Notes.

A Good Faith Deposit ("Deposit") in the form of a cashier's check in the amount of \$80,000 may be submitted contemporaneously with the bid or, in the alternative, a deposit in the amount of \$80,000 shall be made by the winning bidder by federal wire transfer as directed by the District to be received by the District no later than 1:00 p.m. prevailing Central Time on the day of the bid opening (December 19, 2024) as a guarantee of good faith on the part of the bidder to be forfeited as liquidated damages if such bid be accepted and the bidder fails to take up and pay for the Notes.

Managing Underwriter

Direct Contact and Phone Number: _____

By: _____

-----**-Please attach a list of account members-**-----

For your information, but not as a condition of this bid, the above interest rates result in:

Net Interest Cost \$ _____ True Interest Rate _____ %

The foregoing offer is hereby accepted this 19th day of December 2024 by the Members of the District Board and in recognition therefore is signed by the Officers empowered and authorized to make such acceptance.

District Chairperson

District Secretary