



Rating Action: Moody's assigns Aaa to Gateway Technical College District, WI's GO notes

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New York, January 10, 2023 – Moody's Investors Service has assigned a Aaa rating to Gateway Technical College District, WI's \$4.0 million General Obligation Promissory Notes, Series 2022-2023D. Moody's maintains a Aaa rating on the district's outstanding general obligation unlimited tax (GOULT) debt. Following the sale, the district will have about \$68 million of GOULT debt outstanding.

RATINGS RATIONALE

The Aaa rating reflects the district's large, diverse tax base located between the cities of Milwaukee (A3 negative) and Chicago (Baa3 stable), healthy financial position and a low debt and pension burden. The rating also considers the district's declining enrollment trend and limited revenue-raising ability.

RATING OUTLOOK

Moody's does not typically assign outlooks to local governments with this amount of debt.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATING

- Not applicable

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATING

- Narrowing of operating reserves or liquidity
- Significant growth in the debt or pension burden

LEGAL SECURITY

Debt service on the district's general obligation debt, including the current notes, is backed by its pledge to levy a designated property tax not limited by rate or amount.

USE OF PROCEEDS

Proceeds of the notes will fund building remodeling and improvement projects as well as the purchase of movable equipment.

PROFILE

Gateway Technical College District is located 20 miles south of Milwaukee and provides vocational education to a full-time equivalent enrollment of about 3,900 within Kenosha, Walworth, and Racine (Aa3) counties.

METHODOLOGY

The principal methodology used in this rating was US Special Purpose District General Obligation Debt Methodology published in November 2022 and available at <https://ratings.moodys.com/api/rmc-documents/394972>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moodys.com/rating-definitions>.

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