

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 17, 2024

NEW ISSUE
Non-Bank Qualified

Moody's Rated "Aa1"
(See "RATING" herein)

In the opinion of Michael Best & Friedrich LLP, Milwaukee, Wisconsin, Bond Counsel, assuming continued compliance by the District with the requirements of the Internal Revenue Code of 1986, as amended (the "Code") and certain covenants described herein, under existing statutes and court decisions, interest on the Notes is excluded from gross income of the owners thereof for federal income tax purposes under Section 103 of the Code. In the further opinion of Bond Counsel, interest on the Notes is not treated as a preference item for purposes of the alternative minimum tax imposed by the Code on individuals and corporations; however, such 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). No opinion is expressed regarding other federal tax consequences arising with respect to the Notes. Interest on the Notes is not exempt from present Wisconsin income taxes. See "TAX MATTERS" herein.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT, WISCONSIN
\$1,500,000 General Obligation Promissory Notes, Series 2024-25D

Dated: October 15, 2024

Due: June 1, 2026 – 2029

The \$1,500,000 General Obligation Promissory Notes, Series 2024-25D (the "Notes") will be dated October 15, 2024, will be in the denomination of \$5,000 each or any multiple thereof, and will mature serially June 1, 2026 through 2029. Interest on the Notes shall be payable commencing on June 1, 2025 and semi-annually thereafter on December 1 and June 1 of each year.

MATURITY SCHEDULE

(June 1)	Amount	Rate	Yield	CUSIP (1) Base 602369
2026	\$350,000			
2027	500,000			
2028	500,000			
2029	150,000			

The Notes are being issued pursuant to Section 67.12(12) of the Wisconsin Statutes. The Notes will be general obligations of the Milwaukee Area Technical College District, Wisconsin (the "District" or "MATC") for which its full faith and credit and unlimited taxing powers are pledged. The proceeds from the sale of the Notes will be used for the public purposes of financing building remodeling and improvement projects, consisting of projects included in the District's 2024-2025 building remodeling and improvement program that are anticipated to occur in 2024-2025.

The Notes shall not be subject to call and prior 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 Michael Best & Friedrich LLP, Bond Counsel, Milwaukee, Wisconsin. The anticipated settlement date is on or about October 15, 2024.

SALE DATE: SEPTEMBER 24, 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.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT, WISCONSIN

DISTRICT BOARD

Mark Foley, Chairperson
Erica Case, Vice Chairperson
Gale Pence, Treasurer
Citlali Mendieta Ramos, Secretary
Lauren Baker, Member
Tequila Burris, Member
Supreme Moore Omokunde, Member
Dr. Waleed Najeeb, Member
Tina Owen-Moore, Ed.D., Member

ADMINISTRATION

Dr. Anthony Cruz, President
Mohammad Dakwar, Ph.D., Vice President of Learning
Laura Bray, Vice President College Advancement and External Communications
Eva Kuether, Chief Financial Officer
Christine Manion, Ph.D., Vice President, Institutional Effectiveness
Laquitha Bonds, Vice President and Chief Human Resource Officer
Yan Wang, Ph.D., Acting Vice President of Enrollment and Retention
Phillip King, Ed.D., Executive Vice President, Student Success
Michael Rogers, Interim Vice President, Diversity, Equity and Inclusion

PROFESSIONAL SERVICES

Financial Advisor: Robert W. Baird & Co. Incorporated, Milwaukee, Wisconsin
Bond Counsel: Michael Best & Friedrich LLP, Milwaukee, Wisconsin
Paying Agent Contact: Chief Financial Officer, Milwaukee Area Technical College District, Milwaukee, Wisconsin

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 Milwaukee Area 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:	Milwaukee Area Technical College District, Wisconsin.
Issue:	\$1,500,000 General Obligation Promissory Notes, Series 2024-25D.
Dated Date:	October 15, 2024.
Interest Due:	Commencing June 1, 2025 and on each December 1 and June 1 thereafter. Interest on the Notes will be computed on the basis of a 30-day month and a 360-day year.
Principal Due:	June 1, 2026 through 2029.
Redemption Provisions:	The Notes shall not be subject to call and prior redemption. (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 irrevocable 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 purposes of financing building remodeling and improvement projects, consisting of projects included in the District's 2024-2025 building remodeling and improvement program that are anticipated to occur in 2024-2025.
Credit Rating:	This issue has been assigned a "Aa1" rating by Moody's Investors Service, Inc. (See "RATING" herein.)
Tax Status:	Interest on the Notes is excludable from gross income for federal income tax purposes. (See "TAX MATTERS" herein.)
No Bank Qualification:	The Notes shall NOT be designated "qualified tax-exempt obligations."
Record Date:	The 15 th day of the calendar month next preceding each interest payment date.
Bond Years:	4,391.67 years.
Average Life:	2.928 years.

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 Milwaukee Area Technical College District, Wisconsin (the "District" or "MATC" and the "State" respectively) in connection with the sale of the District's \$1,500,000 General Obligation Promissory Notes, Series 2024-25D (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 Resolutions. Copies of the Resolutions may be obtained from the Financial Advisor (defined herein) upon request.

If in any year there shall be insufficient funds from the respective tax levies to pay the principal of or interest on the Notes when due, the principal and interest will be paid from other funds of the District on hand, said amounts to be returned when the taxes levied have been collected.

ESTIMATED SOURCES AND USES

Sources of Funds

Par Amount of Notes	\$1,500,000.00
Total Sources	<u>\$1,500,000.00</u>

Uses of Funds

Deposit to Project Fund	\$1,500,000.00
Total Uses	<u>\$1,500,000.00</u>

REDEMPTION PROVISIONS

Optional Redemption

The Notes shall not be subject to call and prior redemption.

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 bonds or notes 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 District 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 notes or bonds.

Promissory Notes

In addition to being authorized to issue bonds, the District is authorized to borrow money using 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 20 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 notes. However, such notes may be payable not later than twenty years following the original date of such 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 District 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 the 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.

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.

The Initial Resolution

By way of a resolution adopted on August 27, 2024 (the "Initial Resolution"), the Board authorized the issuance of general obligation promissory notes in the amount of \$1,500,000.00 for the public purposes of financing building remodeling and improvement projects, consisting of projects included in the District's 2024-2025 building remodeling and improvement program that are anticipated to occur in 2024-2025 (the "Project").

As required by Wisconsin Statutes, notice of the adoption of the Initial Resolution for the Notes was published in the required newspaper on August 31, 2024. The resolution authorizing the issuance of the Notes 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 September 30, 2024. Award of the Notes will be made subject to expiration of the petition period without the filing of a sufficient petition for referendum.

The Award Resolution

By way of a resolution to be adopted on September 24, 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, irrepealable taxes levied for collection in the years 2025 through 2029 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 service 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

The Board is comprised of nine members (three employee members, three employer members, two elected officials and one school administrator). Members must be residents of the District. The Board is appointed by School District Board Presidents within the District and confirmed 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 one-year terms.

The Board

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

<u>Board Members</u>	<u>Employer and Position</u>	<u>Expiration of Term</u>
Mark Foley, Chairperson	Attorney/Shareholder, Law Firm of Von Briesen & Roper, S.C.	June 30, 2027
Erica Case, Vice Chairperson	Director of Human Resources Business Services, Harley Davidson Motor Company	June 30, 2027
Gale Pence, Treasurer	CEO/Founder, Global Precision Industries, Inc.	June 30, 2026
Citlali Mendieta Ramos, Secretary	Owner/Director of Special Events, Antigua Latin Restaurant, LLC	June 30, 2025
Lauren Baker, Member	Retired	June 30, 2027
Tequila Burris, Member	Housing Integrity Specialist, Milwaukee Housing Authority	June 30, 2025
Supreme Moore Omokunde, Member	Elected Official, Wisconsin State Representative for District 17, Wisconsin State Assembly	June 30, 2025
Dr. Waleed Najeeb, Member	Doctor in Pulmonary Medicine, Ascension	June 30, 2026
Tina Owen-Moore, Ed.D., Member	Superintendent, School District of Cudahy	June 30, 2026

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>Years of Service</u>
Dr. Anthony Cruz	President	1*
Mohammad Dakwar, Ph.D.	Vice President of Learning	27
Laura Bray	Vice President College Advancement and External Communications	7
Eva Kuether	Chief Financial Officer	10
Christine Manion, Ph.D.	Vice President, Institutional Effectiveness	22
Laquitha Bonds	Vice President and Chief Human Resource Officer	3
Yan Wang, Ph.D.	Acting Vice President of Enrollment and Retention	21
Phillip King, Ed.D.	Executive Vice President, Student Success	1*
Michael Rogers	Interim Vice President, Diversity, Equity and Inclusion	1*

**Dr. Cruz was previously the President of the Kendall Campus of Miami Dade College in Florida, Dr. King was previously the Vice President for Student Learning, Equity and Success at Shoreline Community College in Washington State and Mr. Rogers was previously the Director of Advocacy and Engagement at the University of Wisconsin-Milwaukee.*

Source: The District.

Enrollments

Actual full-time equivalent enrollments for years 2015-16 to 2023-24 and budget full-time equivalent enrollment for 2024-25 are shown below.

School Year	Liberal Arts Transfer	Associate Degree	Diploma	Vocational Adult	Basic Skills	Community Service	Total
2024-25	2,076	4,844	866	72	779	13	8,650
2023-24	1,738	4,878	961	87	839	11	8,514
2022-23	1,751	4,673	905	87	740	10	8,166
2021-22	1,807	4,440	873	80	610	7	7,817
2020-21	2,125	4,668	726	65	438	0	8,022
2019-20	2,641	5,290	982	109	937	3	9,962
2018-19	2,733	5,322	936	122	906	4	10,023
2017-18	2,559	5,171	890	123	1,145	4	9,892
2016-17	2,524	5,386	882	131	1,270	4	10,197
2015-16	2,605	5,645	889	154	1,336	5	10,634

Source: The District

District Personnel — Authorized Full-Time Positions

	2021-22 Actual ⁽¹⁾	2022-23 Actual ⁽¹⁾	2023-24 Actual ⁽¹⁾	2024-25 Budget ⁽¹⁾
Administrator/Supervisors	133	125	132	135
Teachers	518	519	523	521
Subtotal	651	644	655	656
Other Staff	687	678	698	712
Total	1,338	1,322	1,353	1,368

⁽¹⁾ Full-time equivalent ("FTEs").

Source: The District

Employment Relations

Employees of the District are represented by the following five Unions:

- American Federation of Teachers Local 212, WFT, AFL-CIO (re-certified per State law as a bargaining unit in April 2015);
- American Federation of Teachers Local 212, WFT, AFL-CIO for Paraprofessionals (re-certified per State law as a bargaining unit in April 2015);
- American Federation of Teachers Local 212, WFT, AFL-CIO for Part-Time Teachers (re-certified per State law as a bargaining unit in April 2015);
- Local 715, International Brotherhood of Electrical Workers, AFL-CIO-CLC (contract expired on March 21, 2014);
- Local 587, AFSCME, AFL-CIO an affiliate of Milwaukee District Council No. 48 (contract expired on March 6, 2014);

Local 715, International Brotherhood of Electrical Workers, AFL-CIO-CLC, Local 587, AFSCME, AFL-CIO an affiliate of Milwaukee District Council No. 48 listed above have not dissolved but neither do they have any "official" standing since they are required to "re-certify" with the State and have yet to do so.

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

Source: The District

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 the base wages only by any increase in the previous year's consumer price index (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. As a practical matter, it is anticipated that strikes will be rare. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is the base wage rates, 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.

Due to the changes described above, the Board was free to unilaterally determine and promulgate policies, benefits and other terms and conditions of employment. The Board approved an Employee Handbook, which became effective July 1, 2012 for all employee groups. The District has developed a new Employee Handbook, which was approved by the Board in January 2016. 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.

(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. 2023CV152, 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 states that the Act violates the equal protection clause of the Wisconsin Constitution and declares those provisions of the Act relating to collective bargaining modifications unconstitutional and void. The decision further instructs 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. In the event that a final judgment is entered to the same effect, it is expected that the decision would be appealed. No guarantee can be made regarding the future outcome of the case or any subsequent appeals.

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, 2021 ("Fiscal Year 2021"), June 30, 2022 ("Fiscal Year 2022") and June 30, 2023 ("Fiscal Year 2023") totaled \$8,014,137, \$7,851,092 and \$7,614,919, 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, 2022, the total pension liability of the WRS was calculated as \$123.7 billion and the fiduciary net position of the WRS was calculated as \$118.4 billion, resulting in a net pension liability of \$5.3 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 2023, the District reported a liability of \$35,375,932 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2022 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 0.66775972% of the aggregate WRS net pension liability as of December 31, 2022.

The calculation of the total pension liability 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 liability 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 7 in "Appendix A – Annual Comprehensive Financial Report for the year ended June 30, 2023" 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. Effective July 1, 2015, the District will provide health-care benefits for post-65 retirees via a UnitedHealthcare Medicare Advantage plan, such a change has resulted in a dramatic drop in MATC's actuarial accrued liability described later in this section. Membership of the plan consisted of 913 inactives receiving benefits and 1,160 active plan members as of July 1, 2019.

OPEB calculations are required to be updated every two years and be prepared in accordance with Statement No. 75 of the Governmental Accounting Standards Board ("GASB 75"). An actuarial study for the plan prepared in accordance with GASB 75 was most recently completed by Gallagher Benefit Services, Inc., Specialty Actuarial Solutions in September 2023 with a June 30, 2023 valuation date (the "Actuarial Report").

For Fiscal Year 2023, the District's contributions to the plan totaled \$6,543,128. The District's current funding practice is to pay the amount of benefits due in a given year on a "pay-as-you-go" basis, with an additional amount to prefund benefits as determined annually by the District.

Under GASB 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 and GASB 73 for pension plans.

As shown in the District's audited financial statements for Fiscal Year 2023, as of June 30, 2023, the plan's total pension liability was \$96,754,459 and the plan fiduciary net position was \$50,993,969, resulting in a net pension liability of \$45,760,490.

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 8 in "Appendix A – Annual Comprehensive Financial Report for the Year Ended June 30, 2023" attached hereto. The Actuarial Report is available upon request from the District.

GENERAL INFORMATION

Location

The District was established in 1912 and includes all of Milwaukee County and portions of Ozaukee, Washington and Waukesha Counties. Formerly known as "Milwaukee Area Vocational, Technical and Adult Education District", the District's name was changed by the Wisconsin Technical College System Board as of July 21, 1994 pursuant

to 1993 Wis. Act 399. The District encompasses an area of 470 square miles with four Main Campuses, located in Milwaukee, Mequon, Oak Creek and West Allis, 11 Evening Centers and seven Adult Day Centers. The District is located approximately 75 miles east of Madison and 90 miles north of Chicago. The Wisconsin Technical College System Board has estimated the District's 2023 population at 1,061,430*.

**Source: Wisconsin Technical College System Board.*

Milwaukee Campus

The Milwaukee Campus is conveniently located in the Westtown area of downtown Milwaukee. The easily accessible Milwaukee campus offers the most comprehensive selection of MATC programs and courses. All told, the college offers 114 associate degree and diploma programs, some 4,000 continuing education courses, an extensive distance learning program, credit transfer opportunities to four-year colleges/universities, and more.

The Milwaukee Campus includes a newer Student Center for student service functions including Admissions, Registration, Career Planning, Placement, Counseling and Financial Aid. The center also provides a Family and Women's Resource Center, a Video Conference Center and Food Service/cafeteria. The District's Administrative offices are also located on the Milwaukee Campus.

As part of the 1990 district-wide development/expansion plan, the college purchased the Sealman Block at North Seventh Street and West Highland Avenue, to construct a new Health Sciences Technology Center. The facility provides classrooms and dedicated laboratory space for many Health Occupations programs. Also included in the building is a child-care center to help meet the needs of Milwaukee Campus students with young children. Other Milwaukee Campus development plan acquisitions are the former Kalmbach Publishing Company building (now Foundation Hall), which houses essential support functions, and a 900-car-capacity parking structure at 8th and State Streets.

North Campus

Located in Ozaukee County in Mequon, MATC's North Campus provides educational opportunities for individuals in the northern portion of the District. In addition to day, evening, and weekend classes at the North Campus, selected classes are held at several area day and evening centers. In 1995 a child-care center was added as part of the 1990 community-supported development plan.

Special programs at the North Campus include a cooperative agreement with nearby Concordia University, which enables students at each institution to earn an Associate Degree and a Bachelor's Degree in four years. The campus does extensive work with north region high schools for on campus training opportunities and career exploration/preparation.

The Ford ASSET (Automotive Student Service Educational Training) and DaimlerChrysler CAP (College Automotive Program) programs offered through the Technical and Industrial Division and are sponsored by Ford/Lincoln/Mercury and DaimlerChrysler dealers. Other programs exclusive to the North Campus include Landscape Horticulture, Environmental Health and Pollution Control, and Information Security Specialist. During fiscal years 2004-06, MATC expanded the Health Science Program at the North Campus. The MATC Mequon Campus began a program in renewable energy during fiscal years 2006-2007.

South Campus

Located just off the I-94 Freeway south of General Mitchell International Airport and accessible by Milwaukee County bus, the South Campus provides educational opportunities for individuals from the southern portions of the District. In addition to day and evening classes at the South Campus, classes are held at evening centers and at the Milwaukee Safety Academy.

MATC's Technical and Industrial Divisions offer specific programs only at the South Campus. These programs include aviation and automotive programs; Air Conditioning and Refrigeration Technology; and Air Conditioning Refrigeration and Heating. The campus includes a separate facility for the Aviation Technology program located adjacent to Mitchell International Airport.

The District dedicated a \$7.2 million applied technology center at the South Campus in September 2007. The structure provides programs for advanced manufacturing technology and industrial energy conservation.

West Campus

Conveniently located near downtown West Allis, with easy access to the I-94 and I-894 Freeways, the West Campus is served by Milwaukee county bus routes. A wide variety of classes are scheduled days, evenings, and weekends.

MATC programs offered only at the West Campus include one that is available nowhere else in Wisconsin: the Funeral Service Program. Other programs exclusive to the West Campus are Electronic Engineering Technology, Welding Technology, Medical Administrative Specialist, Bilingual Office Assistant, Mechanical and Computer Drafting, and Bricklaying/Masonry.

The campus also has a 10,000 square-foot child-care center.

Vision Statement

The best choice in education, where everyone can succeed.

Mission Statement

Education that transforms lives, industry, and community.

Programs

MATC is prepared to offer as many as 2,600 courses in a wide range of program areas. These areas include Agribusiness, Business, Graphic and Applied Arts, Home Economics, Service and Health Occupations, Technical and Industrial, Television, Funeral Service, Electronics, Cosmetology and General Education.

All of the instructional programs are fully accredited by the North Central Association of Colleges and Schools. The Health Occupations Division was recently given an 8-year accreditation by the National League of Nursing.

An **Associate Degree** is awarded to a student who completes a technical level program of at least two years that is complete in itself, but shorter than that leading to a Bachelor's Degree. Associate Degree programs are also referred to as Technical Programs.

Associate Degrees, Technical Diplomas and Certificates are awarded to students who complete degree work in a manner deemed satisfactory to the division standards. Graduations occur throughout the school year due to the year-round, flexible programming of the District so that graduates are available for employment at times which are best suited to their particular field. In addition, the District offers **Advanced Technical Certificates** for students who have an Associate Degree and are seeking advanced and/or specialized training in their field. Lastly, the District offers **Apprentice Training Programs**.

MATC's offerings cover a wide spectrum in adult education from Adult Basic Education to Technical Associate Degree programs and many areas in between.

DEMOGRAPHIC AND ECONOMIC INFORMATION

Population

	The District ⁽¹⁾	Milwaukee County	Ozaukee County
Preliminary Estimate, 2024	⁽²⁾	941,139	93,111
Estimate, 2023	1,061,430	937,259	92,699
Estimate, 2022	1,063,555	939,487	92,623
Estimate, 2021	⁽²⁾	947,241	92,035
Census, 2020	1,066,376	939,489	91,503

⁽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

	<u>State of Wisconsin</u>	<u>Milwaukee County</u>	<u>Ozaukee County</u>
2022	\$70,548	\$63,901	\$119,549
2021	66,369	57,444	119,305
2020	61,518	52,751	108,658
2019	61,003	54,920	111,890
2018	59,423	53,380	107,155

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

Unemployment Rate

	<u>State of Wisconsin</u>	<u>Milwaukee County</u>	<u>Ozaukee County</u>
July, 2024*	3.3%	4.3%	3.0%
July, 2023	3.2	4.2	3.0
Average, 2023*	3.0%	3.8%	2.6%
Average, 2022	2.9	3.7	2.4
Average, 2021	3.9	5.4	3.1
Average, 2020	6.4	8.4	5.5
Average, 2019	3.2	3.8	2.7

*Preliminary.

Source: Wisconsin Department of Workforce Development.

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Largest Employers in the Milwaukee Area

<u>Employer</u>	<u>Employment Estimates</u>	<u>Type of Business or Service</u>
Advocate Aurora Health ⁽¹⁾	31,155	Health care
Froedtert Health	14,796	Health care
Milwaukee Public Schools	10,607	Education
U.S. Federal Government ⁽²⁾	10,534	Government
Ascension Wisconsin	9,200	Health care
Roundy's Supermarket	7,800	Supermarkets and distribution center
Northwestern Mutual Life	7,300	Insurance
Medical College of Wisconsin	6,960	Medical school/academic/health care
City of Milwaukee	6,508	Government
Children's Hospital of Wisconsin	5,773	Health care
Kohl's Corporation	5,500	Specialty department stores
Quad Graphics	5,200	Commercial printing
GE Healthcare Technologies	5,100	Medical imaging, health care services
Pro Healthcare, Inc.	4,656	Health care
Kwik Trip Inc.	4,072	Convenience stores
Milwaukee County	3,919	Government
University of Wisconsin-Milwaukee	3,733	Education
Milwaukee Tool Corporation	3,700	Manufacturer
Uline Inc.	3,700	Shipping supplies
U. S. Bank	3,500	Finance, banking
Rockwell Automation	3,295	Manufacturer, electrical/electronic products
WEC Energy Group Inc.	3,000	Electric/natural gas utility
Amazon	3,000	Retail distribution
Generac Holdings Inc.	2,800	Manufacturer, energy technology solutions
Goodwill Industries of Southeastern Wisconsin, Inc.	2,715	Training programs, retail, food service, packaging and assembly

⁽¹⁾Aurora's employee number includes four hospitals, rehabilitation, homecare and hospice facilities and their corporate office within a seven-county area including the Milwaukee County area. Does not include northern Illinois facilities.

⁽²⁾Milwaukee-Waukesha-West Allis, WI MSA preliminary data as of September 2023.

Source: The 2023-2024 Business Journal Book of Lists, employer contacts, U.S. Bureau of Labor Statistics January 2024 and Milwaukee County official statement dated October 17, 2023.

Largest Taxpayers in the Milwaukee Area

<u>Name</u>	<u>Type of Business</u>	<u>2023 Equalized Valuation</u>
Northwestern Mutual Life Insurance	Insurance	\$636,348,111
Froedtert Health	Hospital	533,286,218
Mandel Group	Real Estate	486,554,546
Mayfair Mall LLC	Shopping Mall	480,851,997
Berrada Properties	Real Estate	479,539,575
Irgens Development Properties	Real Estate	451,802,338
Weidner Investments	Real Estate	299,784,570
U.S. Bank	Banking/Finance	287,140,567
Childrens Hospital of Wisconsin	Hospital	268,825,137
Aurora Health Care	Health Care	243,468,281
Wangard Partners	Real Estate	200,831,355
Komatsu Mining Corp	Industrial mining equipment manufacturer	194,123,600
Katz Properties	Real Estate	191,949,664
New Land Investments	Real Estate	188,607,359
Metropolitan Associates	Real Estate	179,247,858
Southridge Mall LLC	Real Estate	173,801,992
Marcus Corporation/Milwaukee City Center/Pfister	Hotels/Theaters/Restaurants	168,879,905
Commerce 94 Project, LLC, A Swlaware LLC	Real Estate	165,949,479
HSA Commercial	Shopping Mall	164,282,955
Forest County Potawatomi Community	Hotel, Casino, Parking Structure	157,840,756
Joseph Property Development	Real Estate	156,566,505
Wheaton Franciscan Healthcare	Health Care	141,747,562
411 East Wisconsin LLC	Real Estate	138,094,379
Bayshore Town Center LLC	Shopping Mall	137,888,450
Michael Corporation	Real Estate	125,872,922
		\$6,653,286,081

The above taxpayers represent 5.59% of the District's 2023 Equalized Value (TID-IN) (\$118,936,724,216).

Source: Milwaukee 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 15 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 20, among other things, eliminated the mill rate limitation that had been in place for technical college districts in previous fiscal years, and in its place, introduced a tax levy limitation (the "Tax Levy Limit"). 2013 Wisconsin Act 145 (the "Act 145") replaced the Tax Levy Limit with 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. The first State Aid payment was made on February 20, 2015. Thereafter, the State Aid payment will be 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 2023-24 fiscal year, the District established a mill rate of \$0.4548025 for operational purposes and \$0.3818929 for payment of debt.

The District cannot predict whether there will be any other legislation affecting 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 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
2024	\$0.8367	\$93,113,949	-0-	100.00%
2023	0.8998	91,477,140	-0-	100.00
2022	1.0094	91,160,828	-0-	100.00
2021	1.1506	95,626,532	-0-	100.00
2020	1.1832	93,965,582	-0-	100.00

Source: The District.

2023-2024 Proportionate Amounts of Local Tax Revenue Per Municipality Based on 2023 Equalized Valuation

Municipality	2023 Equalized Valuation (TID-OUT)	Percent of Levy	Amount of Levy
Milwaukee County	\$89,237,037,700	80.185854559%	\$74,664,216
Ozaukee County	16,438,025,859	14.770740768	13,753,620
Washington County	5,129,261,141	4.609007632	4,291,629
Waukesha County	483,430,716	0.434397041	404,484
Total	\$111,287,755,416	100.000000000%	\$93,113,949

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 2019 through 2023*. The District's equalized valuation (TID IN) has increased by 41.77 percent since 2019 with an average annual increase of 9.12 percent.

Year	Equalized Valuation (TID-IN)	Equalized Valuation (TID-OUT)**
2023	\$118,936,724,216	\$111,287,755,416
2022	107,694,969,375	101,665,383,175
2021	95,747,521,031	90,311,455,530
2020	88,345,375,521	83,111,403,922
2019	83,891,800,999	79,415,980,799

*Preliminary equalized values for 2024 are expected by September 15 with final values published by October 1.

**Some municipalities located within the District have Tax Incremental Districts under Wisconsin Statutes Section 66.46. TID valuations totaling \$7,648,968,800 for 2023 have been excluded from the District's 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 2.928 years and bond years are 4,391.67 years.

Year	Outstanding Bonds and Notes		New Issue-Notes		Total Debt Service Requirements*
	Principal	Interest	Principal	Interest*	
2024	\$41,505,000	\$3,717,648			\$45,222,648
2025	33,090,000	3,345,125		\$84,583	36,519,708
2026	27,205,000	2,157,725	\$350,000	66,250	29,778,975
2027	19,760,000	1,172,838	500,000	45,000	21,477,838
2028	11,220,000	474,213	500,000	20,000	12,214,213
2029	5,025,000	117,028	150,000	3,750	5,295,778
2030	655,000	21,451	0	0	676,451
2031	675,000	13,466	0	0	688,466
2032	685,000	4,624	0	0	689,624
	<u>139,820,000</u>	<u>11,024,117</u>	<u>1,500,000</u>	<u>219,583</u>	<u>152,563,700</u>
Less: 2024 Payments	<u>(41,505,000)</u>	<u>(3,717,648)</u>	<u>0</u>	<u>0</u>	<u>(45,222,648)</u>
TOTAL	<u>\$98,315,000</u>	<u>\$7,306,469</u>	<u>\$1,500,000</u>	<u>\$219,583</u>	<u>\$107,341,052</u>

*Preliminary, subject to change.

Future Financings

For planning purposes, the District intends to borrow \$44,000,000 annually beginning with the 2024-25 Fiscal Year. Accordingly, this is a preliminary amount and is subject to change without notice. The District may approve financings subsequent to the date of this official statement. The District does not anticipate the need for cash flow borrowing at this time.

Default Record

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

Underlying Indebtedness

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

Name of Entity	Amount of Debt (Less 2024 Principal Amounts)	Percent Chargeable to District	Outstanding Debt Chargeable to District
Milwaukee Metropolitan Sewerage District*	\$764,512,732	100.00%	\$764,512,732
Milwaukee County	313,650,000	100.00	313,650,000
Ozaukee County	18,985,000	96.15	18,254,078
Washington County	24,365,000	22.95	5,591,768
Waukesha County	87,115,000	0.57	496,556
Total School Districts	874,164,516	varies	844,275,435
Total Villages	353,614,155	varies	331,292,797
Total Cities	1,760,253,746	varies	1,679,728,980
Total Towns	5,483,322	varies	5,132,186
TOTAL	\$4,202,143,471		\$3,962,934,532

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

**Milwaukee Metropolitan Sewerage District closed on a \$41,615,374 Water Infrastructure Finance and Innovation Act ("WIFIA") loan on December 21, 2021. They will not begin drawing on this loan until 2024 or 2025 and this total is not included in the numbers above.*

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.

Statistical Summary

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

Equalized Valuation (2023) as certified by Wisconsin Department of Revenue	\$118,936,724,216
Direct Bonded Indebtedness, Including the Notes	\$99,815,000
Direct, Overlapping and Underlying Bonded Indebtedness, Including the Notes	\$4,062,749,532
Direct Bonded Indebtedness as a Percentage of Equalized Valuation	0.08%
Direct, Overlapping and Underlying Bonded Indebtedness as a Percentage of Equalized Valuation	3.42%
Population of District (2023 Estimate)*	1,061,430
Direct Bonded Indebtedness Per Capita	\$94.04
Direct, Overlapping and Underlying Bonded Indebtedness Per Capita	\$3,827.62

**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. The table below reflects direct bonded indebtedness net of all 2024 principal payments and is a comparison of the outstanding indebtedness as a percentage of the applicable debt limit.

Equalized Valuation (2023) as certified by Wisconsin Department of Revenue	\$118,936,724,216
Legal Debt Percentage Allowed	<u>5.00%</u>
Legal Debt Limit	\$5,946,836,211
General Obligation Debt Outstanding, Including the Notes	<u>\$99,815,000</u>
Unused Margin of Indebtedness	\$5,847,021,211
Percent of Legal Debt Incurred	1.68%
Percentage of Legal Debt Available	98.32%

⁽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.

The Planning and Budgeting Process

The annual budget is a key element of MATC's planning and control system. To facilitate the process of budget development, the President's Budget Council was formed. The committee has representation from faculty and administration and makes recommendations using a shared decision-making model. Its mission is to "recommend improvements in the budget development process allowing optimal institutional input/feedback on a continuing basis."

The President's Budget Council developed an Integrated Planning Model, which linked the budget process to strategic planning. The rationale for development of this model was to demonstrate that planning drives the budget allocation rather than the budget determining the plan.

In addition, the communication link between the committees, the budget process and the final strategic plan and budget is demonstrated in this model. The Administration developed an operational planning process and offered training sessions to budget managers and their planning teams on how to proceed with the development of three-year plans that have a direct link to the vision, mission and strategic goals of the District.

In this plan, the budget managers were asked to form a planning team, which included a broad representation of members with an emphasis on those impacted by the plan. In addition, the teams were asked to identify what other divisions or departments would be impacted by their plan and to include them in the planning process. The operational three-year planning documents demonstrate how the departments/division's planning and budget processes are linked. These forms were completed by all division/department leaders. All division leaders met with the Vice

President of Finance before the planning/budget process to discuss budget projections and financial planning assumptions.

As part of this planning process, each area was required to complete a self-assessment of past performance, as well as to identify annual plans with measurable objectives. The monitoring of these measurable objectives and reporting will help the division/department move in tandem with the strategic goals as well as provide valuable input for the next year's planning process. The operational budget is linked to the objectives contained within each area's three-year plan, in that divisions/departments were asked to make budget requests based on the plan and trend data.

Another program planning and evaluation system for the district exists in the citizen advisory committees that support each vocational and technical education program. The advisory committees are composed of business, industry, and labor representatives as well as past and present students. Each committee provides the district with a review of its curriculum, instructional methods, facilities, and staff, and provides feedback as to how well the program meets the needs and expectations of business and industry. At the present time, the District has 89 separate advisory committees with approximately 1,100 citizen representatives in membership.

MATC is unique as a public institution in the large number of citizens who are involved on a regular and systematic basis in the planning, development, and review of its educational programs. The input and advice from these committees are an integral part of the strategic planning and budgeting process.

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**COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES
GENERAL FUND FOR YEARS ENDED JUNE 30**

<u>Revenues</u>	2023-24 BUDGET	2022-23 ACTUAL	2021-22 ACTUAL	2020-21 ACTUAL	2019-20 ACTUAL
Local Tax Levy	\$50,477,140	\$48,979,181	\$49,884,994	\$52,579,075	\$51,025,031
Intergovernmental Revenues					
State	21,848,958	16,940,767	16,932,033	17,197,476	18,166,184
State-Act 145 Funding	66,814,523	66,814,522	64,731,219	60,415,804	60,415,804
Federal	110,000	1,199,219	6,537,716	0	159,346
Institutional					
Tuition and fees	37,735,700	35,475,731	34,109,611	34,416,032	43,031,416
Other	3,484,382	4,826,405	2,768,123	5,403,819	3,550,559
Total Revenues	<u>180,470,703</u>	<u>174,235,825</u>	<u>174,963,696</u>	<u>170,012,206</u>	<u>176,348,340</u>
<u>Expenditures</u>					
Instruction	111,978,244	105,633,879	103,180,322	103,352,782	106,972,431
Instruction resources	5,335,500	4,595,615	4,553,975	4,354,528	4,669,986
Student services	21,636,713	19,850,881	19,798,336	17,561,462	17,041,735
Physical Plant	22,461,037	17,120,696	18,635,476	18,723,261	18,615,606
General Institutional	24,059,209	25,158,142	25,259,967	25,284,926	23,343,925
Planned Cost Savings	(5,000,000)	0	0	0	0
Total Expenditures	<u>\$180,470,703</u>	<u>172,359,213</u>	<u>171,428,076</u>	<u>169,276,959</u>	<u>170,643,683</u>
Revenues over (under) expenditures		<u>1,876,612</u>	<u>3,535,620</u>	<u>735,247</u>	<u>5,704,657</u>
Revenues and Other Sources over (under) expenditures and other uses		<u>1,876,612</u>	<u>3,535,620</u>	<u>735,247</u>	<u>5,704,657</u>
Fund Balances Beginning of Year		43,867,430	40,331,810	39,596,563	33,891,906
Fund Balances End of Year		<u>\$45,744,042</u>	<u>\$43,867,430</u>	<u>\$40,331,810</u>	<u>\$39,596,563</u>

The amounts shown for the years ending June 30, 2020 through June 30, 2023 are excerpts from the District's financial statements, which were audited by Baker Tilly Virchow Krause, LLP, Milwaukee, Wisconsin (the "Auditor"). The amounts shown for the year ended June 30, 2024 are shown on a budgetary basis, and such amounts have been 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 in 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 Annual Comprehensive Financial Report and Related Notes for the fiscal year ended June 30, 2023 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 October 15, 2024, 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.

RATING

This issue has been assigned a "Aa1" 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.

TAX MATTERS

Federal

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements which must be met on a continuing basis subsequent to the issuance of the Notes in order to assure that interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Code. Failure of the District to comply with such requirements may cause interest on the Notes to be included in gross income for federal income tax purposes, retroactive to the date of the issuance of the Notes. The District has covenanted to comply with the provisions of the Code applicable to the Notes and has covenanted not to take any action or permit any action that would cause the interest on the Notes to be included in gross income under Section 103 of the Code or cause interest on the Notes to be treated as an item of tax preference under Section 57 of the Code.

Assuming the District observes its covenants with respect to compliance with the Code, Michael Best & Friedrich LLP, Milwaukee, Wisconsin, Bond Counsel to the District, is of the opinion that, under existing statutes and court decisions, interest on the Notes is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code. Bond Counsel is further of the opinion that interest on the Notes is not an item of tax preference for purposes of the alternative minimum tax imposed under the Code on individuals and corporations; however, such 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). See "Certain Federal Tax Considerations" below.

State

Interest on the Notes is not exempt from present Wisconsin income taxes.

Certain Federal Tax Considerations

Ownership of the Notes may result in collateral federal tax consequences to certain taxpayers, including, without limitation, financial institutions, S corporations with excess net passive income, property and casualty companies, individual recipients of social security or railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, foreign corporations that may be subject to the foreign branch profits tax, and taxpayers who may be deemed to have incurred indebtedness to purchase or carry the Notes. Bond Counsel will express no opinion with respect to these or any other collateral tax consequences of the ownership of the Notes. The nature and extent of the tax benefit to a taxpayer of ownership of the Notes will generally depend upon the particular nature of such taxpayer or such taxpayer's own particular circumstances, including other items of income or deduction. Accordingly, prospective purchasers of the Notes should consult their own tax advisors with respect to these and other collateral federal tax consequences resulting from ownership of the Notes.

Bond Counsel is not rendering any opinion on any federal tax matters other than those described under the caption "TAX MATTERS". Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Notes, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Backup Withholding

Commencing with interest paid in 2006, interest paid on tax-exempt obligations such as the Notes is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. In addition, interest on the Notes may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Section 265 Qualification

The Code denies the interest deduction for indebtedness incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations. The denial to such institutions of one hundred percent (100%) of the deduction for interest paid on funds allocable to tax-exempt obligations applies to those tax-exempt obligations acquired by such institutions after August 7, 1986. For certain issues, which must be so designated by the issuer as qualified under Section 265 of the Code, eighty percent (80%) of such interest may be deducted as a business expense by such institutions.

The District has not designated the Notes as qualified under Section 265 of the Code for an exemption from the denial of deduction for interest paid by financial institutions to purchase or to carry tax-exempt obligations.

Change in Law and Post-Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of interest on the Notes for federal or state income tax purposes, and thus on the value or marketability of the Notes. This impact could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of interest on the Notes from gross income of the owners thereof for federal income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal income tax treatment of holders of the Notes may occur. Prospective purchasers of the Notes should consult their own tax advisors regarding such matters.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Notes may affect the tax status of interest on the Notes. Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Notes, or the interest thereon, if any action is taken with respect to the Notes or the proceeds thereof upon the advice or approval of other counsel.

ALL POTENTIAL PURCHASERS OF THE NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE.

Interest Not Exempt from Wisconsin Income Taxes

Interest on Notes issued by the District is not exempt from present Wisconsin income taxes. Owners of any of the Notes should consult with their personal tax advisors with respect to state and local tax consequences of holding the Notes.

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. In the case of corporate owners of Discounted Bonds, a portion of the original issue discount that is accrued in each year will be included in adjusted current earnings for purposes of calculating the corporation's alternative minimum tax liability. Corporate owners of any Discounted Bonds should be aware that such accrual of original issue discount may result in an alternative minimum tax liability although the owners of such Discounted Bonds will not receive a corresponding cash payment until a later year. We note, however, that the 2017 tax act (Public Law 115-97) enacted on December 22, 2017, repealed the alternative minimum tax on corporations for tax years beginning after December 31, 2017. Accordingly, any discussion herein regarding corporate alternative minimum tax is applicable only to a corporation's tax years beginning before January 1, 2018.

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.

NO DESIGNATION AS QUALIFIED TAX-EXEMPT OBLIGATIONS

The District will NOT designate the Notes as "qualified tax-exempt obligations" for purposes of Section 265 of the Code, as amended, 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 to provide annual reports or notices of material events.

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 and www.dtc.org.

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.

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 Michael Best & Friedrich LLP, Milwaukee, Wisconsin, Bond Counsel. Copies of such opinion will accompany the Notes and 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 MATTERS”) 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.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

By /s/

District Secretary

APPENDIX A

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT, WISCONSIN

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2023

BAKER TILLY VIRCHOW KRAUSE LLP MILWAUKEE, WISCONSIN

A copy of the District's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023, 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 the Auditor to perform any additional examination, assessment or evaluation with respect to such financial statements since the date thereof, 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.

Annual Comprehensive Financial Report

FISCAL YEAR 2023 (July 1, 2022-June 30, 2023)

Milwaukee Area Technical College District



EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION COMMITMENT

Milwaukee Area Technical College's commitment to equal opportunity in admissions, educational programs, and employment policies assures that all individuals are included in the diversity that makes the college an exciting institution. MATC does not discriminate against qualified individuals in employment or access to courses, programs, or extracurricular activities on the basis of race, color, national origin, ancestry, religion, creed, sex, sexual orientation, age, disability, pregnancy, marital status, parental status, or other protected class status. The lack of English skills shall not be a barrier to admission or participation in any MATC program or service.

MATC will comply fully with state and federal Equal Opportunity and Affirmative Action laws, executive orders, and regulations. Direct questions concerning application of this policy to the MATC Affirmative Action Officer, 700 West State Street, Milwaukee, WI 53233-1443.

It is the policy of MATC to provide reasonable accommodations for all students, or applicants for admission, who have disabilities (see Discrimination Against Individuals With Disabilities Policy CO203). MATC will adhere to all applicable federal and state laws, regulations, and guidelines with respect to providing reasonable accommodations as required to afford equal opportunity and access to programs and services for students with disabilities. Reasonable accommodations will be provided in a timely and cost-effective manner. Access shall not be denied because of the need to make reasonable accommodations for an individual's disability.

State and federal laws include the concept of "reasonable accommodation" as a key element in providing equal opportunity and access to programs and services for students with disabilities.

ANNUAL COMPREHENSIVE FINANCIAL REPORT MILWAUKEE AREA TECHNICAL COLLEGE

Fiscal Year 2022-23

Members of the Board as of June 30, 2023

Lisa Olson	Chairperson
Erica Case	Vice Chairperson
Citlali Mendieta-Ramos	Secretary
Nikki Moews	Treasurer
Bria Burris	
Supreme Moore Omokunde	
Mark Foley	
Antonio Diaz	
Lauren Baker	

Administrators as of June 30, 2023

Dr. Vicki J. Martin	President
Vacant	Executive Vice President of Student Success
Dr. Eva Martinez Powless	Vice President, Diversity, Equity & Inclusion Officer
Dr. Mohammad M. Dakwar	Vice President, Learning
Sherry Terrell-Webb, J.D.	General Counsel
Jeffrey J. Hollow	Vice President, Finance
Laura M. Bray	Vice President, College Advancement and External Communications
Elle Bonds	Vice President, Human Resources
Dr. Christine M. Manion	Vice President, Institutional Effectiveness
Dr. Jeff C. Janz	Vice President, Retention and Completion
Vacant	Vice President, Enrollment Services
Debbie Hamlett	Vice President and General Manager, Milwaukee PBS
Barbara A. Cannell	Dean of Academic Learning
Dr. Sarah Adams	Dean of Enrollment Services
Dr. Pamela Holt	Dean of Online Learning
Equan A. Burrows	Dean of Student Experience
Dr. Sadique Isahakui	Dean, General Education
Dr. Eric Gass	Dean, Healthcare Services
Dr. Carl Meredith	Dean, Business and Management
Dr. Kamela J. Goodwyn	Dean, Science, Technology, Engineering and Math
Rebecca L. Alsup-Kingery	Dean, Manufacturing, Construction and Transportation
Dr. Michael Sitte	Dean, Creative Arts, Design and Media
Dr. Valencia Brown	Dean, Community and Human Services

Official Issuing Report

Jeffrey J. Hollow, CPA, CMA, MBA, Vice President, Finance

Assisted by:

Eva A. Kuether, CPA, Controller

Emilia Meinhardt, Budget Manager

Suzanne Jarvis, CPA, Coordinator, Cash Management

Brenda Schmitt, Sr. Financial Grants Administrator

Patrick Mixdorf, Sr. Analyst, Capital Assets

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
AS OF AND FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

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INTRODUCTORY SECTION



December 20, 2023

To the Citizens, Board of Directors, College Community and the Other Stakeholders of the Milwaukee Area Technical College District:

The administration of Milwaukee Area Technical College District (District), also known as Milwaukee Area Technical College (MATC), presents the Annual Comprehensive Financial Report (ACFR) for the Fiscal Year 2023 (July 1, 2022 to June 30, 2023).

MATC is proud to serve more than 25,000 students with more than 170 associate degree, technical diploma, certificate and apprenticeship programs; providing a path to a family-sustaining income and strengthening the community we share.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including the various forms of disclosure (statements, graphs, tables and footnotes), rests with MATC’s administration. To the best of our knowledge and belief, the presented data is accurate in all material respects and is presented in a manner designed to present fairly the financial position and results of operations of MATC. All disclosures necessary to enable the reader to gain an understanding of MATC’s financial activities have been included.

This report, in our opinion, has been prepared in conformity with generally accepted accounting principles and is consistent with the legal reporting requirements of the State of Wisconsin. To supplement the required disclosures, the ACFR has been prepared with additional data in a readable format that provides a comprehensive summary of the District’s financial data and operating results to meet the varying needs of the District’s citizens, taxpayers, students, employees, financial institutions, intergovernmental agencies, community-based agencies and the Wisconsin Technical College System.

This ACFR is organized in three sections:

- Introductory Transmittal letter, District board members, organization charts
- Financial Management’s Discussion and Analysis (MD&A), the independent certified public accountants’ report, financial statements, notes to financial statements, required supplementary information and supplementary financial information
- Statistical Unaudited financial information, demographic information and other statistical data generally presented on a multi-year basis

Generally accepted accounting principles require that administration provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of the MD&A. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the MD&A.

Downtown Milwaukee Campus
700 West State Street
Milwaukee, WI 53233-1443

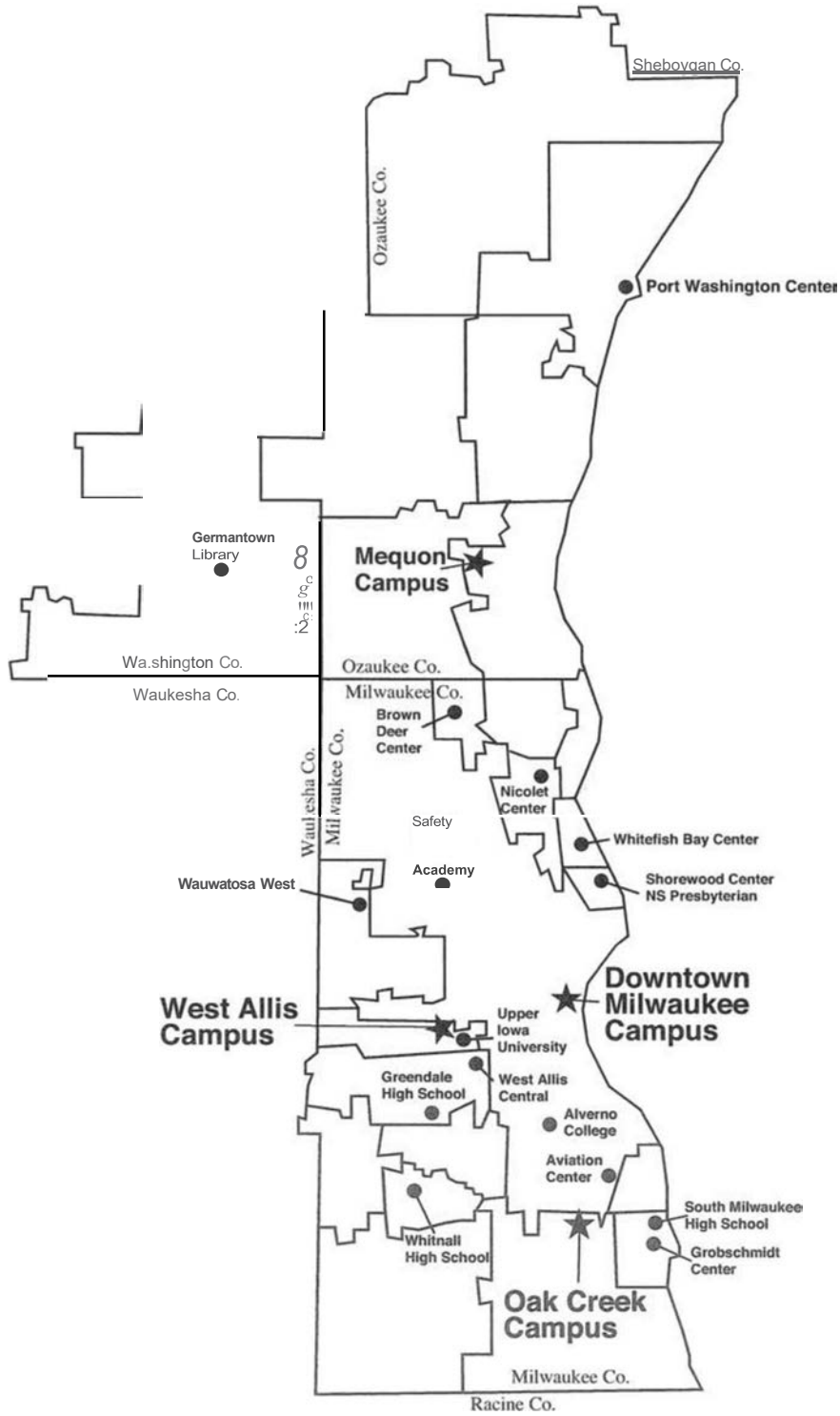
Mequon Campus
5555 West Highland Road
Mequon, WI 53092-1199

Oak Creek Campus
6665 South Howell Avenue
Oak Creek, WI 53154-1196

West Allis Campus
1200 South 71st Street
West Allis, WI 53214-3110

MATC.edu
414-297-MATC

Milwaukee Area Technical College District



MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

College Provides Critical Services With Challenging Budget

MATC relies on three primary funding sources – student tuition and fees, District property tax and State support. Tuition is set by the Wisconsin Technical College System (WTCS). To accommodate the financial limitations of students and their families, a statutory tuition policy, which is based on a projection of costs and enrollments, is used by WTCS to establish District tuition rates. District property tax levies are subject to a revenue limit under current state law that prohibits WTCS's 16 technical colleges from increasing their operational property tax levy amount by more than the increase in net new construction. An unstable economy and unique post-pandemic workforce challenges have contributed to the District's slow rebound in student enrollments. This decline in student FTEs has placed further limitations on revenue from state aid, as well as student tuition and fees.

The combined impacts of the enrollment decline, the expiration of COVID relief funds, inflation and the complex post-pandemic needs of our students have created a challenging budget for the MATC District. While the District has seen an upward trend in enrollment in FY2023, overall enrollments remain well below pre-pandemic levels. Flat growth in the young adult population due to a shrinking US birth rates, is another factor that has contributed to college enrollment declines nationwide. The District is addressing budget constraints with vigilance and stands committed to prioritizing and allocating its resources in a manner that will allow MATC to continue to fulfill its mission of serving the state's largest and most diverse technical college and ensuring the success and support of our students.

Greater Milwaukee communities turn to MATC to foster economic growth and viability by providing liberal arts and technical education, training, leadership and technological resources. Communities include those municipalities within the District (Milwaukee County, most of Ozaukee County, and portions of Washington and Waukesha counties) as well as the groups of people it serves (students, businesses and taxpayers). MATC connects its students and partners with area businesses and economic development organizations, responding with programming to meet current needs and anticipating where job growth is likely to take place. MATC proactively enhances its infrastructure and programming to ensure readiness to meet future needs. MATC has, since inception, helped people acquire knowledge and skills that will prepare them for a rewarding future in business, industry, health and service occupations.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

MATC is Transforming Lives, Industry and Community

MATC offers **more than 170 affordable, high-quality programs connecting students to careers in as little as one to two years and a less expensive path to a four-year degree through more than 40 college and university transfer partners.** Credentials include associate of arts degrees, associate of science degrees, associate in applied science degrees, technical diplomas, advanced technical certificates, apprenticeship programs and other adult education services.

The college is accredited by the **Higher Learning Commission**, a regional accreditation agency that accredits degree-granting colleges and universities that are based in a 19-state region of the United States.

Return on Investment

Serving more than 25,000 students annually, MATC contributes over **\$1.4 billion in annual economic activity by our students, alumni, faculty and staff**, according to a January 2023 report from the respected labor market analytics firm Lightcast.

Graduates earn a significant return on the investment they make in MATC. For every dollar a student invests in the form of out-of-pocket expenses, the report found, he or she receives a cumulative of \$6.10 in higher future earnings. This calculation takes into account money that students would have earned had they been working instead of attending college.

Those future earnings add up. **The average MATC associate degree graduate will experience \$421,000 in higher earnings throughout their working years compared to someone with only a high school diploma or equivalent.** Society as a whole benefits from an increased economic base, raising prosperity in Wisconsin.

Taxpayers also will see **\$35.4 million in present value social savings connected to lower crime, lower unemployment, and increased health and wellness levels**, according to the report.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Building the Middle-Skill Workforce amid a Pandemic and an Economic Crisis

For more than a century, the college has responded to the urgent needs of the region it serves. Today, as the Milwaukee area, Wisconsin, the nation and the world face a global pandemic and the resulting economic crisis, the need for skilled workers remains.

Key statistics underline the challenge: More than half of Wisconsin jobs – 55% – are middle-skill, according to the National Skills Coalition, yet just 48% of Wisconsin workers are trained to the middle-skill level and just 39% of Milwaukee County residents age 25+ have at least an associate degree, according to the U.S. Census Bureau. At the same time, our region has untapped talent: more than 125,000 workers in Milwaukee County started college but have no degree.

MATC is uniquely positioned to meet this need by **activating untapped talent and economic mobility, while meeting industry needs** for a workforce with in-demand skills. Meeting industry needs is an ongoing focus for the college.

The below efforts outline additional examples of this capacity in action.

Affordability and MATC Scholarships

Breaking down the financial barriers that stand between students and the education that provides a family-sustaining wage is critical. Milwaukee has historically ranked as **one of the poorest large cities in the U.S.**

MATC addresses this challenge by providing affordable pathways to in-demand careers. The college's costs for one semester of tuition are a fraction of the cost of other higher educational opportunities at \$3,870 (associate degree or technical diploma) or \$4,961 (four-year transfer courses) for 2021-22 compared to \$7,422 for a four-year public university and \$32,548 for area private colleges and universities.

Even with affordable tuition, a college education remains out of reach for far too many students. The new **Ellen and Joe Checota MATC Scholarship — the college's first-ever full-ride scholarship** — and the **MATC Promise** are unlocking the doors to opportunity.

These public-private partnership **leverages federal and state financial aid with private donations** filling the gap between what aid provides and the cost of tuition and, in the case of the Checota MATC Scholarship Program, additional costs including books, child care, food, housing at Westown Green student apartments, equipment and transportation.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Affordability and MATC Scholarships (Cont.)

The **MATC Promise for New High School Graduates** was the first program of its kind in the state. In 2018, the college announced a major expansion and introduced the **MATC Promise for Adults, which provides free tuition for eligible adults to complete a degree connected to an in-demand career field.** The MATC Promise for Adults is one of the nation's first college-based adult Promise programs.

Since both programs began, we have served more than 3,000 **qualified students, 75%+ of whom are students of color. Nearly 700 students have already earned certificates, technical diplomas or associate degrees.**

In its first year alone, the **Checota MATC Scholarship Program served nearly 400 students, 191 of whom graduated with short-term technical diplomas and certificates.**

Industry Partnerships and Workforce Solutions

Public-private industry partnerships are a way of business at the college. More than **900 industry representatives help keep the curriculum current by serving on advisory committees.** In the manufacturing sector, that means new **advanced manufacturing** programs to meet the needs of current and future employers.

To create the new Checota MATC Scholarship, 250+ donors have helped the college raise more than \$6 million, including through a \$2:\$1 match from Ellen and Joe Checota. Their donation and focus is on connecting students to the workforce more quickly through the shorter-term credentials their namesake scholarship funds.

This continues a legacy of partnership. In 2022, the PepsiCo Foundation Uplift Scholarship program announced a \$500,000 gift to the MATC Foundation to support Black and Hispanic/Latino/a students at MATC. A total of 160 students — 80 per year over two years — will receive \$2,000 scholarships as Uplift works to address underrepresentation of people of color in high-demand fields including business, IT, transportation, logistics and more.

The year prior, in 2021, Froedtert Hospital announced a \$5.75 million gift to the Milwaukee Area Technical College Foundation, a 20-year fund that created the Froedtert Memorial Hospital Scholarship for eligible students in the college's Healthcare Academic & Career Pathway.

Later that same year, the Johnson Controls Community College Partnership program announced a \$100,000 gift to MATC, which will provide resources to expand the college's high-quality, in-demand heating, ventilation and air conditioning (HVAC) program. MATC will provide the program at MPS' Barack Obama School of Career and Technical Education, creating better access for students to the program and the opportunity for high school students to earn college credit.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Industry Partnerships and Workforce Solutions (Cont.)

To meet the workforce needs of individual organizations and industry- or geography-based groups of businesses, the college's **Workforce Solutions** department is a critical partner. MATC Workforce Solutions helps organizations upskill their teams, close their skills gaps and develop talent with customized and on-site training.

High School Partnerships

MATC's work to build the workforce and transform the lives of students begins before students enter college. The college continues to grow these opportunities.

Since 2017-18, the college has significantly grown the number of students served and credits earned through dual enrollment, which allows students to earn both high school and college credit.

That year, MATC served about 1,900 students in dual enrollment program, which has approximately doubled to 3,643 in 2022-23. In the last year alone, the number grew by 8%.

In 2017-18, these students earned 7,472 credits, more than doubling to 17,107 credits in 2022-23.

Dual enrollment efforts include students in Milwaukee and communities around the district.

Serving Incarcerated Individuals - Second Chance Pell

To meet the needs of all students, MATC was the first Wisconsin college to issue **"Second Chance Pell Pilot Funding."** The program allows eligible incarcerated students, within five years of release, to receive Pell Grants to fund education that will prepare them for in-demand careers. Successful graduates become eligible for skilled jobs and a family-supporting wage.

Through Second Chance Pell and previous MATC-Wisconsin Department of Corrections partnerships:

- More than 100 formerly incarcerated individuals have earned MATC Computer Numerical Control (CNC) training certificates. More than 90% of inmates who finished CNC training between April 2015-December 2017 and were released found employment.
- Nearly 300 students have participated in a newer two-year associate degree program with technology-based distance learning. The average course completion rate stands above 80%.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Guided Pathways to Improve Success

To help **more students graduate, meet employer needs and ensure economic growth**, the college continues to implement a new student experience that drives greater success. MATC is using the nationally recognized **Guided Pathways** model. The 2022-23 academic year was the third in which all students experienced this new model.

Guided Pathways puts students on a career path, helps students stay on the path, and provides more intentional and intensive support to **reduce performance gaps across student groups so all students can succeed.**

To support this new student experience, MATC reorganized its 170+ programs into seven Academic & Career Pathways and each features a team designed to serve students' academic and nonacademic needs. The college also reorganized its overall structure, including a new integrated academics and student services team that models the integrated support found in each Pathway.

The college enhanced this work through participation in **Achieving the Dream**, a network of 250 community and technical colleges “focused on helping their students, particularly low-income students and students of color, achieve their goals for academic success, personal growth and economic opportunity.”

And as a leader in equity in higher education with a commitment to success for all students, Milwaukee Area Technical College has joined “**Moon Shot for Equity**,” a national initiative led by education firm EAB aimed at ending equity gaps in higher education by 2030. Already, the effort has yielded results including helping nearly 500 more students continue on the pathway to graduation by eliminating specific registration holds.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Sustainable Activities

MATC is deeply committed to improving its operational sustainability and educating its students on sustainable real-world solutions while equipping them with knowledge and skills for the sustainable economy. MATC offers comprehensive, interdisciplinary education and training opportunities in energy engineering, environmental health and water quality technology, culinary arts, horticulture, natural sciences, sociology, economics, sustainability and renewable energy. The college's offerings in wind, solar and geothermal energy are built on the solid foundation of programs in basic energy engineering and technology. The Center for Energy Conservation and Advanced Manufacturing (ECAM) provides six instructional laboratories that feature a full complement of renewable energy technologies.

In FY23, energy efficiency projects included continual effort of LED lighting conversion during construction and remodeling projects, dedicated LED lighting conversion at Mequon Campus, HVAC updates, and maintenance of existing renewable sites. Three LEED construction projects neared completion and are expected to apply for LEED Silver Certification in FY24. Projects completed in FY23 received \$16,784 in Focus on Energy incentives. The wind turbine at the Mequon campus continues to be a strong energy producer and provided \$25,476 in energy savings in FY23. The new solar arrays at Mequon and Oak Creek Campuses performed well and produced electricity as predicted, providing \$118,409 in total energy savings in FY23.

Milwaukee PBS: A Community Resource

The MATC District Board is the license holder for Milwaukee PBS, WMVS and WMVT, and digital channels 10.1 - 10.3 and 36.1 - 36.3. The station produces four ongoing local series and airs numerous specials throughout the year, in addition to noncommercial education and entertainment programs. The stations also provides digital-only content for the Milwaukee PBS web site and will soon produce its second podcast series. The stations are available at no cost to viewers who use digital antennas.

The stations:

- Are available to an estimated 2.1 million potential viewers
- Reach as far south as northern Illinois, west into Jefferson County and north into Sheboygan and Fond du Lac counties
- Serve as the hands-on training facility for over 90 MATC students in the Television and Video Production and eProduction associate degree programs.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Accounting System

In developing and improving the District's accounting system, consideration is given to the adequacy of internal controls. Internal accounting controls within the District are designed to provide reasonable assurance regarding:

- The safeguarding of assets against loss from unauthorized use or disposition
- The reliability of financial records for preparing the basic financial statements and maintaining accountability for assets
- The preparation of easily interpreted financial statements
- The concept of reasonable assurance recognizes that the cost of the control should not exceed the benefits to be derived
- The evaluation of costs and benefits requires estimates and judgments by management

The District maintains a Finance Division that is responsible for developing and monitoring controls, developing and monitoring the budget, internal and external financial reporting, coordinating external audits and reviews, and financial analysis. All internal control evaluations occur within the above framework. We believe the District's internal accounting and administrative controls adequately safeguard assets, provide reasonable assurance as to the proper recording of financial transactions and provide meaningful information to aid in administration.

Budgetary System

The District's annual budget is prepared by fund and function on the basis of sources and uses of funds in accordance with requirements of the Wisconsin Technical College System Board. These budget requirements include administrative review, public hearings, and passage by the MATC District Board prior to June 30, of each year. When the MATC District Board adopts the budget, it establishes the proposed dollar amount of the operational and debt service tax levy, not the final mill rates. Actual valuation figures are not available until October, at which time operational and debt service mill rates are established. Budgeted amounts are controlled by function within funds, with modification or changes of the approved budget possible upon approval by a two-thirds vote of the MATC District Board. Capital outlays for multi-year projects are budgeted in total upon the planned inception of the project.

Cash Management

In keeping with the District's policy, all investments of excess funds are made in a conservative, prudent and secure manner. Cash temporarily idle during the year is invested in the State of Wisconsin Local Government Investment Pool, and savings accounts at JP Morgan Chase Bank.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Risk Management

MATC has joined the other colleges in WTCS to form District Mutual Insurance, which provides insurance for property, liability, worker's compensation and other risk insurance. Prior to 2004, MATC self-insured worker's compensation and continues to resolve claims based on injuries that occurred during the self-insurance period. The District continues to be initiative-taking in its approach to safety and job health issues. Employees are trained in the proper use of personal protective equipment, such as proper footwear and eyewear, dust and mist respirators, hard hats, blood-borne pathogens and noise protection. The District also conducts loss control surveys, inspects the premises for exposures and makes appropriate corrections. In addition, the District has a self-insured status for health and dental insurance. The District also works closely on employee relations, student services and academic areas to minimize risk of litigation in those areas.

With the onset of the COVID-19 pandemic in March 2020, MATC worked quickly, through its Emergency Management Team, to create a risk mitigation plan to minimize interruption to educational and business operations, transition many students to virtual platforms, and minimize the spread of COVID-19 as essential functions continued on campus. The College's Public Health Officer, in collaboration with the Public Health Committee, continues to provide public health resources and programming to ensure the continued health of our campus community beyond the COVID-19 pandemic.

Economic Future

The Milwaukee Metro area experienced a .6% increase in unemployment rate compared to a year ago, an increase of 1.8% from the first quarter of 2023. This signals a slowing of the job market likely impacted by the historically high Consumer Price Index and increased in benchmark interest rates. While it is too early to know if this is leading to a recession or 'soft landing'. History, with the exception of COVID-19 has shown a direct correlation between unemployment rates and enrollment in technical colleges. MATC should see an increase in enrollment for the near future if unemployment continues to trend upwards.

Independent Audit

An annual audit of the basic financial statements of the District by a firm of independent certified public accountants is required by MATC District Board policy. This requirement has been complied with, and the independent auditors' opinion is included herein.

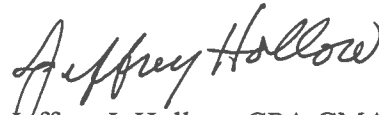
Acknowledgment

Preparation of this report was made possible through the efforts of the Finance Division and the District's independent auditors, Baker Tilly US, LLP, Certified Public Accountants.

Respectfully submitted,



Vicki J. Martin, Ph.D.
President



Jeffrey J. Hollow, CPA CMA, MBA
Vice President of Finance

December 20, 2023

To the Citizens, Board of Directors, College Community and Other Stakeholders of the Milwaukee Area Technical College District

Known collectively as MILWAUKEE PBS, stations WMVS and WMVT are licensed by the Federal Communications Commission to the Board of Directors of the Milwaukee Area Technical College District. As an addendum to the MATC ACFR, we present here a report on the station's key activities for Fiscal Year 2023 (July 1, 2022 to June 30, 2023).

Milwaukee PBS educates, informs, entertains and stimulates the imagination of adults and children alike. We make the best use of non-commercial media and related services to enhance the quality of life in our community by encouraging people to consider issues and explore ideas, and by inspiring a continued sense of wonderment.

-Milwaukee PBS Vision Statement

Milwaukee PBS is a valuable community partner in southeastern Wisconsin, connecting with residents and viewers through broadcast programming, digital online information, and events held throughout its viewing area. Milwaukee PBS also provides the ability for MATC students enrolled in the Television and Video Production and eProduction programs to obtain hands-on training.

Since 1957, Milwaukee PBS has served as a public service outreach initiative of Milwaukee Area Technical College. WMVS and WMVT, also known as Channels 10 & 36, serve southeastern Wisconsin and northern Illinois with quality, non-commercial programming that educates, informs and entertains.

Milwaukee PBS, is a viewer supported service of MATC that provides a rich resource to the Milwaukee community and beyond, and is available to viewers through its broadcast signals and online services. From public affairs, science and history, the arts and great works of drama and comedy, Milwaukee PBS opens the world to new experiences for viewers young and old

Milwaukee PBS provides six 24-hour broadcast streams delivered to an estimated 2.1 million potential viewers. In addition to the two HD channels WMVS and WMVT (10 and 36), Milwaukee PBS also airs: CREATE; PBS Kids; WORLD; and a local weather and traffic channel.

Milwaukee PBS' local projects connect with and reflect the many communities the public broadcaster serves. Its stations' blend of national, syndicated and locally produced programs provide its viewers with quality occupational, academic, enrichment, cultural, minority, public affairs, business, news, children's programming, entertainment, recreation and life-long educational television programming.

Award-winning local productions continue to be responsive to community interests and concerns. Local series' that address issues and areas of interest specific to the residents of southeastern Wisconsin include: *10thirtysix*; *Black Nouveau*; *The Arts Page*; *Adelante*, *Listen MKE*; *My Wisconsin Backyard* and *Rhythm Café MKE*'. Additionally, Milwaukee PBS plans to continue its podcast series *Speaking of...*

Financial Highlights

Generous donors once again helped power the Milwaukee PBS fundraising team past its budgeted goal of \$6.3 million as together they ended fiscal year 2023 raising \$7,468,792, which represents not only a significant increase in year over year philanthropy, but also an unprecedented total raised in the organization's history. Every revenue line - underwriting, planned giving, major gifts, special events and membership - exceeded budget. Additionally, the number of memberships in Milwaukee PBS increased 5.3%.

Fiscal year 2023 included the year-long 65th anniversary of the founding of Milwaukee PBS, which included numerous special events giving viewers and members the opportunity to engage with us. From screenings to an evening with travel luminary Rick Steves to our participation in Doors Open Milwaukee, nearly 3,000 members and fans of Milwaukee PBS engaged with us over the past year. As part of the anniversary, Milwaukee PBS launched an innovative, free service to the general public called FreeWill. This software allows the user to draft a legal will within roughly 30 minutes online. Because Milwaukee PBS made this service available to any user for free, the program prompts the user if they would like to make a gift back to Milwaukee PBS. We launched the program on October 28, 2022 - the birthday of Milwaukee PBS and by the end of June, 2023 donors had committed an additional \$6.1 million in promised bequests to Milwaukee PBS.

Service to MATC Students

More than 90 MATC TV and Video Production and eProduction Associate Degree program students gain real-life TV and digital media industry experience by utilizing Milwaukee PBS facilities, staff mentors, and local production settings. Student productions include the *Student Workshop* broadcast series; *Student Operations*, where the students craft all of the programming and promotions for an entire day of broadcast; the *Letters to Santa* series, the longest running student-produced program on Milwaukee PBS, that airs leading into the holidays; *Live at the Lakefront*, a live summer concert web-streamed series; and *MATC Now!*, a weekly web-streamed news magazine series. The programs feature the combined efforts of MATC's TV and Video Production and eProduction students to create content of varying lengths across a variety of distribution platforms. Students, faculty and administration are also incorporated into Milwaukee PBS' active production efforts.

Service to Children

Milwaukee PBS provides children's educational programming over-the-air on WMVS-TV and WMVT-TV, and also broadcasts the 24/7 PBS Kids Channel on channel 10.3. Favorite PBS KIDS shows are available anytime, anywhere with the PBS KIDS Video app, where they can stream educational videos and TV shows to help them learn and grow. The children can take a trip to *Sesame Street*, explore *Daniel Tiger's Neighborhood* or go on an adventure with *Wild Kratts* right from their computer, cell phone or tablet.

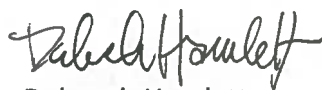
Local Focus

At Milwaukee PBS, OUR STORY IS YOU. Our name communicates that Milwaukee comes first. Milwaukee PBS is a locally governed community resource whose primary goal is to serve the needs of viewers in the area with locally produced television series and specials, online content, and engaging community events that focus on issues that impact us all. It's part of our mission and our passion.

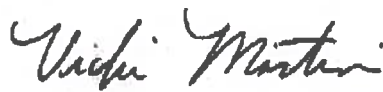
- ***10thirtysix*** is Milwaukee PBS' Emmy-winning news magazine series telling the story of Milwaukee and its neighbors. It highlights interesting topics throughout southeastern Wisconsin. Each episode features in-depth segments designed to give the viewer greater knowledge about the place they call home, exploring the topical and relevant issues in their own backyard, and focusing on important community stories that inform, entertain, and inspire. The host is Portia Young.
- ***Adelante*** for 25 seasons the Emmy-award-winning *Adelante* explores the culture and concerns of the growing Latino community in southeastern Wisconsin. The program looks at change and progress, highlighting the contributions of Latino individuals and organizations to the community. Presented in both English and Spanish, the series also discusses a variety of issues such as education, health, immigration, and human rights, as well as celebrating the rich heritage of Latinos in the region. The host is Patricia Gomez.
- ***Black Nouveau*** produced for 32 seasons, the Emmy-award-winning *Black Nouveau* has offered one of the most accurate, positive perspectives and trusted chronicler of African-American life in southeast Wisconsin. It celebrates history, culture, and achievements while also illuminating the challenges facing many African-Americans, and serves as an agent for positive change within the community. The host is Earl Arms.
- ***Listen MKE: Youth Incarceration Dilemma*** This special edition of *Listen MKE* explores the case of Marlin Dixon who was arrested when he was 14 years-old, served 18 years in prison and has 22 years of extended supervision. Dixon shares how childhood trauma played a role in his decision making. *Listen MKE* is a collaboration between the Milwaukee Journal Sentinel, WUWM NPR Radio, the Milwaukee Public Library, and Milwaukee PBS. Community issues are discussed by community leaders, community members and local community reporters and Milwaukee PBS broadcasts these important conversations.

- ***My Wisconsin Backyard*** has become one of the more popular new ongoing series. It was originally developed as short video segments for the milwaukeepbs.org website. These have proven popular to digital audiences - and every few months a compilation of the short video segments are produced as a half hour broadcast program for Milwaukee PBS.
- ***Rhythm Cafe MKE*** is where we're connecting you with a front-row seat to performances by your favorite Milwaukee musicians. *Rhythm Cafe MKE* is Milwaukee PBS' brand new digital-first music series seen on the milwaukeepbs.org website. The series is recorded on location at the Anodyne Coffee Roasting Co., in the heart of the Walker's Point neighborhood.
- ***U.S. Senate Debate*** was a partnership with the Wisconsin Broadcasters Association and Milwaukee PBS. Some 70 radio and television stations across the state broadcast the debate that originated live from the Milwaukee PBS studios. The program was also shown live on the national network C-SPAN, the Wisconsin public affairs network WisconsinEye and was streamed on at least 10 different platforms.
- ***Black Nouveau: Milwaukee's 52nd Annual Juneteenth Celebration*** was aired on June 19th as Milwaukee PBS' *Black Nouveau* celebrated Milwaukee's 52nd Annual Juneteenth Day Celebration. Milwaukee has one of the longest-running Juneteenth Day celebrations in the country. This year's celebration was themed "I Am Juneteenth." as they explored the importance of this American celebration of freedom and its impact today. This *Black Nouveau* special edition broadcast was produced on remote and was hosted by Earl Arms and Alexandria Mack including reports from Uzezi Okwata, James Causey, and Everett Marshburn who also executive produced the special.

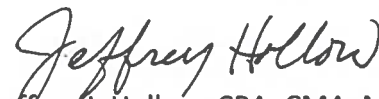
Respectfully submitted,



Deborah Hamlett
VP and General Manager
Milwaukee PBS



Vicki J. Martin, Ph.D.
MATC President



Jeffrey J. Hollow, CPA, CMA, MBA
Vice President of Finance

ORGANIZATION CHART





FINANCIAL SECTION

Independent Auditors' Report

To the Board of Directors of
Milwaukee Area Technical College District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, the discretely presented component unit, and the aggregate remaining fund information of the Milwaukee Area Technical College District, as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Milwaukee Area Technical College District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the discretely presented component unit, and the aggregate remaining fund information of the Milwaukee Area Technical College District, Wisconsin, as of June 30, 2023 and 2022 and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Milwaukee Area Technical College Foundation, Inc., a discretely presented component unit. Those statements were audited by other auditors, whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for Milwaukee Area Technical College Foundation, Inc. are based solely on the report of the other auditors.

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 (GAS). 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 Milwaukee Area Technical College District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 Milwaukee Area Technical College Foundation, Inc. were not audited in accordance with *Government Auditing Standards*.

Emphasis of Matter

As discussed in Note 1, the Milwaukee Area Technical College District adopted the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective July 1, 2022. Our opinions are not modified with respect to this matter.

As discussed in Note 15 to the financial statements, net position as of June 30, 2021 has been restated for the implementation of GASB Statement No. 96. Our opinions are not modified with respect to this matter.

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 Milwaukee Area Technical College 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 GAS 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 GAS, 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 Milwaukee Area Technical College 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 Milwaukee Area Technical College 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 required supplementary information, as listed 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Milwaukee Area Technical College District's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is 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 audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the Introductory Section and Statistical Section as listed in the accompanying table of contents 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 audit 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 December 20, 2023 on our consideration of the Milwaukee Area Technical College 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 Milwaukee Area Technical College 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 Milwaukee Area Technical College District's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Milwaukee, Wisconsin
December 20, 2023

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MANAGEMENT'S DISCUSSION AND ANALYSIS

(UNAUDITED)

Milwaukee Area Technical College District (MATC or District) Management's Discussion and Analysis (MD&A) of the District's financial condition provides an overview of financial activity for Fiscal Year 2022-2023 (FY22-23), identifies changes in financial positions when compared with Fiscal Year 2021-2022 (FY21-22) and is provided to assist the reader of the accompanying financial statements with focusing on the noteworthy financial issues of FY22-23 and FY21-22.

The primary mission of a public institution of higher education is to provide education and training. In addition, MATC actively participates in community activities and operates Milwaukee PBS. The District prioritizes maintaining financial viability to ensure it can continue to meet its mission into the future. Therefore, net position is accumulated as required to ensure that there are sufficient reserve funds for future operations and implementation of new programs. The MD&A provides summary level financial and operations information and should be read in conjunction with the accompanying financial statements and statistical summaries.

The Annual Comprehensive Financial Report (ACFR) is an accumulation of various financial, statistical and informational reports which focus on the financial condition of the District, the results of operations and the cash flows of the District as a whole. The ACFR is prepared in accordance with the generally accepted accounting principles, as stated in the 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*.

Statement of Revenues, Expenses, and Changes in Net Position

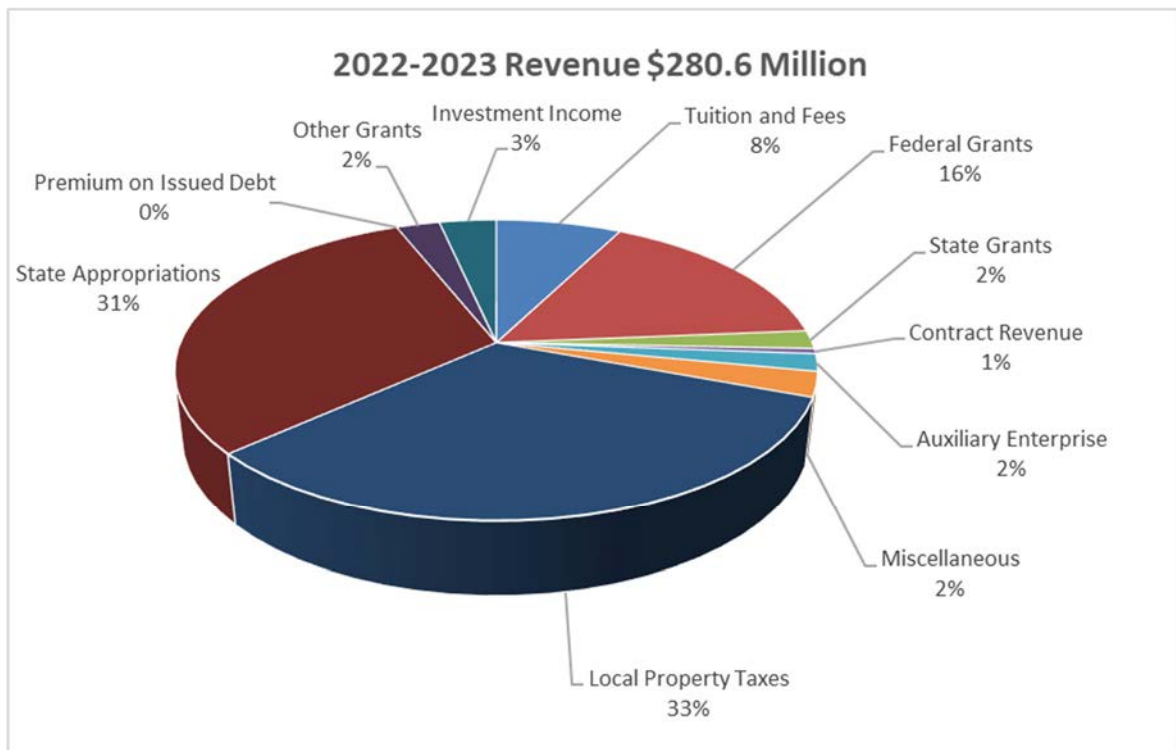
The Statement of Revenues, Expenses and Changes in Net Position presents the revenues earned and expenses incurred during the operation of the college during a fiscal year (July 1, to June 30). Activities of the college are reported as either operating or non-operating.

Operating activities include the general unrestricted operation, the restricted special revenue operations, the capital projects (facility construction, renovations and equipment purchases) operations, the debt service operation, the enterprise operations (Milwaukee PBS, Food Service, Book Stores, Child Care and the downtown Milwaukee parking garage). As a public college, the District reports an operating deficit or loss, since the financial reporting model classifies state appropriations and property taxes as non-operating revenues. The reduction of the capital assets associated with its use is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

Revenues:

The following presentation and discussion evaluate both operating and non-operating revenue. Three years of information is presented to allow the reader to evaluate trends.

	<u>2023</u>	<u>2022</u>	<u>2021</u>	CHANGE 2023 - 2022		CHANGE 2022 - 2021		
				\$	%	\$	%	
Operating Revenues:								
Tuition and Fees	\$ 21,118,963	\$ 21,700,702	\$ 22,891,532	\$ (581,739)	-2.68%	\$ (1,190,830)	-5.20%	
Federal Grants	45,324,822	58,741,368	43,404,988	(13,416,546)	-22.84%	15,336,380	35.33%	
State Grants	5,500,000	5,462,507	6,062,933	37,493	0.69%	(600,426)	-9.90%	
Contract Revenue	1,563,010	1,059,761	940,605	503,249	47.49%	119,156	12.67%	
Auxiliary Enterprise	5,240,574	2,459,714	5,065,068	2,780,860	113.06%	(2,605,354)	-51.44%	
Miscellaneous	7,464,881	6,301,927	5,283,550	1,162,954	18.45%	1,018,377	19.27%	
Total Oper. Rev.	86,212,250	95,725,979	83,648,676	(9,513,729)	-9.94%	12,077,303	14.44%	
Non-Operating Revenues:								
Local Property Taxes	91,480,646	91,722,902	95,539,085	(242,256)	-0.26%	(3,816,183)	-3.99%	
State Appropriations	86,037,767	82,270,325	78,219,412	3,767,442	4.58%	4,050,913	5.18%	
Other Grants	7,305,338	7,005,855	6,812,511	299,483	4.27%	193,344	2.84%	
Investment Income	9,588,223	-	26,086,433	9,588,223	100.00%	(26,086,433)	-100.00%	
Total Non-Oper. Rev.	194,411,974	180,999,082	206,657,441	13,412,892	7.41%	(25,658,359)	-12.42%	
Total Revenues:	\$ 280,624,224	\$ 276,725,061	\$ 290,306,117	\$ 3,899,163	-2.53%	\$ (13,581,056)	2.02%	



- **Operating revenues** are the charges for services offered by the college.

FY 2022-23

- District enrollments remain well below pre-pandemic levels in, although for the first time since FY2019, enrollments rebounded slightly in FY2023. Despite the slight increase in enrollments, the District is reporting a slight overall decline in Tuition and Fees Revenue in FY2023 of \$581,739 or 2.7% compared with FY2022.
- Federal Revenues have decreased by \$13,416,546 or 22.8% in FY2023. This substantial decrease is due to the expected expiration of Higher Education Emergency Relief Fund (HEERF) grants.
- State Grants have increased by \$37,493 or .7% in FY2023.
- Contracts with business and industry have rebounded to near pre-pandemic levels in FY2023 driven by demand related to significant post-pandemic workforce changes and continued labor market instability. Contract Revenue increased by a dramatic \$503,249 or 47.5% in FY2023
- Auxiliary Revenues have increased dramatically in FY2023 by \$2,780,860 or 113.1% as a result of favorable unrealized investment gains in FY2023 creating a dramatic contrast to FY2022's reported unfavorable unrealized investment losses.

- **Operating revenues (Cont.)**

- FY 2021-22**

- While overall enrollment declines across Wisconsin colleges have slowed in FY22, the rebound to pre-pandemic levels has fallen short of expectations. This less severe drop in MATC in enrollments in FY2022 vs. FY2021 has resulted in a decline in Tuition and Fees Revenue of \$1,190,830 or 5.2%.
 - Federal Revenues have increased by \$15,336,380 or 35.3% in FY2022. This significant increase is due to continued funding provided by the Department of Education's Higher Education Emergency Relief Fund (HEERF) grants. The funds have been used to cover institutional expenses incurred in responding to the Pandemic and to provide replacement of lost operating revenue, as well as emergency grants to students affected by COVID-19.
 - State Grants have decreased by \$600,426 or 9.9% in FY2022.
 - Contracts with business and industry have rebounded slightly in FY2022, however labor shortages and other pandemic-related disruptions to employee training have continued to impact MATC's contract revenue levels in FY2022. Contract Revenue increased by a modest \$119,156 or 12.7% in FY2022.
 - Auxiliary Revenues fell sharply in FY2022 by \$2,605,354 or 51.44% in FY2022, primarily due to unrealized investment losses.

- **Non-operating revenues** represents funds that are obtained to support operations but are not directly related to operating activity. Wisconsin legislation subsidizes the operating expense of the sixteen (16) technical colleges by authorizing the allocation of state General Purpose Revenue (GPR) and authorizing the individual colleges to levy property taxes in the municipalities which they serve.

- FY 2022-23**

- Property tax revenue decreased subtly by \$242,256 or .3% in FY2023. Allowable increases to MATC's District Revenue Limit due to District valuation increases for aggregate new construction were almost entirely offset by additional state property relief aid which allowed for equal reductions in District property tax levy.
 - State appropriations increased by \$3,767,442 or 4.6% in FY2023. The previously noted increase in state funded property tax relief aid, plus increases in general state aid resulting from the District's slight rebound in enrollments in FY2023 have both contributed to this increase.
 - Other grants increased by \$299,483 or 4.3%.
 - MATC is reporting \$9,588,223 in investment gains in FY2023. In stark contrast, FY2022 reported investment losses of \$9,949,006. Economic and political uncertainty, as well as monetary policy, continue to cause market volatility.

▪ **Non-operating revenues (Cont.)**

FY 2021-2022

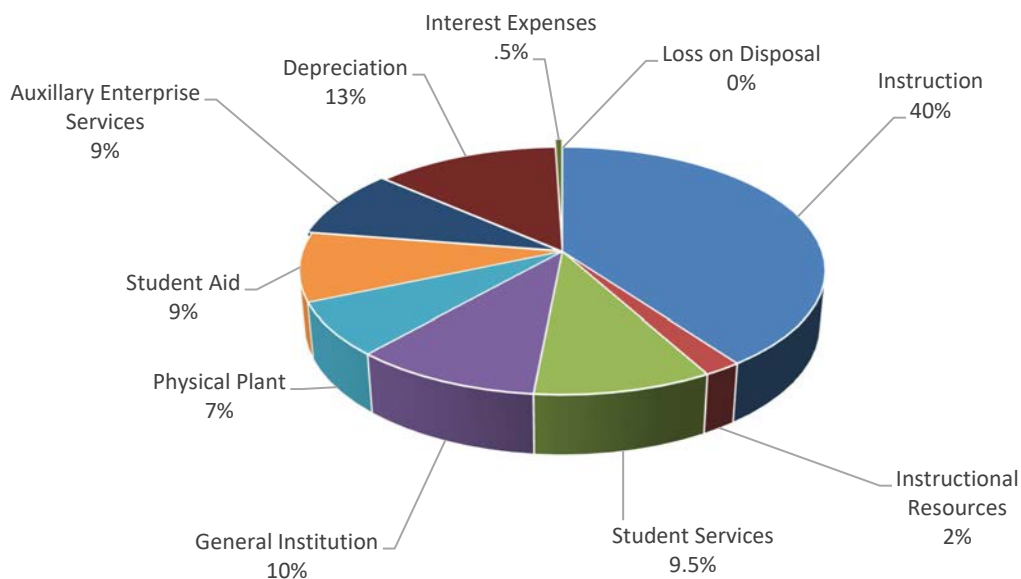
- Property tax revenue decreased by \$3,816,183 or 3.99% in FY2022. This was primarily the result of the Wisconsin state legislature providing an additional \$29 million in property relief aid to Wisconsin technical colleges. This additional state property relief aid provision of \$4,315,415 was allocated to the MATC District, along with a reduction in District property tax levy by the same amount. This reduction in the District tax levy was partially offset by tax levy increases due to District equalized value increases attributable to aggregate new construction.
- State appropriations increased by \$4,050,913 or 5.2% in FY2022. The primary cause of this increase was the additional property tax relief aid provided to Wisconsin technical colleges (as mentioned in the preceding bullet).
- Other grants increased by \$193,344 or 2.8%.
- Economic uncertainty in 2022 has led to market volatility and MATC District investment losses. MATC is reporting \$0 investment gains in FY2022, in stark contrast to FY2021's investment gain of \$26,086,433.

Expenses:

The following presentation and discussion evaluate both operating and non-operating expenditures. Three years of information is presented to allow the reader to evaluate trends.

	<u>2023</u>	<u>2022</u>	<u>2021</u>	CHANGE 2023 - 2022		CHANGE 2022 - 2021	
				<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>
Operating Expenses:							
Instruction	\$ 107,533,797	\$ 97,792,982	\$ 96,342,518	\$ 9,740,815	9.96%	\$ 1,450,464	1.51%
Instructional Resources	4,552,097	4,148,423	3,885,336	403,674	9.73%	263,087	6.77%
Student Services	25,110,702	20,913,837	19,299,936	4,196,865	20.07%	1,613,901	8.36%
General Institutional	26,096,377	24,183,542	24,496,522	1,912,835	7.91%	(312,980)	-1.28%
Physical Plant	18,295,705	19,637,108	19,073,051	(1,341,403)	-6.83%	564,057	2.96%
Student Aid	24,367,555	28,770,589	18,099,743	(4,403,034)	-15.30%	10,670,846	0.00%
Auxiliary Enterprise Services	24,042,537	15,178,241	21,439,480	8,864,296	58.40%	(6,261,239)	-29.20%
Depreciation	35,670,959	36,427,402	35,381,379	(756,443)	-2.08%	1,046,023	2.96%
Total Oper. Expenses:	265,669,729	247,052,124	238,017,965	18,617,605	7.54%	9,034,159	3.80%
Non-Operating Expenses:							
Interest Expenses	1,099,739	923,665	1,649,239	176,074	19.06%	(725,574)	-43.99%
Investment Loss	-	9,949,006	-	(9,949,006)	0.00%	9,949,006	0.00%
Loss on Disposal	48,164	326,987	604,853	(278,823)	-85.27%	(277,866)	-45.94%
Total Non-Oper. Exp.	1,147,903	11,199,658	2,254,092	(10,051,755)	-89.75%	8,945,566	396.86%
Total Expenses:	\$ 266,817,632	\$ 256,926,463	\$ 240,272,057	\$ 8,565,850	-82.21%	\$ 17,979,725	400.65%

2022-2023 Expenses \$266.8 Million



- **Operating expenses** are costs related to the programs of the District.

FY 2022-23

- Total Operating expenses increased overall by \$18,617,605 in FY2023. Instructional expenses have increased by \$9,740,815 or 10.0% primarily due to unfavorable changes to the District's actuarially determined pension obligation. A less impactful factor adding to the increase in the cost of instruction is a slight rebound in enrollments in FY2023. Spending on Instructional Resources has also increased by \$403,674 or 9.7% due to inflation as well as a slight increase in enrollment. Student Services expenditures increased by \$4,196,865 or 20.1% in FY2023 due to an unfavorable change to the District's actuarially determined pension obligation. A moderate increase of \$1,912,835 or 7.9% in General Institutional spending reflects rising costs due to inflationary impacts, particularly on utility expenditures. Physical Plant and Depreciation costs have decreased moderately in FY2023. Auxiliary expenses have significantly increased in FY2023 by \$8,864,296 or 58.4% due to an unfavorable change to the District's actuarially determined pension obligation

- **Operating expenses (Cont.)**

FY 2021-22

- Total Operating expenses increased overall by \$7,708,840 in FY2022. Instructional expenses have increased moderately by \$1,450,464 or 1.5% reflecting the gradual recovery of in-person instruction and reflecting that pandemic-related enrollment declines have slowed in FY2022. Likewise, spending on Instructional Resources has also increased by \$263,087 or 6.8%. An increase in Student Services expenditures in FY2022 of \$1,613,901 or 8.4% reflects additional costs incurred to bring together the college's academic and student services teams in an integrated structure to eliminate student achievement gaps. Modest changes in General Institutional, Physical Plant and Depreciation costs reflect stable fixed operating expenses of the college. Auxiliary expenses have declined significantly in FY2022 as a result of favorable changes to the District's OPEB and pension obligations.

- **Non-Operating expenses** consist of interest expense associated with debt issued to finance capital projects and equipment.

FY 2022-23

- Interest expense increased by \$176,074 or 19.1% in FY2023, reflecting a mild increase in the District's borrowing rate due to the rise in overall interest rates
- Loss on disposal of assets decreased by \$278,823 due to specific inventory counts and adjustments which occurred in FY2023.

FY2021-22

- Interest expense decreased by \$725,574 or 44.0% reflecting the District's continued historically low borrowing rates.
- Loss on disposal of assets increased by \$277,866 due to specific inventory counts and adjustments which occurred in FY2022.

Statement of Net Position

The Statement of Net Position includes all assets and deferred outflows of resources (items that the District owns and the amounts owed to the District by others) and liabilities and deferred inflows of resources (what the District owes to others and what has been collected from others before the services have been provided).

Statement of Net Position (Cont.)

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 the District, regardless of when cash is exchanged. Below is a condensed Statement of Net Position:

	2023	2022	2021	CHANGE 2023 - 2022		CHANGE 2022 - 2021		
				\$	%	\$	%	
ASSETS								
Cash and cash equivalents	\$ 210,192,504	\$ 196,534,571	\$ 207,547,025	\$ 13,657,933	6.95%	\$ (11,012,454)	-5.31%	
Net capital assets	258,581,934	254,444,175	246,014,802	4,137,759	1.63%	8,429,373	3.43%	
Net pension asset	-	55,803,371	44,133,264	(55,803,371)	-100.00%	11,670,107	26.44%	
Other assets	44,209,449	49,499,498	53,646,301	(5,290,049)	-10.69%	(4,146,803)	-7.73%	
Total Assets	512,983,887	556,281,615	551,341,392	(43,297,728)	-7.78%	4,940,223	0.90%	
DEFERRED OUTFLOWS OF RESOURCES								
Deferred Outflows Related to OPEB	1,506,444	4,227,711	2,777,576	(2,721,267)	-64.37%	1,450,135	52.21%	
Deferred Outflows Related to Pensions	128,013,716	104,669,215	68,985,001	23,344,501	22.30%	35,684,214	51.73%	
Total Deferred Outflows of Resources	129,520,160	108,896,926	71,762,577	20,623,234	18.94%	37,134,349	51.75%	
LIABILITIES								
Current liabilities	58,526,059	60,837,323	60,789,680	(2,311,264)	-3.80%	47,643	0.08%	
Net OPEB liability	45,760,490	53,943,770	87,250,415	(8,183,280)	-15.17%	(33,306,645)	-38.17%	
Net Pension liability	35,375,932	-	-	35,375,932	100.00%	-	0.00%	
Long-term liabilities	58,764,856	54,751,779	55,351,228	4,013,077	7.33%	(599,449)	-1.08%	
Total Liabilities	198,427,337	169,532,872	203,391,323	28,894,465	17.04%	(33,858,451)	-16.65%	
DEFERRED INFLOWS OF RESOURCES								
Deferred inflows related to pensions	74,124,703	131,522,575	96,897,491	(57,397,872)	-43.64%	34,625,084	35.73%	
Deferred inflows related to OPEB	29,322,326	37,269,512	13,937,423	(7,947,186)	-21.32%	23,332,089	167.41%	
Unearned television grant	1,881,932	1,912,427	2,237,466	(30,495)	-1.59%	(325,039)	-14.53%	
Total Deferred Inflows of Resources	105,328,961	170,704,514	113,072,380	(65,375,553)	-38.30%	57,632,134	50.97%	
NET POSITION								
Net investment in capital assets	209,570,132	206,258,184	201,410,140	3,311,948	1.61%	4,848,044	2.41%	
Restricted	26,972,677	79,785,366	68,855,820	(52,812,689)	-66.19%	10,929,546	15.87%	
Unrestricted surplus	102,204,938	38,897,605	36,374,306	63,307,333	162.75%	2,523,299	6.94%	
Total Net Position	\$ 338,747,747	\$ 324,941,155	\$ 306,640,266	13,806,592	4.25%	18,300,889	5.97%	

FY 2022-23

- Cash and investments increased by \$13,657,933 or 7.0% in FY2023 primarily due to investment gains reported by the District's FCC Trust.

FY2021-22

- Cash and investments decreased by \$11,012,454 or 5.3% in FY2022 primarily due to investment losses reported by the District's FCC Trust.

The District has diversified sources of revenue consisting of local property taxes, State aid, student fees, federal and state grants, and other sources to meet the expenses of the District.

Capital Assets and Debt Amortization

This District's investment in capital assets as of June 30, 2023 and 2022 amounted to \$258,581,934 and \$254,444,147 (net of accumulated depreciation) respectively. This investment in capital assets includes land, land improvements, buildings and improvement, assets under construction and movable equipment.

As of June 30, 2023 and 2022, the District had general obligation debt outstanding of \$74,450,000 and \$74,475,000 respectively. The District's general obligation debt continues to maintain a Moody's Investor Service of Aa1 rating, and the District continues to meet its entire debt service requirement. Ninety (90) percent of all general obligation debt is scheduled to be repaid in five years. The debt reflects a borrowing of \$39 million to finance investment in energy consumption reduction efforts, instructional equipment needs and information technology needs. The current debt adequately replaces, maintains and expands equipment and facility needs of the District.

More detailed information about the District's capital assets and long-term liabilities are presented in Notes 10 and 6 respectively of the financial statements enclosed.

Economic Factors

The District is the largest in the WTCS group of technical colleges. The District consists of Milwaukee County, Ozaukee County and small portions of Washington and Waukesha Counties. This area is fortunate to have strong baccalaureate colleges which have articulation agreements with the District. The area attracts large employers and startup businesses. Moody's believes that employment opportunities and long-term economic stability will return to the region based on the sizable manufacturing, financial, governmental and health care sectors within the district's boundaries. The District's bonds are rated Aa1, the City of Milwaukee's bonds are rated Aa2, Ozaukee County has an Aaa1 rating, next to the highest, and Milwaukee County is rated Aa3 by Moody's.

The key to Milwaukee and the surrounding areas economic sustainability is having a workforce trained for the new jobs that will be created during the next five years. Individuals, community leaders as well as employers are looking to the District to provide such training. Jobs in health care, green manufacturing and renewable energy and energy efficiency will be included. The District has been developing curriculum to meet these changing needs for several years and is prepared to meet the challenge.

The Milwaukee metropolitan area has a strong history as a major manufacturing center, particularly as a world leader in capital equipment production. Many nationally and internationally known companies are located in the District. The companies participate in diverse markets including heavy plate welding, energy management, aerospace, defense, robotics, medical equipment, software development and gaming design.

Metropolitan Milwaukee is also one of the world's leaders in manufacturing industrial controls, x-ray apparatus, mining machinery, hoists, industrial cranes as well as speed changers, drives and gears. Printing, publishing, advertising and meat production are included in the soft goods industries.

Wisconsin's cultural, commercial and financial center is located in the City of Milwaukee. The Milwaukee Symphony Orchestra, the Florentine Opera, the Milwaukee Bucks and Brewers all call Milwaukee home. The Milwaukee Museum, Zoo, Discovery World, The Harley Davidson Museum and Milwaukee Art Museum are all destination locations drawing tourism to the city.

The stability of the metropolitan Milwaukee area as a business and residential area has long been strengthened by financial resources provided through some of the largest banks in the Midwest. There are numerous savings and loan associations, credit unions, investment banks and other financial establishments in the Milwaukee Metropolitan Area.

The unique mix of business opportunities and metropolitan entities provides the District an economic base that has varying economic cycles. Unlike metropolitan areas such as Pittsburgh or Detroit that were heavily involved in one or a few industries, Milwaukee has weathered economic changes better than most urban communities. While the highs are not as high the lows are not as low. Milwaukee has demonstrated that it can reinvent its strong economic base as industry and technology evolves.

The District has acted as good stewards of its resources during Fiscal Year 2022-2023 and is prepared financially and operationally for the challenges that accompany the diverse and evolving economic climate.

Request for Information

This MD&A and associated financial and statistical reports are designed to provide a general overview of the District's finances for those with an interest in the financial operations of the District. Questions concerning the information provided in these reports or requests for additional financial information should be addressed to the Vice President, Finance at 700 West State Street, Milwaukee, WI 53233.

BASIC FINANCIAL STATEMENTS

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT
Statements of Net Position
As of June 30, 2023 and 2022

	Primary Government		Component Unit	
	2023	2022	2023	2022
Assets				
Current assets				
Cash and cash equivalents (Note 2)	\$ 156,634,395	\$ 143,712,762	\$ 700,338	\$ 1,079,066
Restricted cash and cash equivalents (Note 2)	1,725,975	667,812	650,152	429,184
Property tax receivable	13,281,518	12,594,482	-	-
Accounts and other receivables, net (Note 4 and Note 14)	24,934,763	31,299,394	1,349,026	1,573,774
Inventory	580,287	686,603	-	-
Prepaid expenses	5,412,881	4,919,019	55,987	52,461
Total current assets	<u>202,569,819</u>	<u>193,880,072</u>	<u>2,755,503</u>	<u>3,134,485</u>
Noncurrent assets				
Restricted cash and cash equivalents (Note 2)	51,832,134	52,153,997	-	-
Net pension asset (Note 7)	-	55,803,371	-	-
Investments (Note 14)	-	-	35,775,306	30,221,726
Capital assets, net of accumulated depreciation (Note 10)				
Land	7,981,596	7,981,596	-	-
Construction in progress	9,774,170	6,259,711	-	-
Other capital assets	232,532,641	235,323,228	-	-
Subscription based IT assets	8,293,527	4,879,640	-	-
Total noncurrent assets	<u>310,414,068</u>	<u>362,401,543</u>	<u>35,775,306</u>	<u>30,221,726</u>
Total Assets	<u>512,983,887</u>	<u>556,281,615</u>	<u>38,530,809</u>	<u>33,356,211</u>
Deferred Outflows of Resources				
Deferred outflows related to OPEB (Note 8)	1,506,444	4,227,711	-	-
Deferred outflows related to pensions (Note 7)	128,013,716	104,669,215	-	-
Total Deferred Outflows of Resources	<u>129,520,160</u>	<u>108,896,926</u>	<u>-</u>	<u>-</u>
Liabilities				
Current liabilities				
Accounts payable	1,296,574	2,273,612	475,980	334,235
Accounts payable - restricted	1,188,868	3,341,524	-	-
Accrued liabilities	17,290,206	16,955,967	-	-
Accrued liabilities - restricted	900,821	760,779	-	-
Accrued interest payable	114,529	156,028	-	-
Unearned program and material fees	2,565,210	2,668,693	-	-
Due to student and other groups	3,082,340	2,845,863	-	-
Current portion of long-term obligations (Note 6)	29,225,000	29,320,000	-	-
Current portion of subscription based IT arrangement (Note 11)	1,920,344	1,609,739	-	-
Current portion of compensated absences (Note 6)	942,169	905,117	-	-
Total current liabilities	<u>58,526,061</u>	<u>60,837,322</u>	<u>475,980</u>	<u>334,235</u>
Long-term obligations (Note 6)				
General obligation notes payable	47,476,404	47,351,052	-	-
Subscription based IT arrangement	4,983,169	1,343,401	-	-
Compensated absences	6,305,283	6,057,326	-	-
Net OPEB liability (Note 8)	45,760,490	53,943,770	-	-
Net pension liability (Note 7)	35,375,932	-	-	-
Total long-term obligations	<u>139,901,278</u>	<u>108,695,549</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>198,427,339</u>	<u>169,532,871</u>	<u>475,980</u>	<u>334,235</u>
Deferred Inflows of Resources				
Deferred inflows related to pensions (Note 7)	74,124,703	131,522,575	-	-
Deferred inflows related to OPEB (Note 8)	29,322,326	37,269,512	-	-
Unearned television grant	1,881,932	1,912,427	-	-
Total Deferred Inflows of Resources	<u>105,328,961</u>	<u>170,704,514</u>	<u>-</u>	<u>-</u>
Net Position				
Net investment in capital assets (Note 10)	209,570,132	206,258,184	-	-
With donor restrictions (Note 14)	-	-	36,440,028	31,997,133
Without donor restrictions (Note 14)	-	-	1,614,801	1,024,843
Restricted for:				
Pensions	-	55,803,371	-	-
Debt service	26,972,677	23,191,887	-	-
Student financial assistance	-	790,108	-	-
Unrestricted	102,204,938	38,897,605	-	-
Total Net Position	<u>\$ 338,747,747</u>	<u>\$ 324,941,155</u>	<u>\$ 38,054,829</u>	<u>\$ 33,021,976</u>

See notes to financial statements

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

	Primary Government		Component Unit	
	2023	2022	2023	2022
Operating revenues				
Student tuition and program fees, net of scholarship allowances of \$13,852,972 and \$13,387,806 for 2023 and 2022, respectively	\$ 21,118,963	\$ 21,700,702	\$ -	\$ -
Federal grants	45,324,822	58,741,368	-	-
State grants	7,148,623	5,462,507	-	-
Contract revenue	1,563,010	1,059,761	-	-
Auxiliary enterprise revenues, net of scholarship allowances of \$4,806,133 and \$5,209,276 for 2023 and 2022, respectively	5,240,574	2,459,714	-	-
Contributions and other support	-	-	15,877,232	18,469,516
Miscellaneous	7,464,881	6,301,927	-	-
Total operating revenues	<u>87,860,873</u>	<u>95,725,979</u>	<u>15,877,232</u>	<u>18,469,516</u>
Operating expenses				
Instruction	107,533,797	97,792,982	-	-
Instructional resources	4,552,097	4,148,423	-	-
Student services	25,110,702	20,913,837	-	-
General institutional	26,096,377	24,183,542	-	-
Physical plant	18,295,705	19,637,108	-	-
Student aid	24,367,555	28,770,589	-	-
Auxiliary enterprise services	24,042,537	15,178,241	-	-
Program activities and other	-	-	12,944,964	9,928,669
Depreciation	35,670,959	36,427,402	-	-
Total operating expenses	<u>265,669,729</u>	<u>247,052,124</u>	<u>12,944,964</u>	<u>9,928,669</u>
Operating income (loss)	<u>(177,808,856)</u>	<u>(151,326,145)</u>	<u>2,932,268</u>	<u>8,540,847</u>
Nonoperating revenues (expenses)				
Local property taxes (Note 3)	91,480,646	91,722,902	-	-
State appropriations	84,389,144	82,270,325	-	-
Other grants	7,305,338	7,005,855	-	-
Investment income (expense)	9,588,223	(9,949,006)	2,100,585	(4,328,563)
Loss on disposal	(48,164)	(326,988)	-	-
Interest expense	(1,099,739)	(923,665)	-	-
Total nonoperating revenues (expenses)	<u>191,615,448</u>	<u>169,799,423</u>	<u>2,100,585</u>	<u>(4,328,563)</u>
Change in net position	13,806,592	18,473,278	5,032,853	4,212,284
Net position - beginning of the year (as restated)	<u>324,941,155</u>	<u>306,467,877</u>	<u>33,021,976</u>	<u>28,809,692</u>
Net position - end of the year	<u>\$ 338,747,747</u>	<u>\$ 324,941,155</u>	<u>\$ 38,054,829</u>	<u>\$ 33,021,976</u>

See notes to financial statements

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT
Statements of Cash Flows
For the years ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Tuition and fees	\$ 21,015,480	\$ 20,564,837
Federal and state grants	52,442,950	63,878,836
Contract revenues	1,563,010	1,059,761
Payments to employees, including related benefits	(151,465,802)	(192,241,557)
Payments for materials and services	(75,852,216)	(39,040,021)
Auxiliary enterprise revenues	5,346,890	2,611,747
Other receipts	7,701,358	5,575,019
Net cash used in operating activities	(139,248,330)	(137,591,379)
Cash flows from noncapital financing activities		
Local property taxes	90,793,610	93,151,496
State appropriations	84,389,144	82,270,325
Other grants	7,305,338	7,005,855
Net cash provided by noncapital financing activities	182,488,092	182,427,676
Cash flows from capital and related financing activities		
Purchases of capital assets	(40,341,642)	(42,029,510)
Proceeds from capital debt issued	39,000,000	39,000,000
Premium on debt issued	1,474,707	1,369,997
Principal retired on capital debt	(39,025,000)	(41,885,000)
Interest paid on capital debt	(278,117)	(2,355,232)
Net cash used in capital and related financing activities	(39,170,052)	(45,899,745)
Cash flows from investing activities		
Investment income received	9,588,223	(9,949,006)
Net cash provided by investing activities	9,588,223	(9,949,006)
Net increase (decrease) in cash and cash equivalents	13,657,933	(11,012,454)
Cash and cash equivalents		
Beginning of year	196,534,571	207,547,025
End of year	\$ 210,192,504	\$ 196,534,571

See notes to financial statements

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT
Statements of Cash Flows
For the years ended June 30, 2023 and 2022

	2023	2022
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	\$ (177,808,856)	\$ (151,326,145)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation	35,670,959	36,427,402
(Increase) Decrease in deferred outflows of resources	(20,623,234)	(37,134,349)
Increase (Decrease) in deferred inflows of resources	(65,375,553)	57,632,134
Changes in assets and liabilities		
Accounts receivable	6,364,631	(487,279)
Inventory	106,316	152,033
Prepaid expenses	(493,862)	3,053,453
Net pension asset (liability)	91,179,303	(11,670,107)
Accounts payable	(977,038)	116,608
Accrued liabilities	474,281	369,650
Net OPEB liability	(8,183,280)	(33,306,645)
Accrued compensated absences	285,009	444,638
Unearned program and material fees	(103,483)	(1,135,865)
Due to student and other groups	236,477	(726,907)
Net cash used in operating activities	\$ (139,248,330)	\$ (137,591,379)
Reconciliation of cash and cash equivalents to the statement of net position		
Cash and cash equivalents	\$ 156,634,395	\$ 143,712,762
Restricted cash and cash equivalents		
Current	1,725,975	667,812
Noncurrent	51,832,134	52,153,997
	\$ 210,192,504	\$ 196,534,571
Noncash capital and related financing activities		
Net change in capital assets financed by accounts payable	\$ 2,152,656	\$ (373,498)
Amortization of premiums	(1,419,355)	(1,409,682)

See notes to financial statements

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT
Statements of Fiduciary Net Position
Fiduciary Fund - MATC Post-Employment Benefits Trust
As of June 30, 2023 and 2022

	2023	2022
Assets		
Current assets		
Cash and cash equivalents	\$ 7,888	\$ 40,854
Accounts receivable	2,500,000	2,000,000
Total current assets	2,507,888	2,040,854
Non-current assets		
Long-term investments		
Mutual Funds	45,849,266	39,853,870
Other Investments	2,785,675	2,650,231
Total non-current assets	48,634,941	42,504,101
Total Assets	\$ 51,142,829	\$ 44,544,955
Liabilities		
Current liabilities		
IBNR payable	\$ 148,860	\$ 536,549
Total Liabilities	148,860	536,549
Net Position		
Restricted for		
Post-employment benefits	50,993,969	44,008,406
Total Liabilities and Net Position	\$ 51,142,829	\$ 44,544,955

See notes to financial statements

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT
Statements of Changes in Fiduciary Net Position
Fiduciary Fund - MATC Post-Employment Benefits Trust
For the years ended June 30, 2023 and 2022

	2023	2022
Additions		
Contributions		
MATC	\$ 7,045,776	\$ 7,937,729
Retirees	2,654,804	2,944,654
Realized Gains	(1,476,455)	454,107
Unrealized Gains	4,457,125	(8,575,229)
Interest	1,242,258	1,508,278
Total additions	13,923,508	4,269,539
Deductions		
Administration	298,310	329,967
Benefit payments	6,639,635	8,779,584
Total deductions	6,937,945	9,109,551
Change in net position	6,985,563	(4,840,012)
Net Position Restricted for Post Employment Benefits- Beginning of the year	44,008,406	48,848,418
Net Position Restricted for Post Employment Benefits- End of the year	\$ 50,993,969	\$ 44,008,406

See notes to financial statements

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(1) Summary of Significant Accounting Policies

The Board of Directors (Board) of the Milwaukee Area Technical College District (District) oversees the operations of what is generally referred to as Milwaukee Area Technical College (MATC) under provisions of Chapter 38 of the Wisconsin Statutes. The geographic area of the District includes all of Milwaukee County, most of Ozaukee County, and parts of Waukesha and Washington Counties. The District operates a comprehensive campus in downtown Milwaukee as well as additional locations and eleven evening learning centers in the surrounding communities. All of the instructional programs are fully accredited by the Higher Learning Commission. The District also operates two public television stations, WMVS and WMVT.

The Board consists of nine members appointed by elected presidents of school boards within the service area, and, as such, is a stand-alone government. The members are appointed to staggered three-year terms. Board membership includes five employers, two additional members, one school district administrator, and one elected official who holds a state or local office. 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 District offers over 200 associate degree and technical diploma programs. In addition, the District offers an associate of arts/science college transfer program and various advanced technical programs, ESL (English as a second language), basic skills education, and adult continuing education.

The accounting policies of the District conform to generally accepted accounting principles as applicable to public colleges and universities as well as those prescribed by the Wisconsin Technical College System Board (WTCSB). The following is a summary of the more significant accounting policies.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(1) Summary of Significant Accounting Policies (continued)

(a) Reporting Entity

The reporting entity for the District consists of the primary government (the District) and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of two methods, discrete presentation or blending. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits exclusively or almost exclusively the primary government rather than its citizens or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

Component Unit

The District has identified the following organization as a component unit and has included it in this report.

The Milwaukee Area 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 bequest exclusively for the maintenance and benefit of the District. The Foundation is managed by an independent board of directors. MATC provides office space, certain equipment, and furnishings, most utility services and insurance coverage to the Foundation without charge. The Foundation's resources are almost entirely for the benefit of MATC and the "entitlement/ability to access" criterion is met because the Foundation has a history of supporting MATC with its economic resources. The financial resources of the Foundation are significant to the District as a whole, and, accordingly, the Foundation is presented as a discretely presented component unit of the District.

Separately issued financial statements of the Foundation may be obtained from the Foundation administration office.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(1) Summary of Significant Accounting Policies (continued)

(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's 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 postemployment benefit trust fund is used to report resources that are required to be held in trust for the members and beneficiaries of postemployment benefit plans. Fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

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.

In May 2020, the GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement establishes accounting and financial reporting requirements related to subscription-based information technology arrangements (SBITAs) for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. This standard was implemented effective July 1, 2022 and the accounting change has been applied to the prior period presented, see Note 15.

(c) Budgetary Data

The District's reporting structure used in the preparation of the basic financial statements is different from 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.

Local property taxes are levied on a calendar year basis by various taxing municipalities located in Milwaukee, Ozaukee, Waukesha and Washington Counties. The District records as revenue its share of the local tax when levied.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(1) Summary of Significant Accounting Policies (continued)

Annual budgets are prepared on a different basis from the basic financial statements by recognizing encumbrances as expenditures and by recognizing revenues related to encumbrances. Also, 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 or functions) 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. These budget modifications reflect (1) actual property tax revenues in excess of estimates; (2) changes in expected state aid payments, both for the current year and prior year adjustments; (3) changes in expected federal student grants and (4) various other minor adjustments. Expenditures may not exceed appropriations. Unencumbered appropriations lapse at the end of each fiscal year. Under operational procedures, management is authorized to make budget transfers within fund and function.

(d) Property Tax, Student and Other Receivables

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. December property taxes are then levied by the municipal treasurers who attach an enforceable lien on the properties as of January 1.

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

Collection of delinquent taxes or the subsequent filing of tax liens are the responsibility of municipalities. The District receives all tax receivables from the intergovernmental collection intermediaries, so an allowance for uncollectible taxes is not recorded.

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

Agency receivables and contract receivables for services are valued net of the estimated uncollectible amounts.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(1) Summary of Significant Accounting Policies (continued)

(e) Cash and Cash Equivalents

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 ninety days from when purchased are considered cash equivalents.

(f) Inventories

Inventories are valued at the lower of first-in, first-out (FIFO) cost or market. Such inventories include food and food service supplies, contents of the bookstores, and certain other supplies related to the operations of the District's enterprise activities.

Instructional and administrative inventories are accounted for as expenses when purchased.

Inventories are valued net of estimated slow moving and or obsolete inventories.

(g) Prepaid Expenses

Prepaid expenses represent payments made by the District for which benefits extend beyond the current fiscal year end.

(h) Capital Assets

Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their estimated acquisition value at the time of receipt. Interest costs incurred during construction are not capitalized and are not considered to be material.

The costs of maintenance and repairs are charged to operations as incurred. Major outlays for equipment, buildings and improvements are capitalized. Equipment purchases having costs of \$5,000 or greater and estimated useful lives of two years or more are capitalized and depreciated. Building or remodeling projects with costs equal to or greater than \$15,000 and estimated useful lives of two years or more are capitalized and depreciated. Depreciation on equipment, buildings and improvements is provided on purchases of \$5,000 or more. Depreciation on equipment, buildings and improvements is calculated in amounts sufficient to allocate the cost of the depreciable assets to operations using the straight-line method over the estimated service lives, which range from three to twenty years for equipment and twenty to forty years for improvements and buildings.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(1) Summary of Significant Accounting Policies (continued)

(i) Compensated Absences

Employees are granted vacation and sick leave benefits in varying amounts in accordance with the provisions of the employee handbook and District policy. Liabilities for vacation and salary related payments, including social security taxes, are recorded when incurred. Vacation benefits 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.

In the event of retirement of an employee, the District is obligated to pay one half of unused sick leave up to 45 days at the current salary rate. The District has accrued sick leave and salary related payments based on the District's prior experience with employees remaining and receiving payment. The accrued sick leave is the amount reasonably expected to be paid out. The liability for sick leave consists of current and long-term portions. The current portion has been estimated based on prior experience. See Footnote No. 6 for outstanding balances as of June 30, 2023 and 2022.

(j) 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 recognized in the subsequent year.

(k) Unearned Revenues

Unearned revenues include amounts received for tuition, fees, and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Unearned revenues also include amounts received from grant and contract sponsors that have not yet been earned.

(l) Self-Insurance

The District is self-insured for a portion of the risks related to employee health and dental claims. The accrued liability for estimated claims represents an estimate of the eventual loss on claims arising prior to year-end including claims incurred but not yet reported.

(m) Long-Term Obligations

Bond premiums are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium.

(n) Environmental Remediation Liability

Expenses for environmental remediation costs are recognized at the time when it is determined that it is probable that a liability has been incurred and the amounts can be reasonably estimated.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(1) Summary of Significant Accounting Policies (continued)

(o) Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net assets that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

(p) Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense) until that future time.

(q) Subscription-Based Information Technology Arrangements

The District reports a subscription liability and an intangible right-to-use capital asset (known as the subscription asset) on the financial statements. The District has a policy to recognize subscriptions over \$5,000 as a subscription liability and intangible capital asset.

(r) 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). Certain aid (loans, funds provided to students as awarded by third parties and Federal Direct Lending) is accounted for as third-party payments (credited to the student's account as if the student made the payment). All other aid is 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.

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.

(s) 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).

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(1) Summary of Significant Accounting Policies (continued)

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.

(t) Postemployment Benefits Other than Pensions

For purposes of measuring the net OPEB liability, deferred outflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District OPEB Plan and additions to/deduction from District OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by District OPEB plan. For this purpose, District OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

(u) Classification of Revenue and Expense

The District has classified its revenues and expenses as either operating or nonoperating according to the following criteria:

Operating revenues/expenses: Operating revenues and expenses include activities that have the characteristics of exchange transactions to provide goods or services related to the District's principal ongoing operations. Operating revenues include (1) student tuition and fees, net of scholarship allowances and estimated uncollectible amounts; (2) sales and services of auxiliary enterprises and (3) most federal, state, and local grants and contracts that are essentially the same as contracts for services that finance programs of the college. Operating expenses include the cost of providing educational services, administration expenses, and depreciation on capital assets.

Nonoperating revenues/expenses: Nonoperating revenues and expenses include activities that have the characteristics of nonexchange transactions. Nonoperating revenues include (1) gifts and contributions and other revenue sources that are defined as nonoperating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 34, such as state appropriations, the local property tax levy and investment income and (2) any grants and contracts that are not classified as operating revenue or restricted by the grantor to be used exclusively for capital programs. Nonoperating expenses include interest on long-term obligations.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(1) Summary of Significant Accounting Policies (continued)

(v) Net Position

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

Net investment in capital assets: This represents the net value of capital assets (land, buildings and equipment) less the debt incurred to acquire or construct these assets presently in use plus any unspent debt proceeds.

Restricted net position: Restricted net position include 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 can only be used for student financial assistance activities.
- Restricted net position for pensions can only be used for pension activities.

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

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

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(2) Cash, Cash Equivalents and Investments

Wisconsin Statute 66.0603 authorizes the District to invest in the following types of instruments:

- Time deposits in any credit union, bank, savings bank, trust company, or savings and loan association that is authorized to transact business in Wisconsin if the time deposit matures in not more than three years.
- Bonds or securities issued or guaranteed as to principal or interest by the federal government or by a commission, board, or other instrumentality of the federal government (U.S. Treasuries and U.S. Agencies)
- Bonds or securities of any Wisconsin county, city, drainage district, technical college district, village, town or school board.
- Bonds issues by a local exposition district, local professional baseball park district, or local professional stadium district created under subchapter III or IV of chapter 229 of the Wisconsin statutes or bonds issued by the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.
- Any security maturing within seven 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 or repurchase agreements fully collateralized by bonds or securities, subject to various conditions and investment options.
- A local government investment pool, subject to certain conditions.

The District investment policy states the investment officer shall diversify use of investments to avoid incurring unreasonable risks inherent to over-investing in specific instruments, individual financial institutions or maturities. Liquidity shall be assured through matching investment maturities with anticipated cash flows. Default risk will be controlled by the use of collateralization, registration, and insurance. In addition, the following specific controls will be observed:

- Maturities of certificates of deposit shall be one year or less.
- Maturities of bonds or securities of the federal government and its agencies shall be limited to one year or less.
- Maturities of securities with the highest rating shall be one year or less.
- All deposits will either be insured or collateralized with pledged collateral secured through third-party safekeeping and custody.
- The District's banking services will be competitively bid at least every five years.
- The District's investments will be reported to the district board on a monthly basis.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(2) Cash, Cash Equivalents and Investments (continued)

The District has a separate investment policy related to its Post-Employment Benefits Trust. The policy allows the District to invest in any instruments allowed under Wisconsin statute 66.0603 as well as common stock and other equity securities.

The investment policy limits investments to the following:

- Bonds or securities issued or guaranteed as to principal and interest by instrumentality of the federal government.
- Insured or collateralized certificates of deposit.
- Wisconsin School District Liquid Asset Fund.
- Local Government Pooled-Investment Fund.
- Wisconsin Cooperative Liquid Asset Security System (CLASS).
- Wells Fargo Public Funds Premium Market Rate Account.
- Repurchase agreements that comply with statutory requirement are documented by a written agreement and are fully collateralized.
- Any security with the highest or second highest rating category assigned by Standard & Poor's Corporation, Moody's Investors Services, or other similar nationally recognized rating agency or if the security is senior to, or on a parity with, a security of the same issue which has such a rating.
- Other prudent investment approved prior to purchase by the Board, conforming to sec. 66.04(2) of the Wisconsin Statutes.

Investments are stated at fair value which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(2) Cash, Cash Equivalents and Investments (continued)

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At June 30, 2023 and 2022, the fair value of the District's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

Cash, cash equivalents and investments are shown on the District's Statement of Net Position as follows:

	2023	2022	Risks
Cash on hand	\$ 33,956	\$ 35,195	Not Applicable
Demand deposits	2,194,024	50,785,140	Custodial credit
Local Government Investment Pool	105,594,682	59,647,658	Credit
Mutual Funds-Bonds	5,779,890	21,744,723	Interest rate and credit
Mutual Funds-Other than Bonds	125,025,794	87,673,352	Foreign currency
Other Equity Investments	20,206,987	19,193,458	Custodial credit and concentration of credit
 Total Cash, Cash Equivalents and Investments	 \$ 258,835,333	 \$ 239,079,526	
 Reconciliation to Financial Statements:			
Per Statement of Net Position:			
Unrestricted cash and cash equivalents	\$ 156,634,395	\$ 143,712,762	
Restricted cash and cash equivalents	53,558,109	52,821,809	
Per Statement of Fiduciary Net Position - Fiduciary Fund	48,642,829	42,544,955	
	\$ 258,835,333	\$ 239,079,526	

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(2) Cash, Cash Equivalents and Investments (continued)

The portion of cash, cash equivalents and investments restricted is for compliance with legal requirements and cannot be used for general purposes of the college.

The cash, cash equivalents and investments are classified as follows at June 30:

	2023	2022
Restricted for		
Debt Service	\$ 20,112,031	\$ 17,005,548
Capital Projects	31,064,288	29,259,578
PBS Capital Projects	1,725,975	667,812
Student Financial Assistance	655,815	5,888,871
Total Restricted	53,558,109	52,821,809
Unrestricted	156,634,395	143,712,762
Total Cash and Investments	\$ 210,192,504	\$ 196,534,571
 Restricted for Post-Employment Benefits Trust	 \$ 48,642,829	 \$ 42,544,955

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered in computing the amounts below.

Custodial Risk: Custodial credit risk is the risk that in the event of a financial institution failure, the District's deposits may not be returned to the District.

Deposits

The District's carrying value for demand deposits was \$2,194,024 at June 30, 2023 and \$50,785,140 at June 30, 2022, and the bank's carrying values were \$7,315,484 and \$39,962,655 respectively. All deposits are FDIC insured or fully collateralized by securities held in District's name with a third-party custodian. Total collateral held in District's name with a third-party custodian was \$50,000,000 as of June 30, 2023 and \$53,081,537 as of June 30, 2022.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(2) Cash, Cash Equivalents and Investments (continued)

Investments

The District's carrying value for investments were \$151,012,671 and \$128,611,533 as of June 30, 2023 and 2022, respectively. The District had other equity investments of \$20,206,987 and \$19,193,458 as of June 30, 2023 and June 30, 2022 respectively, that were subject to custodial credit risk.

Credit Risk: The risk that an issuer or other counterparty to an investment will not fulfill its obligation. The local government investment pool is not rated and the mutual funds are not rated.

Interest Rate Risk: The risk that changes in interest rates will adversely affect the fair value of an investment. The District had the following investments and maturities:

<u>June 30, 2023</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>		
		<u>Less Than 1 Year</u>	<u>1 - 5 Years</u>	<u>6 - 10 Years</u>
Mutual Funds-Bonds	\$ 5,779,890	\$ 5,779,890	\$ -	\$ -

<u>June 30, 2022</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>		
		<u>Less Than 1 Year</u>	<u>1 - 5 Years</u>	<u>6 - 10 Years</u>
Mutual Funds-Bonds	\$ 21,744,723	\$ 21,744,723	\$ -	\$ -

Concentration of Credit Risk: The risk of loss attributed to the magnitude of the District's investment in a single issuer.

The investment portfolio included the following concentrations over 5%:

<u>Issuer</u>	<u>Investment Type</u>	<u>Percentage of Portfolio</u>	
		<u>2023</u>	<u>2022</u>
Vanguard Total Int'l Stock Mkt Index Fund	Mutual Fund Equity	10.79%	7.3%
First American Govt Obligation - Z	Money Mkt Mutual Fund	-	9.73%
Vanguard Total Stock Mkt Index Fund	Mutual Fund Equity	40.45%	25.4%
Vanguard FTSE Developed Markets ETF	ETF Equity	5.39%	-

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(2) Cash, Cash Equivalents and Investments (continued)

Investments

Foreign Currency Risk: The risk that changes in the exchange rates will adversely affect the fair value of an investment or deposit.

At June 30, 2023, the District was exposed to foreign currency risk as follows:

<u>Investment</u>	<u>Currency</u>	<u>Maturity Date</u>	<u>Fair Value</u>
Vanguard Total Stk Mkt Int'l Index	Numerous	N/A	\$ 16,313,055
Harding Loewner Int' Equity Por	Numerous	N/A	3,350,545
GOLUB Capital Partners Int'l XII	Numerous	N/A	3,762,000
JOHCM Int'l Select Fund 1	Numerous	N/A	1,727,144
			<u>\$ 25,152,744</u>

At June 30, 2022, the District was exposed to foreign currency risk as follows:

<u>Investment</u>	<u>Currency</u>	<u>Maturity Date</u>	<u>Fair Value</u>
Vanguard Total Stk Mkt Int'l Index	Numerous	N/A	\$ 10,317,200
Harding Loewner Int' Equity Por	Numerous	N/A	3,811,297
GOLUB Capital Partners Int'l XII	Numerous	N/A	3,762,000
JOHCM Int'l Select Fund 1	Numerous	N/A	3,760,000
			<u>\$ 21,650,497</u>

The District categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting standards. 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 other observable inputs; Level 3 inputs are significant unobservable inputs.

The valuation methods for recurring fair value measurements follows the market approach using quoted market prices and inputs other than quoted prices that are observable for securities, either directly or indirectly.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(2) Cash, Cash Equivalents and Investments (continued)

Debit and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Private Equity Funds and Reinsurance investments classified as Level 3 are valued using the fair market value.

	Fair Value Measurements Using			
	6/30/2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Assets (Level 3)
Investments By Fair Value Level:				
Equity Securities:				
Mutual Funds	\$ 125,025,794	\$ 125,025,794	-	-
Total Equity Securities:	<u>125,025,794</u>	<u>125,025,794</u>	<u>-</u>	<u>-</u>
Debt Securities:				
Mutual Funds	5,779,890	5,779,890	-	-
Total Debt Securities:	<u>5,779,890</u>	<u>5,779,890</u>	<u>-</u>	<u>-</u>
Private Equity:				
Atel Private Debt Partners	1,079,952	-	-	1,079,952
Abrdn Venture Partners XII Offshore	616,111	-	-	616,111
Commonfund	1,769,014	-	-	1,769,014
GCM Grosvenor 777 Fund	1,626,898	-	-	1,626,898
Golub Capital Partners Int'l XII	3,762,000	-	-	3,762,000
Lem Multifamily Senior Equity Fund V	1,083,858	-	-	1,083,858
Morgan Stanley Prime Properties	6,165,659	-	-	6,165,659
NB Secondary Opportunities Fund V	768,672	-	-	768,672
Strategic Value Special SIT Fund	1,172,647	-	-	1,172,647
Total P/E Securities:	<u>18,044,811</u>	<u>-</u>	<u>-</u>	<u>18,044,811</u>
Reinsurance:				
ILS Capital Management	2,162,176	-	-	2,162,176
Total Reinsurance:	<u>2,162,176</u>	<u>-</u>	<u>-</u>	<u>2,162,176</u>
Total Investments by Fair Value Level:	<u>\$ 151,012,671</u>	<u>\$ 130,805,684</u>	<u>\$ -</u>	<u>\$ 20,206,987</u>

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(2) Cash, Cash Equivalents and Investments (continued)

	Fair Value Measurements Using			
	<u>6/30/2022</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Assets (Level 3)</u>
Investments By Fair Value Level:				
Equity Securities:				
Mutual Funds	\$ 87,673,352	\$ 87,673,352	-	-
Total Equity Securities:	<u>87,673,352</u>	<u>87,673,352</u>	<u>-</u>	<u>-</u>
Debt Securities:				
Mutual Funds	21,744,723	21,744,723	-	-
Total Debt Securities:	<u>21,744,723</u>	<u>21,744,723</u>	<u>-</u>	<u>-</u>
Private Equity:				
Atel Private Debt Partners	392,789	-	-	392,789
Commonfund	1,705,037	-	-	1,705,037
GCM Grosvenor 777 Fund	1,391,553	-	-	1,391,553
Golub Capital Partners Int'l XII	3,754,263	-	-	3,754,263
Lem Multifamily Senior Equity Fund V	1,675,535	-	-	1,675,535
Morgan Stanley Prime Properties	6,635,114	-	-	6,635,114
NB Secondary Opportunities Fund V	208,785	-	-	208,785
Strategic Value Special SIT Fund	1,320,554	-	-	1,320,554
Total P/E Securities:	<u>17,083,630</u>	<u>-</u>	<u>-</u>	<u>17,083,630</u>
Reinsurance:				
ILS Capital Management	2,109,828	-	-	2,109,828
Total Reinsurance:	<u>2,109,828</u>	<u>-</u>	<u>-</u>	<u>2,109,828</u>
Total Investments by Fair Value Level:	<u>\$ 128,611,533</u>	<u>\$ 109,418,075</u>	<u>\$ -</u>	<u>\$ 19,193,458</u>

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

3) Property Tax

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

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

	2023		2022	
	Mill Rate	Amount Levied	Mill Rate	Amount Levied
Operating levy	\$ 0.4817	\$ 48,977,140	\$ 0.5489	\$ 49,575,492
Debt service levy	0.4180	<u>42,500,000</u>	0.4605	<u>41,585,336</u>
Total Property Tax Levy		<u>\$ 91,477,140</u>		<u>\$ 91,160,828</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 \$1,364,312 and \$1,330,786 in state aid revenue in lieu of property tax for the year ended June 30, 2023 and 2022, respectively. The District is limited by state law that the operational tax levy cannot be increased more than net new construction with provisions to allow up to 0.5% of unused levy authority from the current year being able to be used in the next budget year. 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 \$91,480,646 and \$91,722,902 for the years ended June 30, 2023 and 2022, respectively, which includes the District's property tax levy and miscellaneous other tax collection related adjustments.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(4) Accounts and Other Receivables, Net

Accounts and other receivables at June 30, 2023 and 2022, consisted of the following amounts, net of allowances for uncollectible amounts:

	<u>2023</u>	<u>2022</u>
Intergovernmental	\$ 3,799,532	\$ 11,316,816
Student	17,342,653	17,778,673
Foundation	13,193,587	11,875,141
Other	4,002,284	3,779,117
	<u>38,338,056</u>	<u>44,749,747</u>
Allowance for uncollectible accounts	<u>(13,403,293)</u>	<u>(13,450,353)</u>
Net receivables	<u>\$ 24,934,763</u>	<u>\$ 31,299,394</u>

(5) Risk Management

The District is exposed to various risks of loss related to torts; theft, damage, or destruction of assets; errors or omissions; employee health, dental, and accident claims; and natural disasters.

As of July 1, 2019, the District joined the Wisconsin Technical College Employee Benefits Consortium (WTCEBC). The main purpose of WTCEBC is to jointly self-insure certain risks up to an agreed upon retention limit and to obtain excess catastrophic coverage and aggregate stop-loss reinsurance over the selected retention limit.

The claims payment process is based upon the fiscal year. Individual claims below \$100,000 are self-funded by the District. Any individual claim exceeding \$100,000, and up to \$250,000, is shared in a pooled layer among Full Member Colleges participating in the WTCEBC. Individual claims over \$250,000 for each College are aggregated and are initially subject to an Aggregating Specific Deductible of \$977,584. Once the Aggregating Specific Deductible is met, any individual claim exceeding \$250,000 is subject to reinsurance. The reinsurance reimbursements are also shared by the Colleges.

Changes in the claims liability amounts recorded as accounts payable in the accompanying financial statements for the year's ended June 30, 2021, 2022 and 2023 follow:

<u>Fiscal Year</u>	<u>Liability July 1</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Liability June 30</u>
2020-21	\$ 2,782,053	\$ 17,685,674	\$ 17,934,287	\$ 2,533,440
2021-22	2,533,440	20,960,604	21,018,844	2,475,200
2022-23	2,475,200	23,995,667	24,138,727	2,332,140

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(5) Risk Management (continued)

Districts Mutual Insurance Company (DMI)

In July 2004, all sixteen WTCS technical colleges created Districts Mutual Insurance Company (DMI). Districts Mutual Insurance Company 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 \$400,000 per occurrence; 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 is governed by the Wisconsin Technical College Insurance Trust, organized under Wisconsin statutes 66.0301. The Trust is governed by a board of trustees consisting of one trustee from each member college. Member entities include all sixteen Wisconsin Technical College System districts. 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.

Each member college was assessed an annual premium that included a capitalization component to establish reserves for the company. 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 District Mutual Insurance, 212 West Pinehurst Trail, Dakota Dunes, South Dakota 57049.

Supplemental Insurance

In July 1997, eleven of the sixteen 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. This trust grew to include fifteen WTCS technical colleges. In order to achieve additional cost savings, the technical colleges made a decision to form their own insurance company.

The Trust financial statements can be obtained through Lakeshore Technical College, 1296 North Avenue, Cleveland, Wisconsin 53015.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(5) Risk Management (continued)

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

- **Foreign liability:** Bodily injury/property damage coverage: \$1,000,000 per occurrence, \$5,000,000 general aggregate; \$1,000,000 premises damage limit; \$1,000,000 auto bodily injury/property damage combined single limit (covering hired and non-owned autos) per accident; \$1,000,000 employee benefits endorsement per claim with a \$1,000 deductible with a \$1,000,000 annual aggregate limit; \$250,000 Kidnap extortion coverage each loss, no aggregate limit.
- **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; \$2,500 deductible for investigation, \$50,000 deductible for employee dishonesty, forgery, and fraud.
- **Business Travel Accident:** Coverage for local Board of Trustees members, \$2,500,000 aggregate, \$250,000 for scheduled losses, assistance services, medical evacuation, and repatriation, carjacking, home alteration, psychological therapy, and identity protection services.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(6) Long-Term Obligations

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

	July 1, 2022	Additions	Reductions	June 30, 2023	Due Within One Year
Notes Payable:					
General obligation debt	\$ 74,475,000	\$ 39,000,000	\$ (39,025,000)	\$ 74,450,000	\$ 29,225,000
Premium on debt issuance	2,196,052	1,474,707	(1,419,355)	2,251,404	-
Total Notes Payable	<u>76,671,052</u>	<u>40,474,707</u>	<u>(40,444,355)</u>	<u>76,701,404</u>	<u>29,225,000</u>
Compensated absences	6,962,443	4,729,162	(4,444,153)	7,247,452	942,169
Subscription based agreements	2,953,140	5,560,112	(1,609,739)	6,903,513	1,920,344
Net pension liability	-	35,375,932	-	35,375,932	-
Net OPEB liability	53,943,770	7,196,852	(15,380,132)	45,760,490	-
Totals	<u>\$ 140,530,405</u>	<u>\$ 93,336,765</u>	<u>\$ (61,878,379)</u>	<u>\$ 171,988,791</u>	<u>\$ 32,087,513</u>

	July 1, 2021	Additions	Reductions	June 30, 2022	Due Within One Year
Notes Payable:					
General obligation debt	\$ 77,360,000	\$ 39,000,000	\$ (41,885,000)	\$ 74,475,000	\$ 29,320,000
Premium on debt issuance	2,235,737	1,369,997	(1,409,682)	2,196,052	-
Total Notes Payable	<u>79,595,737</u>	<u>40,369,997</u>	<u>(43,294,682)</u>	<u>76,671,052</u>	<u>29,320,000</u>
Compensated absences	6,517,805	6,467,667	(6,023,029)	6,962,443	905,117
Subscription based agreements	2,889,158	2,006,983	(1,943,001)	2,953,140	1,609,739
Net OPEB liability	87,250,415	9,505,125	(42,811,770)	53,943,770	-
Totals	<u>\$ 176,253,115</u>	<u>\$ 58,349,772</u>	<u>\$ (94,072,482)</u>	<u>\$ 140,530,405</u>	<u>\$ 31,834,856</u>

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(6) Long-Term Obligations (continued)

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

		<u>2023</u>	<u>2022</u>
		<u>(in thousands)</u>	
2018-19A	General obligation promissory notes, 3.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2023 (issued for \$1,500,000 on July 10, 2018, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	\$ -	\$ 150
2018-19B	General obligation promissory notes, 3.0% to 4.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2023 (issued for \$1,500,000 on August 6, 2018, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	-	150
2018-19C	General obligation promissory notes, 4.0%, payable in annual installments of \$3,305,000 to \$3,440,000, plus interest, to June 1, 2023 (issued for \$22,500,000 on September 12, 2018, through R.W. Baird & Co., to finance movable equipment, building remodeling and improvement projects.)	-	3,440
2018-19D	General obligation promissory notes, 3.25% to 3.50%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2023 (issued for \$1,500,000 on October 15, 2018, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	-	150
2018-19E	General obligation promissory notes, 4.0% to 5.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2023 (issued for \$1,500,000 on November 15, 2018, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	-	150
2018-19F	General obligation promissory notes, 4.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2023 (issued for \$1,500,000 on December 13, 2018, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	-	150
2018-19G	General obligation promissory notes, 3.0% to 4.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2023 (issued for \$1,500,000 on January 10, 2019, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	-	150
2018-19H	General obligation promissory notes, 3.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2023 (issued for \$1,500,000 on February 14, 2019, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	-	150

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(6) Long-Term Obligations (continued)

		<u>2023</u>	<u>2022</u>
		<u>(in thousands)</u>	
2018-19I	General obligation promissory notes, 3.0% to 4.0%. payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2023 (issued for \$1,500,000 on March 14, 2019, through R.W. Baird & Co., to finance building remodeling and improvement projects).	\$ -	\$ 150
2018-19J	General obligation promissory notes, 3.0% to 4.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2023 (issued for \$1,500,000 on April 17, 2019, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	-	150
2018-19K	General obligation promissory notes, 3.0% to 4.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2023 (issued for \$1,500,000 on May 15, 2019, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	-	150
2018-19L	General obligation promissory notes, 3.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2023 (issued for \$1,500,000 on June 13, 2019, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	-	150
2019-20A	General obligation promissory notes, 3.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2024 (issued for \$1,500,000 on July 15, 2019, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	150	650
2019-20B	General obligation promissory notes, 2.0% to 3.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2024 (issued for \$1,500,000 on August 15, 2019, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	150	650

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(6) Long-Term Obligations (continued)

		<u>2023</u>	<u>2022</u>
		<u>(in thousands)</u>	
2019-20C	General obligation promissory notes, 2.0% to 4.0%, payable in annual installments of \$3,055,000 to \$3,365,000, plus interest, to June 1, 2024 (issued for \$22,500,000 on September 12, 2019, through R.W. Baird & Co., to finance movable equipment, building remodeling and improvement projects.)	\$ 3,365	\$ 6,600
2019-20D	General obligation promissory notes, 2.0% to 3.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2024 (issued for \$1,500,000 on October 15, 2019, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	150	650
2019-20E	General obligation promissory notes, 3.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2024 (issued for \$1,500,000 on November 13, 2019, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	150	650
2019-20F	General obligation promissory notes, 2.75% to 3.25%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2024 (issued for \$1,500,000 on December 11, 2019, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	150	650
2019-20G	General obligation promissory notes, 2.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2024 (issued for \$1,500,000 on January 15, 2020, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	150	650
2019-20H	General obligation promissory notes, 2.0% to 3.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2024 (issued for \$1,500,000 on February 12, 2020, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	150	650

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(6) Long-Term Obligations (continued)

		<u>2023</u>	<u>2022</u>
		<u>(in thousands)</u>	
2019-20I	General obligation promissory notes, 2.0% to 3.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2024 (issued for \$1,500,000 on March 12, 2020, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	\$ 150	\$ 650
2019-20J	General obligation promissory notes, 4.0% to 5.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2024 (issued for \$1,500,000 on April 16, 2020, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	150	650
2019-20K	General obligation promissory notes, 3.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2024 (issued for \$1,500,000 on May 14, 2019, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	150	650
2019-20L	General obligation promissory notes, 2.0% to 3.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2024 (issued for \$1,500,000 on June 11, 2020, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	150	650
2020-21A	General obligation promissory notes, 1.0% to 2.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2025 (issued for \$1,500,000 on July 15, 2020, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	650	1,150
2020-21B	General obligation promissory notes, 1.5% to 2.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2025 (issued for \$1,500,000 on August 12, 2020, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	650	1,150
2020-21C	General obligation promissory notes, 2.0% to 3.0%, payable in annual installments of \$2,990,000 to \$3,370,000 plus interest, to June 1, 2025 (issued for \$22,500,000 on September 15, 2020, through R.W. Baird & Co., to finance movable equipment, building remodeling and improvement projects.)	6,610	9,720
2020-21D	General obligation promissory notes, 1.0% to 2.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2025 (issued for \$1,500,000 on October 15, 2020, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	650	1,150

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(6) Long-Term Obligations (continued)

		<u>2023</u>	<u>2022</u>
		<u>(in thousands)</u>	
2020-21E	General obligation promissory notes, 1.25% to 3.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2025 (issued for \$1,500,000 on November 12, 2020, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	\$ 650	\$ 1,150
2020-21F	General obligation promissory notes, 1.0% to 2.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2025 (issued for \$1,500,000 on December 15, 2020, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	650	1,150
2020-21G	General obligation promissory notes, 1.0% to 2.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2025 (issued for \$1,500,000 on January 6, 2021, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	650	1,150
2020-21H	General obligation promissory notes, 1.0% to 2.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2025 (issued for \$1,500,000 on February 10, 2021, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	650	1,150
2020-21H	General obligation promissory notes, 1.0% to 1.35%, payable in annual installments of \$560,000 to \$685,000, plus interest, to June 1, 2032 (issued for \$6,345,000 on February 10, 2021 through R.W. Baird & Co. to refinance Other Post-Employment Benefits (OPEB) obligations.)	5,675	6,235
2020-21I	General obligation promissory notes, 2.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2025 (issued for \$1,500,000 on March 10, 2021, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	650	1,150
2020-21J	General obligation promissory notes, 2.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2025 (issued for \$1,500,000 on April 15, 2021, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	650	1,150
2020-21K	General obligation promissory notes, 1.5% to 2.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2025 (issued for \$1,500,000 on May 12, 2021, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	650	1,150

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(6) Long-Term Obligations (continued)

		<u>2023</u>	<u>2022</u>
		<u>(in thousands)</u>	
2020-21L	General obligation promissory notes, 2.0% to 2.25%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2025 (issued for \$1,500,000 on June 10, 2021, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	\$ 650	\$ 1,150
2021-22A	General obligation promissory notes, 1.5% TO 3.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2026 (issued for \$1,500,000 on July 15, 2021, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	1,150	1,500
2021-22B	General obligation promissory notes, 1.25% TO 2.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2026 (issued for \$1,500,000 on August 5, 2021, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	1,150	1,500
2021-22C	General obligation promissory notes, 2.0%, payable in annual installments of \$2,790,000 to \$7,485,000, plus interest, to June 1, 2026 (issued for \$22,500,000 on September 15, 2021, through R.W. Baird & Co., to finance movable equipment, building remodeling and improvement projects.)	8,055	10,530
2021-22D	General obligation promissory notes, .50% to 3.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2026 (issued for \$1,500,000 on October 14, 2021, 2020, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	1,150	1,500
2021-22E	General obligation promissory notes, 1.25% to 3.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2026 (issued for \$1,500,000 on November 15, 2021, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	1,150	1,500
2021-22F	General obligation promissory notes, .35% to 4.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2026 (issued for \$1,500,000 on December 15, 2021, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	1,150	1,500

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(6) Long-Term Obligations (continued)

		<u>2023</u>	<u>2022</u>
		<u>(in thousands)</u>	
2021-22G	General obligation promissory notes, 2.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2026 (issued for \$1,500,000 on January 6, 2022, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	\$ 1,150	\$ 1,500
2021-22H	General obligation promissory notes, 2.0% to 3.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2026 (issued for \$1,500,000 on February 10, 2022 through R.W. Baird & Co., to finance building remodeling and improvement projects.)	1,150	1,500
2021-22I	General obligation promissory notes, 3.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2026 (issued for \$1,500,000 on March 15, 2022 through R.W. Baird & Co., to finance building remodeling and improvement projects.)	1,150	1,500
2021-22J	General obligation promissory notes, 3.0% to 5.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2026 (issued for \$1,500,000 on April 14, 2022, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	1,150	1,500
2021-22K	General obligation promissory notes, 4.0% to 5.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2026 (issued for \$1,500,000 on May 12, 2022, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	1,150	1,500
2021-22L	General obligation promissory notes, 4.0% to 5.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2026 (issued for \$1,500,000 on June 15, 2022, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	1,150	1,500
2022-23A	General obligation promissory notes, 2.0% to 4.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2027 (issued for \$1,500,000 on July 13, 2022, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	1,500	-
2022-23B	General obligation promissory notes, 4.0% to 5.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2027 (issued for \$1,500,000 on August 11, 2022, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	1,500	-

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(6) Long-Term Obligations (continued)

		<u>2023</u>	<u>2022</u>
		<u>(in thousands)</u>	
2022-23C	General obligation promissory notes, 3.0% to 4.0% , payable in annual installments of \$6,885,000 to \$3,440,000, plus interest, to June 1, 2027 (issued for \$22,500,000 on September 14, 2022, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	\$ 12,795	\$ -
2022-23D	General obligation promissory notes, 5.5% to 6.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2027 (issued for \$1,500,000 on October 12, 2022 through R.W. Baird & Co., to finance building remodeling and improvement projects.)	1,500	-
2022-23E	General obligation promissory notes, 3.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2027 (issued for \$1,500,000 on November 10, 2022 through R.W. Baird & Co., to finance building remodeling and improvement projects.)	1,500	-
2022-23F	General obligation promissory notes, 3.0% to 5.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2027 (issued for \$1,500,000 on December 7, 2022, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	1,500	-
2022-23G	General obligation promissory notes, 4.0% to 5.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2027 (issued for \$1,500,000 on January 4, 2023, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	1,500	-
2022-23H	General obligation promissory notes, 0.05% to 5.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2027 (issued for \$1,500,000 on February 9, 2023, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	1,500	-
2022-23I	General obligation promissory notes, 4.0% to 5.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2027 (issued for \$1,500,000 on March 15, 2023, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	1,500	-
2022-23J	General obligation promissory notes, 4.0% to 5.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2027 (issued for \$1,500,000 on April 12, 2023, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	1,500	-

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT
Notes to Financial Statements
As of and for the Year Ended June 30, 2023 and 2022

(6) Long-Term Obligations (continued)

		<u>2023</u>	<u>2022</u>
		<u>(in thousands)</u>	
2022-23K	General obligation promissory notes, 4.0% to 5.0% , payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2027 (issued for \$1,500,000 May 10, 2023, through R.W. Baird & Co., to finance building remodeling and improvement projects.)	\$ 1,500	\$ -
2022-23L	General obligation promissory notes, 5.0%, payable in annual installments of \$150,000 to \$500,000, plus interest, to June 1, 2027 (issued for \$1,500,000 on June 15, 2023 through R.W. Baird & Co., to finance building remodeling and improvement projects.)	1,500	-
		\$74,450	\$74,475

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

Year Ending	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 30:			
2024	\$ 29,225,000	\$ 2,248,074	\$ 31,473,074
2025	22,410,000	1,479,938	23,889,938
2026	13,820,000	758,263	14,578,263
2027	5,705,000	254,038	5,959,038
2028	635,000	38,288	673,288
2029-32	2,655,000	84,088	2,739,088
	\$ 74,450,000	\$ 4,862,689	\$ 79,312,689

Chapter 67.03 (1) of Wisconsin State Statutes limits total general obligation debt to 5% of the equalized value of the taxable property in the District. As of June 30, 2023 and 2022, this 5% limitation was approximately \$5.4 billion and \$4.8 billion, respectively, and the District's outstanding general obligation debt, net of resources available to pay principal was \$54,337,969 and \$57,469,452 respectively. Chapter 67.03 (9) of the Wisconsin State Statutes limits bonded indebtedness of the District to 2% of the equalized value of the taxable property located in the District. As of June 30, 2023 and 2022, this 2% limitation was approximately \$2.2 billion and \$1.9 billion, respectively, and the District's outstanding bonded indebtedness, net of resources available to pay principal and interest, was \$0.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(7) Retirement Systems

(a) Wisconsin Retirement System (WRS) – current year

Plan description - The WRS is a cost-sharing multiple-employer defined benefit pension plan. Chapter 40 of the Wisconsin Statutes establishes WRS benefits and other plan provisions. 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 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <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.

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.

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

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

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

The WRS also provides death and disability benefits for employees.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(7) Retirement Systems (continued)

(a) Wisconsin Retirement System (WRS) – current year (continued)

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:

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

Contributions - Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. 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 reporting period, the WRS recognized \$7,437,749 in contributions from the employer.

Contribution rates for the year ended June 30, 2023 are:

	Employee	Employer
July 1, 2022 – December 31, 2022	6.50%	6.50%
January 1, 2023 - June 30, 2023	6.80%	6.80 %

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(7) Retirement Systems (continued)

(a) Wisconsin Retirement System (WRS) – current year (continued)

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

At June 30, 2023, the District reported a liability of \$35,375,932 for its proportionate share of the net pension liability (asset). The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District’s proportion of the net pension liability was based on the District’s share of contributions to the pension plan relative to the contributions of all participating employers.

At December 31, 2022, the District’s proportion was 0.66775972%, which was a decrease of 0.02457400% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized pension revenue of \$52,877,187.

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

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 56,342,899	\$ 74,021,917
Changes in assumptions	6,956,372	-
Net differences between projected and actual earnings on pension plan investments	60,095,538	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	463,154	102,786
Employer contributions subsequent to the measurement date	4,155,753	-
Total	\$ 128,013,716	\$ 74,124,703

\$4,155,753 reported as deferred outflows of resources related to pension resulting from the WRS Employer’s contributions subsequent to the measurement date will be recognized as an addition to the net pension liability (asset) in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended June 30:

2024	\$ 2,113,619
2025	10,328,475
2026	10,612,122
2027	26,679,044

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(7) Retirement Systems (continued)

(a) Wisconsin Retirement System (WRS) – current year (continued)

Actuarial assumptions - 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 Liability (Asset):	December 31, 2022
Experience Study:	January 1, 2018 - December 31, 2020 Published November 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 Mortality 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 percent 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 in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total pension liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(7) Retirement Systems (continued)

(a) Wisconsin Retirement System (WRS) – current year (continued)

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

Asset Allocation Targets and Expected Returns* As of December 31, 2022			
Core Fund Asset Class	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %**
Public Equity	48	7.6	5
Public Fixed Income	25	5.3	2.7
Inflation Sensitive	19	3.6	1.1
Real Estate	8	5.2	2.6
Private Equity/Debt	15	9.6	6.9
Total Core Fund***	115	7.4	4.8
Variable Fund Asset Class			
U.S. Equities	70	7.2	4.6
International Equities	30	8.1	5.5
Total Variable Fund	100	7.7	5.1

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

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

***The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used subject to an allowable range of up to 20%.

Single Discount rate - A single discount rate of 6.8% was used to measure the total pension liability (asset) for the current and prior year. This discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.05%. 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 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 expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(7) Retirement Systems (continued)

(a) Wisconsin Retirement System (WRS) – current year (continued)

Sensitivity of the District’s proportionate share of the net pension liability (asset) in the discount rate -The following presents the District’s proportionate share of the net pension liability (asset) calculated using the discount rate of 6.8%, 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 (5.8%) or 1-percentage-point higher (7.8%) than the current rate:

	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase to Discount Rate (7.8%)
MATC's proportionate share of net pension liability (asset)	\$ 117,411,564	\$ 35,375,932	\$ (21,057,548)

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

(b) Wisconsin Retirement System (WRS) – prior year

Plan description - The WRS is a cost-sharing multiple-employer defined benefit pension plan. Chapter 40 of the Wisconsin Statutes establishes WRS benefits and other plan provisions. 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 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee’s date of hire are eligible to participate in the WRS.

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.

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

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

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(7) Retirement Systems (continued)

(b) Wisconsin Retirement System (WRS) – prior year (continued)

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

The WRS also provides death and disability benefits for employees.

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:

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0

Contributions - Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. 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 reporting period, the WRS recognized \$7,948,761 in contributions from the employer.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(7) Retirement Systems (continued)

(b) Wisconsin Retirement System (WRS) – prior year (continued)

Contribution rates for the year ended June 30, 2022 are:

	Employee	Employer
July 1, 2021 – December 31, 2021	6.75%	6.75%
January 1, 2022 - June 30, 2022	6.75%	6.75%

Pension Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the District reported an asset of \$55,803,371 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. 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 asset was based on the District’s share of contributions to the pension plan relative to the contributions of all participating employers.

At December 31, 2021, the District’s proportion was 0.69233372%, which was a decrease of 0.01457456% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the District recognized pension expense of (\$4,780,476).

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 90,147,526	\$ 6,500,610
Changes in assumptions	10,411,000	-
Net differences between projected and actual earnings on pension plan investments	-	124,836,783
Changes in proportion and differences between employer contributions and proportionate share of contributions	132,108	185,182
Employer contributions subsequent to the measurement date	3,978,581	-
Total	<u>\$ 104,669,215</u>	<u>\$ 131,522,575</u>

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(7) Retirement Systems (continued)

(b) Wisconsin Retirement System (WRS) – prior year (continued)

\$3,978,581 reported as deferred outflows related to pension resulting from the WRS Employer’s contributions subsequent to the measurement date will be recognized as an addition to the net pension liability (asset) in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$ (2,642,275)
2024	(15,171,484)
2025	(6,655,765)
2026	(6,362,417)

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

Actuarial Valuation Date:	December 31, 2020
Measurement Date of Net Pension Liability (Asset):	December 31, 2021
Experience Study:	January 1, 2018 - December 31, 2020 Published November 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 Mortality 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 in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total pension liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 actuarial valuation.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(7) Retirement Systems (continued)

(b) Wisconsin Retirement System (WRS) – prior year (continued)

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

Asset Allocation Targets and Expected Returns¹			
As of December 31, 2021			
<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 %²</u>
Global Equities	52	6.8	4.2
Fixed Income	25	4.3	1.8
Inflation Sensitive	19	2.7	0.2
Real Estate	7	5.6	3
Private Equity/Debt	12	9.7	7
Total Core Fund³	115	6.6	4
<u>Variable Fund Asset</u>			
U.S. Equities	70	6.3	3.7
International Equities	30	7.2	4.6
Total Variable Fund	100	6.8	4.2

¹Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations

²New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

³The 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%.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(7) Retirement Systems (continued)

(b) Wisconsin Retirement System (WRS) – prior year (continued)

Single Discount rate - A single discount rate of 6.8% was used to measure the total pension liability (asset) for the current as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 1.84%. 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 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 expected 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) in the discount rate -The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.8%, 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 (5.8%) or 1-percentage-point higher (7.8%) than the current rate:

	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase to Discount Rate (7.8%)
MATC's proportionate share of net pension liability (asset)	\$ 39,596,448	\$ (55,803,371)	\$ (124,473,491)

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

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(8) Other Postretirement Benefits – Current Year

Information in this note includes the disclosures for Milwaukee Area Technical College OPEB Trust required by GASB Statement No. 74 and No. 75.

(a) Plan Description

Plan administration - The District administers the Milwaukee Area Technical College OPEB Trust, a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible teachers and administrators.

Management of the OPEB Trust is vested in the Investment and OPEB Oversight Committee, which is comprised of the Vice President of Finance, District Board Treasurer and General Counsel.

Benefits provided - The plan provides medical and life insurance benefits to eligible retirees and their spouses through the District’s group medical and life insurance plans, which cover both active and retired members. The eligibility requirements and the amount of the benefit vary based on retiree’s position, years of service, and age at retirement. If eligible, the retiree may receive half of the medical insurance benefits paid once they reach the age of 65. The plan is administered by the District. The MATC Post-Employment Benefits Trust is accounted for and prescribed as a fiduciary fund and does not issue a stand-alone financial report. Plan eligibility is as follows:

Eligibility (Medical):

Group	Subsidy Provided*	Age Requirement	Service Requirement
Faculty, Paraprofessionals (former 212) hired prior to 2/16/2014	Yes	55	15
Faculty, Paraprofessionals (former 212) hired between 2/16/2014 - 6/30/2015	Yes	60	20
Faculty, Paraprofessionals (former 212) hired on/after 7/1/2015	No	N/A	N/A
Staff (former 587) hired prior to 7/24/2007	Yes	55	20
Staff (former 587) hired between 7/24/2007 - 3/6/2013	Yes	60	20
Staff (former 587) hired on/after 3/7/2013	No	N/A	N/A
Administrator (former NR) hired prior to 1/1/2008	Yes	55	20
Administrator (former NR) hired between 1/1/2008 - 7/26/2013	Yes	60	20
Administrator (former NR) hired on/after 7/27/2013	No	N/A	N/A
MPTV (former 715) hired prior to 1/1/2008	Yes	55	20
MPTV (former 715) hired between 1/1/2008 - 3/21/2013	Yes	60	20
MPTV (former 715) hired on/after 3/22/2013	No	N/A	N/A

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(8) Other Postretirement Benefits – Current Year (continued)

(a) Plan Description (continued)

Eligibility (Life):

Group	Life Insurance
Faculty, Paraprofessionals (former 212) hired prior to 7/1/2015	Yes
Faculty, Paraprofessionals (former 212) hired on/after 7/1/2015	No
Staff (former 587) hired prior to 3/7/2013	Yes
Staff (former 587) hired on/after 3/7/2013	No
Administrator (former NR) hired prior to 7/27/2013	Yes
Administrator (former NR) hired on/after 7/27/2013	No
MPTV (former 715) hired prior to 3/22/2013	Yes
MPTV (former 715) hired on/after 3/22/2013	No

Basis of accounting

The plan’s financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Contributions

The MATC District Board grants the authority to establish and amend the contribution requirements of the District. The Board establishes rates based on an actuarially determined rate. For the year ended June 30, 2023 and 2022, the District’s average contribution rate was 6.67% and 7.69% of covered-employee payroll, respectively. Plan members are required to contribute to the plan.

Investment policy

The Trust’s policy concerning the allocation of invested assets is established and may be amended by the MATC Board. It is the policy of the MATC Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. Securities held in the Trust need not represent a cross section of the economy. However, in order to achieve a prudent level of portfolio diversification the Securities of any company or government agency cannot exceed 10% (at Cost) of a manager’s total product, and no more than 40% of the total product may be invested in any one industry sector. Individual Securities may represent 50% of the total Product, while the total allocation to Treasury bond and notes may vary up to 100% of the Fund’s Aggregate bond position.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(8) Other Postretirement Benefits – Current Year (continued)

(a) Plan Description (continued)

Concentrations

The investment portfolio included the following concentrations over 5%:

Issuer	Investment Type	Percentage of Portfolio	
		2023	2022
Vanguard Total Stock Mkt Index Fund	Mutual Fund Equity	43.15%	28.6%
First American Govt Obligation – Z	Money Mkt Mutual Fund	-	6.8%
Vanguard FTSE Developed Markets ETF	ETF Equity	5.75%	-
Vanguard Total Intl Stock	ETF Equity	11.53%	-

For the year ended June 30, 2023 and 2022, the annual money-weighted rate of return on investments, net of investment expense, was 10.67% and 12.70%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

(b) Net and Total OPEB liability of the Milwaukee Area Technical College District

Actuarial assumptions - The net OPEB liability and total OPEB liability were determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Measurement dates	
For June 30, 2023 liabilities	June 30, 2023
For June 30, 2022 liabilities	June 30, 2022
Actuarial valuation date	June 30, 2022
Inflation	2.0 percent
Salary increases	2.0 percent
Investment rate of return	6.72 percent
Healthcare cost trend rates	7.0 percent initially (6% for post-Medicare), decreasing .25% per year until reaching the ultimate rate of 4.0 percent

As of June 30, 2023, the mortality projection scale used was the PUB-2010 base mortality table projected using Scale-2021.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(8) Other Postretirement Benefits – Current Year (continued)

(b) Net and Total OPEB liability of the Milwaukee Area Technical College District (continued)

Actuarial assumptions (continued)

The actuarial assumptions used in the June 30, 2023 valuations were based on the results of an actuarial experience study for the period July 1, 2021 to June 30, 2022.

Discount rate

The discount rate used to measure the total OPEB liability was 6.72%. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates.

Single Rate option

Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability

Components of the Net and Total OPEB Liability

The components of the net and total OPEB liability of the District at June 30, 2023 and 2022 were as follows:

	2023	2022
Total OPEB Liability	\$ 96,754,459	\$ 97,952,176
Plan Fiduciary Net Position	(50,993,969)	(44,008,406)
Net OPEB Liability	<u>45,760,490</u>	<u>53,943,770</u>
Plan Fiduciary Net Position as a percent of Total OPEB Liability	52.70%	44.93%

Components of and Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB	Plan Fiduciary	Net OPEB
	Liability (a)	Net Position	Liability (a)-(b)
	<u>(b)</u>	<u>(b)</u>	<u>(a)-(b)</u>
Balances as of June 30, 2022	\$ 97,952,176	\$ 44,008,406	\$ 53,943,770
Changes for the year			
Service cost	898,614	-	898,614
Interest	6,298,238	-	6,298,238
Differences between expected and actual experience	(2,810,597)	-	(2,810,597)
Contributions - employer subsidy	-	6,543,128	(6,543,128)
Expected investment income	-	5,147,167	(5,147,167)
Changes in assumptions	(972,071)	-	(972,071)
Benefit payments	(4,611,901)	(4,611,901)	-
Administrative expense	-	(92,831)	92,831
Net changes	<u>(1,197,717)</u>	<u>6,985,563</u>	<u>(8,183,280)</u>
Balance at June 30, 2023	<u>\$ 96,754,459</u>	<u>\$ 50,993,969</u>	<u>\$ 45,760,490</u>

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(8) Other Postretirement Benefits – Current Year (continued)

(b) Net and Total OPEB liability of the Milwaukee Area Technical College District (continued)

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.72%) or 1-percentage-point higher (7.72%) than the current discount rate:

	1% Decrease (5.72%)	Discount Rate (6.72%)	1% Increase (7.72%)
Net OPEB Liability as of June 30, 2023	\$ 56,548,000	\$ 45,760,490	\$ 37,385,000

	1% Decrease (5.62%)	Discount Rate (6.62%)	1% Increase (7.62%)
Net OPEB Liability as of June 30, 2022	\$ 45,612,000	\$ 53,943,770	\$ 63,821,000

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.0% decreasing to 3.0%) or 1-percentage-point higher (8.0% decreasing to 5%) than the current healthcare cost trend rates:

	1% Decrease (6.0% Decreasing to 3.0%)	Healthcare Cost Trent Rates (7.0% Decreasing to 4.0%)	1% Increase (8.0% Decreasing to 5.0%)
Net OPEB Liability as of June 30, 2023	\$ 37,890,000	\$ 45,760,490	\$ 55,876,000

	1% Decrease (6.0% Decreasing to 3.0%)	Healthcare Cost Trent Rates (7.0% Decreasing to 4.0%)	1% Increase (8.0% Decreasing to 5.0%)
Net OPEB Liability as of June 30, 2022	\$ 45,101,000	\$ 53,943,770	\$ 64,501,000

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

8) Other Postretirement Benefits – Current Year (continued)

(c) OPEB expense and deferred outflows of resources and deferred inflows resources related to OPEB

For the year ended June 30, 2023, the District recognized OPEB expenses of (\$6,506,395). At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 17,304,114
Changes in assumptions	956,221	12,018,212
Net difference between projected and actual earnings on OPEB plan investments	550,223	-
Total	\$ 1,506,444	\$ 29,322,326

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:		
	2024	\$ (10,523,578)
	2025	(9,969,271)
	2026	(6,294,950)
	2027	(1,028,083)
Total		\$ (27,815,882)

(d) Payable to the Plan

The District did have a payable for the outstanding amount of contributions to the District OPEB Trust required for the year ended June 30, 2023 in the amount of \$2,500,000.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(9) Other Postretirement Benefits – Prior Year

Information in this note includes the disclosures for Milwaukee Area Technical College OPEB Trust required by GASB Statement No. 74 and No. 75.

(a) Plan Description

Plan administration - The District administers the Milwaukee Area Technical College OPEB Trust, a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible teachers and administrators.

Management of the OPEB Trust is vested in the Investment and OPEB Oversight Committee, which is comprised of the Vice President of Finance, District Board Treasurer and General Counsel.

Benefits provided - The plan provides medical and life insurance benefits to eligible retirees and their spouses through the District’s group medical and life insurance plans, which cover both active and retired members. The eligibility requirements and the amount of the benefit vary based on retiree’s position, years of service, and age at retirement. If eligible, the retiree may receive half of the medical insurance benefits paid once they reach the age of 65. The plan is administered by the District. The MATC Post-Employment Benefits Trust is accounted for and prescribed as a fiduciary fund and does not issue a stand-alone financial report. Plan eligibility is as follows:

Eligibility (Medical):

Group	Subsidy Provided*	Age Requirement	Service Requirement
Faculty, Paraprofessionals (former 212) hired prior to 2/16/2014	Yes	55	15
Faculty, Paraprofessionals (former 212) hired between 2/16/2014 - 6/30/2015	Yes	60	20
Faculty, Paraprofessionals (former 212) hired on/after 7/1/2015	No	N/A	N/A
Staff (former 587) hired prior to 7/24/2007	Yes	55	20
Staff (former 587) hired between 7/24/2007 - 3/6/2013	Yes	60	20
Staff (former 587) hired on/after 3/7/2013	No	N/A	N/A
Administrator (former NR) hired prior to 1/1/2008	Yes	55	20
Administrator (former NR) hired between 1/1/2008 - 7/26/2013	Yes	60	20
Administrator (former NR) hired on/after 7/27/2013	No	N/A	N/A
MPTV (former 715) hired prior to 1/1/2008	Yes	55	20
MPTV (former 715) hired between 1/1/2008 - 3/21/2013	Yes	60	20
MPTV (former 715) hired on/after 3/22/2013	No	N/A	N/A

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(9) Other Postretirement Benefits – Prior Year (continued)

(a) Plan Description (continued)

Eligibility (Life):

Group	Life Insurance
Faculty, Paraprofessionals (former 212) hired prior to 7/1/2015	Yes
Faculty, Paraprofessionals (former 212) hired on/after 7/1/2015	No
Staff (former 587) hired prior to 3/7/2013	Yes
Staff (former 587) hired on/after 3/7/2013	No
Administrator (former NR) hired prior to 7/27/2013	Yes
Administrator (former NR) hired on/after 7/27/2013	No
MPTV (former 715) hired prior to 3/22/2013	Yes
MPTV (former 715) hired on/after 3/22/2013	No

Basis of accounting

The plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Contributions

The MATC District Board grants the authority to establish and amend the contribution requirements of the District. The Board establishes rates based on an actuarially determined rate. For the year ended June 30, 2022 and 2021, the District's average contribution rate was 7.69% and 9.32% of covered-employee payroll, respectively. Plan members are required to contribute to the plan.

Investment policy

The Trust's policy concerning the allocation of invested assets is established and may be amended by the MATC Board. It is the policy of the MATC Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. Securities held in the Trust need not represent a cross section of the economy. However, in order to achieve a prudent level of portfolio diversification the Securities of any company or government agency cannot exceed 10% (at Cost) of a manager's total product, and no more than 40% of the total product may be invested in any one industry sector. Individual Securities may represent 50% of the total Product, while the total allocation to Treasury bond and notes may vary up to 100% of the Fund's Aggregate bond position.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(9) Other Postretirement Benefits – Prior Year (continued)

(a) Plan Description (continued)

Concentrations - The investment portfolio included the following concentrations over 5%:

Issuer	Investment Type	Percentage of Portfolio	
		2022	2021
Vanguard Total Stock Mkt Index Fund	Mutual Fund Equity	28.6%	39.1%
First American Govt Obligation - Z	Money Mkt Mutual Fund	6.8%	-
Vanguard Total Int'l Stock Mkt Index Fund	Mutual Fund Equity	-	7.5%
Harding Loevner Int'l Equity Portfolio	Mutual Fund Equity	-	5.8%
JOHCM Int'l Select Fund 1	Mutual Fund Equity	-	5.7%
Prudential Total Return Bond-Q	Mutual Fund Fixed Income	-	5.6%

For the year ended June 30, 2022 and 2021, the annual money-weighted rate of return on investments, net of investment expense, was (12.70)% and 29.88%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

(b) Net and Total OPEB liability of the Milwaukee Area Technical College District

Actuarial assumptions - The net OPEB liability and total OPEB liability were determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Measurement dates	
For June 30, 2022 liabilities	June 30, 2022
For June 30, 2021 liabilities	June 30, 2021
Actuarial valuation date	June 30, 2022
Inflation	2.0 percent
Salary increases	2.0 percent
Investment rate of return	6.62 percent
Healthcare cost trend rates	7.0 percent initially (6% for post-Medicare), decreasing .25% per year until reaching the ultimate rate of 4.0 percent

As of June 30, 2022, the mortality projection scale was updated from the RP-2014 base mortality table projected using Scale MP-2019 to the PUB-2010 base mortality table projected using Scale-2021.

The actuarial assumptions used in the June 30, 2022 valuations were based on the results of an actuarial experience study for the period July 1, 2021 to June 30, 2022.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(9) Other Postretirement Benefits – Prior Year (continued)

(b) Net and Total OPEB liability of the Milwaukee Area Technical College District (continued)

Discount rate

The discount rate used to measure the total OPEB liability was 6.62%. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates.

Single Rate option

Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Components of the Net and Total OPEB Liability

The components of the net and total OPEB liability of the District at June 30, 2022 and 2021 were as follows:

	2022	2021
Total OPEB Liability	\$ 97,952,176	\$ 136,127,024
Plan Fiduciary Net Position	<u>(44,008,406)</u>	<u>(48,876,609)</u>
Net OPEB Liability	<u>\$ 53,943,770</u>	<u>\$ 87,250,415</u>
Plan Fiduciary Net Position as a percent of Total OPEB Liability	44.93%	35.91%

Components of and Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances as of June 30, 2021	<u>\$ 136,127,024</u>	<u>\$ 48,876,613</u>	<u>\$ 87,250,411</u>
Changes for the year			
Service cost	1,468,483	-	1,468,483
Interest	8,036,642	-	8,036,642
Differences between expected and actual experience	(22,335,376)	-	(22,335,376)
Contributions - employer subsidy		7,401,177	(7,401,177)
Expected Investment Income	-	(6,104,487)	6,104,487
Changes in assumptions	(19,283,410)	-	(19,283,410)
Benefit payments	(6,061,187)	(6,061,187)	-
Administrative expense	-	(103,710)	103,710
Net changes	<u>(38,174,848)</u>	<u>(4,868,207)</u>	<u>(33,306,641)</u>
Balance at June 30, 2022	<u>\$ 97,952,176</u>	<u>\$ 44,008,406</u>	<u>\$ 53,943,770</u>

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(9) Other Postretirement Benefits – Prior Year (continued)

(b) Net and Total OPEB liability of the Milwaukee Area Technical College District (continued)

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.62%) or 1-percentage-point higher (7.62%) than the current discount rate:

	1% Decrease (5.62%)	Discount Rate (6.62%)	1% Increase (7.62%)
Net OPEB Liability as of June 30, 2022	\$ 45,612,000	\$ 53,943,770	\$ 63,821,000

	1% Decrease (5.00%)	Discount Rate (6.00%)	1% Increase (7.00%)
Net OPEB Liability as of June 30, 2021	\$ 105,887,283	\$ 87,250,415	\$ 72,082,250

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.0% decreasing to 3.0%) or 1-percentage-point higher (8.0% decreasing to 5%) than the current healthcare cost trend rates:

	1% Decrease (6.0% Decreasing to 3.00%)	Healthcare Cost Trend Rates (7.0% Decreasing to 4.0%)	1% Increase (8.0% Decreasing to 5.0%)
Net OPEB Liability as of June 30, 2022	\$ 45,101,000	\$ 53,943,770	\$ 64,501,000

	1% Decrease (6.5% Decreasing to 4.00%)	Healthcare Cost Trend Rates (7.50% Decreasing to 5.00%)	1% Increase (8.50 Decreasing to 6.00%)
Net OPEB Liability as of June 30, 2021	\$ 71,340,636	\$ 87,250,415	\$ 106,782,620

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(9) Other Postretirement Benefits – Prior Year (continued)

(c) OPEB expense and deferred outflows of resources and deferred inflows resources related to OPEB

For the year ended June 30, 2022, the District recognized OPEB expenses of (\$4,024,000). At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 21,561,908
Changes in assumptions	1,866,899	15,707,604
Net difference between projected and actual earnings on OPEB plan investments	2,360,812	-
Total	\$ 4,227,711	\$ 37,269,512

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	
2023	\$ (9,811,096)
2024	(9,337,881)
2025	(8,783,574)
2026	(5,109,250)
Total	\$ (33,041,801)

(d) Payable to the Plan

The District did have a payable for the outstanding amount of contributions to the District OPEB Trust required for the year ended June 30, 2022 in the amount of \$2,000,000.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(10) Capital Assets

Following are the changes in the District's capital assets for the year ended June 30, 2023 and 2022:

	Balance at July 1, 2022	Additions	Disposals and Adjustments	Balance at June 30, 2023
Capital assets, not being depreciated:				
Construction in Progress	\$ 6,259,711	\$ 7,467,074	\$ 3,952,615	\$ 9,774,170
Land	7,981,596	-	-	7,981,596
Total capital assets not being depreciated	14,241,307	7,467,074	3,952,615	17,755,766
Capital assets, being depreciated:				
Land improvements	39,031,173	1,190,533	25,876	40,195,830
Building and improvements	334,603,864	11,022,758	3,041,589	342,585,033
Equipment	279,729,479	16,829,046	2,984,057	293,574,468
Total capital assets being depreciated	653,364,516	29,042,337	6,051,522	676,355,331
Less accumulated depreciation:				
Land improvements	20,671,392	1,979,054	25,876	22,624,570
Building and improvements	176,567,793	12,577,188	3,041,589	186,103,392
Equipment	220,802,103	17,228,518	2,935,893	235,094,728
Total accumulated depreciation	418,041,288	31,784,760	6,003,358	443,822,690
Net capital assets being depreciated	235,323,228	(2,742,423)	48,164	232,532,641
Net capital assets	\$ 249,564,535	\$ 4,724,651	\$ 4,000,779	\$ 250,288,407
Subscription assets, net (note 11)	4,879,639			8,293,527
Total capital assets	254,444,174			258,581,934
Less: related general obligation debt net of unspent	(45,232,850)			(42,108,289)
Less: subscription liability	(2,953,140)			(6,903,513)
Net investment in capital assets	\$ 206,258,184			\$ 209,570,132

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(10) Capital Assets (continued)

	<u>Balance at July 1, 2021</u>	<u>Additions</u>	<u>Disposals and Adjustments</u>	<u>Balance at June 30, 2022</u>
Capital assets, not being depreciated:				
Construction in Progress	\$ 6,420,721	\$ 6,094,171	\$ 6,255,181	\$ 6,259,711
Land	7,981,596	-	-	7,981,596
	<u>14,402,317</u>	<u>6,094,171</u>	<u>6,255,181</u>	<u>14,241,307</u>
Total capital assets not being depreciated				
Capital assets, being depreciated:				
Land improvements	39,299,684	2,124,172	2,392,683	39,031,173
Building and improvements	321,005,788	17,654,981	4,056,905	334,603,864
Equipment***	277,717,337	18,729,449	16,717,307	279,729,479
	<u>638,022,809</u>	<u>38,508,602</u>	<u>23,166,895</u>	<u>653,364,516</u>
Total capital assets being depreciated				
Less accumulated depreciation:				
Land improvements	21,155,760	1,908,315	2,392,683	20,671,392
Building and improvements	168,493,581	12,016,534	3,942,322	176,567,793
Equipment***	218,297,858	19,009,148	16,504,903	220,802,103
	<u>407,947,199</u>	<u>32,933,997</u>	<u>22,839,908</u>	<u>418,041,288</u>
Total accumulated depreciation				
Net capital assets being depreciated	<u>230,075,610</u>	<u>5,574,605</u>	<u>326,987</u>	<u>235,323,228</u>
Net capital assets	\$ 244,477,927	\$ 11,668,776	\$ 6,582,168	\$ 249,564,535
Subscription assets, net (Note 11)***	<u>4,253,644</u>			<u>4,879,639</u>
Total capital assets	248,731,571			254,444,174
Less: related general obligation debt net of unspent	(44,604,662)			(45,232,850)
Less: subscription liability	<u>(2,889,158)</u>			<u>(2,953,140)</u>
Net investment in capital assets	<u>\$ 201,237,751</u>			<u>\$ 206,258,184</u>

*** July 1, 2021 balances have been restated due to the implementation of GASB 96.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(11) Subscription Assets and Liabilities

Following are the changes in the District's subscription assets and related liabilities for June 30, 2023 and 2022.

Subscription Assets:

	Balance at July 1, 2022	Additions	Deletions	Balance at June 30, 2023
Subscription assets being amortized				
Subscription based IT arrangements	\$ 13,283,961	\$ 7,300,087	\$ 8,434,364	\$ 12,149,684
Total subscription assets being amortized	<u>13,283,961</u>	<u>7,300,087</u>	<u>8,434,364</u>	<u>12,149,684</u>
Less accumulated amortization for subscription assets:				
Subscription based IT arrangements	8,404,322	3,886,199	8,434,364	3,856,157
Total accumulated amortization	<u>8,404,322</u>	<u>3,886,199</u>	<u>8,434,364</u>	<u>3,856,157</u>
Total subscription assets, net of accumulated amortization	<u>\$ 4,879,639</u>	<u>\$ 3,413,888</u>	<u>\$ -</u>	<u>\$ 8,293,527</u>
	Balance at July 1, 2021	Additions	Deletions	Balance at June 30, 2022
Subscription assets being amortized				
Subscription based IT arrangements	\$ 10,363,554	\$ 4,119,401	\$ 1,198,994	\$ 13,283,961
Total subscription assets being amortized	<u>10,363,554</u>	<u>4,119,401</u>	<u>1,198,994</u>	<u>13,283,961</u>
Less accumulated amortization for subscription assets:				
Subscription based IT arrangements	6,109,910	3,493,406	1,198,994	8,404,322
Total accumulated amortization	<u>6,109,910</u>	<u>3,493,406</u>	<u>1,198,994</u>	<u>8,404,322</u>
Total subscription assets, net of accumulated amortization	<u>\$ 4,253,644</u>	<u>\$ 625,995</u>	<u>\$ -</u>	<u>\$ 4,879,639</u>

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(11) Subscription Assets and Liabilities (continued)

Subscription Liabilities:

<u>Balance at July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at July 1, 2023</u>	<u>Due within one year</u>
\$ 2,953,140	\$ 5,560,112	\$ 1,609,739	\$ 6,903,513	\$ 1,920,344

<u>Years</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,920,344	\$ 232,485
2025	1,597,343	169,127
2026	1,509,156	107,467
2027	1,094,002	59,963
2028	782,668	17,776
	<u>6,903,513</u>	<u>586,818</u>

<u>Balance at July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at July 1, 2022</u>	<u>Due within one year</u>
\$ 2,889,158	\$ 2,006,983	\$ 1,943,001	\$ 2,953,140	\$ 1,609,739

<u>Years</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 1,609,739	\$ 28,403
2024	680,591	13,807
2025	327,156	6,739
2026	333,859	36
2027	1,795	-
	<u>2,953,140</u>	<u>48,985</u>

(12) Contingent Liabilities

There are several pending lawsuits in which the District is named as a defendant. Corporation counsel estimates the potential claims not covered by insurance resulting from such litigation would not materially affect the financial statements.

The District participates in a number of federal and state financial assistance programs, principal of which are the Pell Grant, Guaranteed Student Loan, and Vocational Education programs. The amount, if any, of expenses which may be disallowed by the granting agencies cannot be determined at this time, although such amounts, if any, are expected to be immaterial.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(12) Contingent Liabilities (continued)

In compliance with Wisconsin Department of Natural Resources (WDNR) landfill closure protocol, the District continues to conduct required monitoring events at the former municipal solid waste landfill owned by the District. A landfill closure plan was approved by the WDNR and remedial work began at the site in 1997, and was substantially completed during the 2000 fiscal year. In 2006, 2008 and 2009, reduction in the frequency and sampling parameter monitoring requirement requests were approved by the WDNR. Investigation and cleanup costs incurred through June 30, 2012, were approximately \$3,055,000. WDNR regulation currently requires semi-annual groundwater sampling and annual methane gas point monitoring. The City also requires the District to have a stormwater maintenance plan, which must be recertified every five years. In FY2022-23, the District budgeted \$40,000 to maintain and monitor the site. Future costs may be higher due to changes in regulations and rapidly changing technology. In the opinion of management, any changes in estimated environmental cleanup and monitoring costs will not have a material adverse effect on the financial statements.

On July 10, 2020 the Milwaukee Area Technical College District entered into a seven year student housing affiliation and guaranty agreement with JS 1962 Master Tenant, LLC. Under this agreement, JS 1962 Master Tenant, LLC or its affiliate will operate a student housing project located at 333 W. State Street and will reserve the project for the use and occupancy of MATC students and other authorized MATC users. In exchange, MATC has agreed to guaranty a minimum level of rent collected at the project. Beginning in Fall of 2021, the development of the project was complete and available to occupy by MATC students. Pursuant to the affiliation agreement, MATC's year two (FY23) annual base rent guaranty obligation will be \$1,563,922, which will be offset by lease agreements with students.

(13) Subsequent Events

On July 13, 2023, the District issued \$1,500,000 Series 2023-24A General Obligation Promissory Notes, the proceeds of which are to be used for financing building remodeling and improvement projects. Interest rates on the issue are 4.0% to 5.0%. Principal payments ranging from \$150,000 to \$500,000 are due beginning June 1, 2025 through June 1, 2028.

On August 3, 2023, the District issued \$1,500,000 Series 2023-24B General Obligation Promissory Notes, the proceeds of which are to be used for financing building remodeling and improvement projects. Interest rates on the issue are 3.5% to 5.0%. Principal payments ranging from \$150,000 to \$500,000 are due beginning June 1, 2025 through June 1, 2028.

On September 13, 2023, the District issued \$27,500,000 Series 2023-24C General Obligation Promissory Notes, the proceeds of which are to be used for moveable equipment and to finance building remodeling and improvement projects. Interest rates on the issues are 3.5% to 6.0%. Principal payments ranging from \$3,315,000 to \$9,130,000 are due beginning December 1, 2023 through June 1, 2028.

On October 12, 2023, the District issued \$1,500,000 Series 2023-24D General Obligation Promissory Notes, the proceeds of which are to be used for financing building remodeling and improvement projects. Interest rate on the issue is 5.0%. Principal payments ranging from \$150,000 to \$500,000 are due beginning June 1, 2025 through June 1, 2028.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(13) Subsequent Events (continued)

On November 15, 2023, the District issued \$1,500,000 Series 2023-24E General Obligation Promissory Notes, the proceeds of which are to be used for financing building remodeling and improvement projects. Interest rate on the issue is 5.0%. Principal payments ranging from \$150,000 to \$500,000 are due beginning June 1, 2025 through June 1, 2028.

(14) Discretely Presented Component Unit

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities - Milwaukee Area Technical College Foundation, Inc. (the Foundation) is a nonprofit organization organized and operated to secure community involvement with, including financial support of, Milwaukee Area Technical College (MATC). The specific purposes of the Foundation are to solicit, hold, manage, invest, and expend contributions, grants, and bequests (including endowment gifts) exclusively for the maintenance, support, and benefit of MATC. Milwaukee PBS (MPBS) is a program of the Foundation operated by MATC and consists of two traditional television stations, WMVS and WMVT, which are licensed to MATC; four additional digital television services; a state-of-the-art production facility; the website MPBS.org; the monthly magazine Fine Tuning; and serves as the hands-on training facility for MATC students enrolled in the Television and Video Production program. In addition, the Foundation acts as the depository of contributions for the benefit of MPBS. All contributions received related to MPBS are considered contributions with donor restrictions. As MATC incurs expenses relating to MPBS, MATC requests reimbursement from the Foundation at which time the contributions are released from restriction.

Net assets - Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net assets with donor restrictions - Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service.

Accounting estimates - The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Subsequent events - The financial statements include management's evaluation of the events and transactions occurring subsequent to June 30, 2023 through November 9, 2023, which is the date the financial statements were available to be issued.

Functional Allocation of Expenses - The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, wages and employee benefits which are allocated based on time and effort and information technology, occupancy and in-kind operating expenses which are allocated based on estimated usage.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(14) Discretely Presented Component Unit (continued)

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents - All cash and highly liquid investments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, are considered cash and cash equivalents. Cash and highly liquid investments restricted for long-term purposes and endowments that are perpetual in nature are excluded from this definition. The cash equivalents consist of money market accounts with a balance of \$544,967 and \$42,447 as of June 30, 2023 and 2022.

Restricted cash - The Foundation holds and manages contributions for the benefit of MPBS under agreements between the Foundation and MATC. Funds not invested are held in a separate cash account solely for the benefit of MPBS.

Promises to give - The Foundation records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. The Foundation determined the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. No allowance was considered necessary as of June 30, 2023 and 2022.

Investments - The Foundation records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return (loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses. See Note 3 for discussion of fair value measurement.

The Foundation utilizes various investment securities. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the Foundation's account balances and the amounts reported in the financial statements.

Revenue and revenue recognition - Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. The Foundation had no conditional contributions as of June 30, 2023 and 2022. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, 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.

Income taxes - The Foundation is organized as a Wisconsin nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code (IRC) Section 501(a), as an organization described in IRC Section 501(c)(3) qualifies for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi), and has been determined not to be a private foundation under IRC Sections 509(a)(1). The Foundation is required to file a Return of Organization Exempt from Income Tax (Form 990) annually with the IRS. Management has determined that the Foundation is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(14) Discretely Presented Component Unit (continued)

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Foundation analyzed the requirements for accounting for uncertain tax positions and determined that it was not required to record a liability related to uncertain tax positions as of June 30, 2023 or 2022. With few exceptions, the Foundation is no longer subject to federal income tax examinations by tax authorities for years before 2019 and state income tax examinations for years before 2018.

Financial instruments, credit risk, and other concentrations - Deposit concentration risk is managed by placing cash, money market accounts, and certificates of deposit with financial institutions that management believes to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Foundation has not experienced losses in any of these accounts. Credit risk associated with promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from board members, individuals, and foundations supportive of the mission. Investments are made by diversified investment managers whose performance is monitored by management and the investment committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the investment committee believes that the investment policies and guidelines are prudent for the long-term welfare of the Foundation.

During the year ended June 30, 2022, the Foundation received approximately 34% of total contributions from a different donor.

2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 700,338	\$ 1,079,066
Investments	<u>1,064,473</u>	<u>1,697,405</u>
	<u>\$ 1,764,811</u>	<u>\$ 2,776,471</u>

Endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Income from the board designated endowment is restricted for the benefit of MPBS.

3. FAIR VALUE MEASUREMENTS

GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical investments (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1 - Valuation is based upon quoted prices in active markets for identical investments.
- Level 2 - Valuation is based upon other significant observable inputs (including quoted prices for similar investments).
- Level 3 - Valuation is based upon significant unobservable inputs (including the Foundation's assumptions in determining the fair value of investments).

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(14) Discretely Presented Component Unit (continued)

3. FAIR VALUE MEASUREMENTS (continued)

Following is a description of the valuation methodology used for the Foundation's assets measured at fair value:

Fixed Income & Equity Securities: Fair value is generally determined based on quoted market prices of each individual security held at the close of the period.

Money Market Funds: Valued by the custodians of the securities using multiple sources of information that are corroborated by market data.

Limited Partnership and REIT: The limited partnership and real estate investment trust (REIT) are valued at net asset value (NAV), which is an amount equal to the ownership interest in the partners' capital and used as a practical expedient to estimate fair value. Both the limited partnership and REIT benchmark the NFI-ODEC as an investment strategy with a commitment to protect liquidity. The Foundation has no unfunded commitments. The limited partnership has quarterly redemptions with a 90-day notice period. The REIT has quarterly redemptions with a 30 day notice period.

The following tables set forth by level, within the fair value hierarchy, the Foundation's assets at fair value.

Fair value measurements as of June 30, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Fixed Income	\$ 14,489,061	\$ -	\$ -	\$ 14,489,061
Large cap equity	9,089,078	-	-	9,089,078
Small/mid cap equity	6,321,971	-	-	6,321,971
International equity	4,187,547	-	-	4,187,547
Money market	-	533,592	-	533,592
	<u>\$ 34,087,657</u>	<u>\$ 533,592</u>	<u>\$ -</u>	<u>\$ 34,621,249</u>
Investments valued at NAV*				
REIT				846,391
Limited partnership				307,667
				<u>\$ 35,775,307</u>

Fair value measurements as of June 30, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Fixed Income	\$ 12,309,240	\$ -	\$ -	\$ 12,309,240
Large cap equity	7,244,696	-	-	7,244,696
Small/mid cap equity	5,427,041	-	-	5,427,041
International equity	2,799,718	-	-	2,799,718
Emerging markets	976,636	-	-	976,636
Money market	-	258,869	-	258,869
	<u>\$ 28,757,331</u>	<u>\$ 258,869</u>	<u>\$ -</u>	<u>\$ 29,016,200</u>
Investments valued at NAV*				
REIT				863,281
Limited partnership				342,245
				<u>\$ 30,221,726</u>

* The Foundation's investments in REIT and a limited partnership are measured at fair value using the NAV per share and have not been categorized in the fair value hierarchy. The fair value amounts presented in the tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position as of June 30, 2023 and 2022

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT
Notes to Financial Statements
As of and for the Year Ended June 30, 2023 and 2022

(14) Discretely Presented Component Unit (continued)

4. PROMISES TO GIVE

Unconditional promises to give are estimated to be collected as follows at June 30, 2023 and 2022:

	2023	2022
Within one year	\$ 1,075,151	\$ 1,033,036
In one to five years	254,292	488,651
Thereafter	20,000	40,000
	1,349,443	1,561,687
Less - discount to net present value	(17,630)	(28,880)
	\$ 1,331,813	\$ 1,532,807

At June 30, 2023 and 2022, four donors accounted for 57% and three donors accounted for 51% of total promises to give.

5. ENDOWMENT

The Endowment consists of 81 individual funds established by donors to provide annual funding for specific activities and general operations. The Endowment also includes certain net assets that have been designated for endowment by the Board of Directors to benefit the MPBS. This endowment was created using contributions restricted by donors for the benefit of MPBS and is therefore shown as donor restricted.

The Foundation's Board of Directors has interpreted the Wisconsin Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At June 30, 2023 and 2022, there were no such donor stipulations. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give at fair value) donated to the Endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. The Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Foundation 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
- Other resources of the Foundation
- The investment policies of the Foundation

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(14) Discretely Presented Component Unit (continued)

5. ENDOWMENT (continued)

As of June 30, 2023 and 2022, the endowment net asset composition by type of fund is as follows:

June 30, 2023	Without Donor Restrictions	With Donor Restrictions	Total
MPBS designated endowment funds	\$ -	\$ 12,086,984	\$ 12,086,984
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	4,363,550	4,363,550
Endowment net assets - end of year	<u>\$ -</u>	<u>\$ 16,450,534</u>	<u>\$ 16,450,534</u>
June 30, 2022	Without Donor Restrictions	With Donor Restrictions	Total
MPBS designated endowment funds	\$ -	\$ 11,233,280	\$ 11,233,280
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	4,135,709	4,135,709
Endowment net assets - end of year	<u>\$ -</u>	<u>\$ 15,368,989</u>	<u>\$ 15,368,989</u>

From time-to-time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Foundation interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required by law. As of June 30, 2023 and 2022, there were no underwater endowments.

Investment and spending policies – The Foundation adopted investment and spending policies for the Endowment that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the endowment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the Endowment assets, to provide the necessary capital to fund the spending policy, and to cover the costs of managing the Endowment investments. To satisfy this long-term rate-of-return objective, the investment portfolio is structured on a total-return approach through which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). A significant portion of the funds are invested to seek growth of principal over time.

An endowment spending-rate formula is used to determine the maximum amount to spend from the Endowment, including those endowments deemed to be underwater, each year. On a semiannual basis, the Foundation transfers 2.0% of the 20-quarter rolling average balance of each endowment fund to scholarships and programs. At the time of the transfer the funds are considered appropriated for expenditure by the Foundation. Individual endowment funds will not transfer a semiannual amount to scholarships and programs if the individual endowment fund balance is below \$10,000 and also reserves the right to withhold distributions if the Foundation is unable to identify sufficient program needs.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(14) Discretely Presented Component Unit (continued)

5. ENDOWMENT (continued)

<u>June 30, 2023</u>	MPBS designated endowment funds	With donor restrictions	Total
Endowment net assets - beginning of year	\$ 11,233,280	\$ 4,135,709	\$ 15,368,989
Investment gain, net	1,291,586	413,888	1,705,474
Contributions	-	77,339	77,339
Appropriation of endowment assets pursuant to spending-rate policy	(408,221)	(203,366)	(611,587)
Administrative fees	(29,661)	(60,020)	(89,681)
	<u> </u>	<u> </u>	<u> </u>
Endowment net assets - end of year	<u>\$ 12,086,984</u>	<u>\$ 4,363,550</u>	<u>\$ 16,450,534</u>

<u>June 30, 2022</u>	MPBS designated endowment funds	With donor restrictions	Total
Endowment net assets - beginning of year	\$ 12,316,455	\$ 4,437,713	\$ 16,754,168
Investment gain, net	(1,739,358)	(709,862)	(2,449,220)
Contributions	2,743,418	576,381	3,319,799
Appropriation of endowment assets pursuant to spending-rate policy	(2,056,246)	(113,189)	(2,169,435)
Administrative fees	(30,989)	(55,334)	(86,323)
	<u> </u>	<u> </u>	<u> </u>
Endowment net assets - end of year	<u>\$ 11,233,280</u>	<u>\$ 4,135,709</u>	<u>\$ 15,368,989</u>

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods as of June 30:

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purpose		
For the benefit of MPBS	\$ 13,174,779	\$ 11,853,624
Programs and scholarships	18,901,699	16,007,800
	<u>32,076,478</u>	<u>27,861,424</u>
Endowments		
Portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulations of by UPMIFA	4,363,550	4,135,709
	<u>\$ 36,440,028</u>	<u>\$ 31,997,133</u>

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(14) Discretely Presented Component Unit (continued)

6. NET ASSETS WITH DONOR RESTRICTIONS (continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Satisfaction of purpose restrictions		
For the benefit of MPBS	\$ 7,118,896	\$ 6,344,067
Programs and scholarships	4,368,648	563,654
	<u>11,487,544</u>	<u>6,907,721</u>
Restricted-purpose spending-rate distributions and appropriations		
Endowment	611,587	2,169,435
Administrative fees	60,020	55,334
	<u>671,607</u>	<u>2,224,769</u>
Total net assets released from donor restrictions	<u>\$ 12,159,151</u>	<u>\$ 9,132,490</u>

7. RELATED PARTY TRANSACTIONS

The Foundation incurs expenses in the form of salaries, benefits, rent, maintenance, and other operational expenses that are provided by MATC. MATC bills the Foundation for a portion of the services they provide. For each of the years ended June 30, 2023 and 2022, \$50,000 was paid for the services provided by MATC. Expenses incurred beyond the amounts paid are recorded as in-kind contributions and expenses. See Note 8 for amounts recorded as in-kind contributions and expenses.

The Foundation disburses scholarships, program grants, and reimbursements related to MPBS activities, and donated property and equipment to MATC. Amounts payable to MATC as of June 30, 2023 and 2022 totaled \$448,182 and \$306,522. As of June 30, 2023 and 2022, there were no amounts receivable from MATC.

8. CONTRIBUTED NONFINANCIAL ASSETS

The Foundation received the following contributions of nonfinancial assets for the years ending June 30:

	<u>2023</u>	<u>2022</u>
Contributed by MATC		
Professional Services	\$ 403,748	\$ 465,862
Other Direct Expenses	4,882	21,048
	<u>486,910</u>	<u>486,910</u>
Instructional Equipment and Supplies	23,630	74,527
	<u>23,630</u>	<u>74,527</u>
Total Contributed and Nonfinancial Assets	<u>\$ 432,260</u>	<u>\$ 561,437</u>

Contributed instructional equipment and supplies received by the Foundation are recognized as in-kind contribution revenue with a corresponding increase to program expenses on the statement of activities. Contributed goods are recorded at fair value at the date of donation. Contributed instructional equipment and supplies are disbursed to Milwaukee Area Technical College for use in their student course programs.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2023 and 2022

(14) Discretely Presented Component Unit (continued)

8. CONTRIBUTED NONFINANCIAL ASSETS (continued)

Contributed services are recognized as in-kind revenues at their estimated fair value if they create or enhance nonfinancial assets or require specialized skills that would need to be purchased if they were not donated. The Foundation record donated professional services at the respective fair values of the services received. The contributed professional services and other direct expenses are used for both program and supporting services and are allocated based on estimated usage by each program and supporting service.

Volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by GAAP.

(15) Summary of Restatement

Net position has been restated due to the implementation of GASB Statement 96: *Subscription based information technology arrangements*. The following tables describes the change in accounting principle:

Net Position, June 30 2021 (as reported)	\$	306,640,266
Add: Adjustment to capital assets for assessment of SBITA (net)		2,716,769
Less: liability related to SBITA's		(2,889,158)
		306,467,877
Net Position, June 30 2021 (as restated)		
Change in net position, June 30, 2022 (as reported)		19,798,597
Changes in accounting principle:		
Depreciation expense		(1,046,023)
Valuation of subscription assets		(215,314)
Change in subscription based IT arrangement liability		(63,982)
		18,473,278
Change in net position, June 30, 2022 (as restated)		
Net Position, June 30, 2022 (as restated)	\$	324,941,155

(16) Effect of New Accounting Standards on Current-Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*

When they become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) AND CONTRIBUTIONS
As of and for the years ended June 30, 2023 and 2022

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Schedule of Proportionate Share of the Net Pension Liability (Asset) - Wisconsin Retirement System									
Proportion of the net pension liability (asset)	0.66775972%	0.69233372%	0.70690828%	0.72543216%	0.75098758%	0.77117292%	0.78316003%	0.81721999%	0.855349490%
Proportionate share of the net pension liability (asset)	\$ 35,375,932	\$ (55,803,371)	\$ (44,133,264)	\$ (23,391,244)	\$ 26,717,783	\$ (22,897,039)	\$ 6,455,108	\$ 13,279,666	\$ (21,003,946)
Covered employee payroll	\$ 114,358,125	\$ 117,618,791	\$ 115,145,534	\$ 112,868,151	\$ 111,634,556	\$ 110,658,697	\$ 113,221,442	\$ 111,687,265	\$ 109,043,390
Employer's proportionate share of the net pension liability (asset) percentage of its covered payroll	30.93%	47.44%	38.33%	20.72%	23.93%	20.69%	5.70%	11.89%	19.26%
Plan fiduciary net position as percentage of the total pension liability	95.72%	106.02%	105.26%	102.96%	96.45%	102.93%	99.12%	96.20%	102.74%
Schedule of Contributions - Wisconsin Retirement System									
Contractually required contributions	\$ 7,614,919	\$ 7,851,092	\$ 8,014,137	\$ 7,485,545	\$ 7,483,882	\$ 7,426,406	\$ 7,611,658	\$ 7,662,571	\$ 7,643,646
Contributions in relation to the contractually required contributions	\$ (7,614,919)	\$ (7,851,092)	\$ (8,014,137)	\$ (7,485,545)	\$ (7,483,882)	\$ (7,426,406)	\$ (7,611,658)	\$ (7,662,571)	\$ (7,643,646)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 118,218,594	\$ 115,301,978	\$ 115,260,936	\$ 112,553,252	\$ 113,305,120	\$ 110,782,554	\$ 110,377,761	\$ 110,788,839	\$ 111,227,194
Contribution as a percentage of covered-employee payroll	6.44%	6.81%	6.95%	6.65%	6.61%	6.70%	6.90%	6.92%	6.87%

MILWAUKEE AREA TECHNICAL COLLEGE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
As of and for the years ended June 30, 2023 and 2022

	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Service cost	\$ 898,614	\$ 1,468,483	\$ 1,385,361	\$ 1,358,197	\$ 1,574,694	\$ 1,321,231	\$ 1,258,315
Interest	6,298,238	8,036,642	7,961,730	7,927,836	6,692,663	6,473,329	6,392,187
Differences between expected and actual experience	(2,810,597)	(22,335,376)	(1,147,487)	(7,573,816)	(275,064)	(389,473)	(57,500)
Changes of assumptions and other inputs	(972,071)	(19,283,410)	-	4,598,940	(3,838,289)	-	-
Benefit payments	(4,611,901)	(6,061,187)	(6,412,319)	(4,572,479)	(6,412,060)	(5,521,427)	(6,748,858)
Administrative Expenses	-	-	(255,984)	(222,858)	(212,474)	(511,650)	(253,683)
Net Change in Total OPEB Liability	(1,197,717)	(38,174,848)	1,531,301	1,515,820	(2,470,530)	1,372,010	590,461
Total OPEB Liability - Beginning	97,952,176	136,127,024	134,595,723	133,079,903	135,550,433	134,178,423	133,587,962
Total OPEB Liability - Ending (a)	\$ 96,754,459	\$ 97,952,176	\$ 136,127,024	\$ 134,595,723	\$ 133,079,903	\$ 135,550,433	\$ 134,178,423
Plan Fiduciary Net Position							
Contributions	\$ 6,543,128	\$ 7,401,177	\$ 7,975,172	\$ 6,822,193	\$ 8,268,691	\$ 7,580,617	\$ 9,380,577
Net investment income	5,147,167	(6,104,487)	10,870,247	1,366,070	1,561,197	3,010,870	3,143,569
Benefit payments	(4,611,901)	(6,061,187)	(6,412,319)	(4,572,479)	(6,412,060)	(6,033,077)	(9,406,516)
Administrative expenses	(92,831)	(103,710)	(255,984)	(222,858)	(212,474)	(511,650)	(253,681)
Net Change in Plan Fiduciary Net Position	6,985,563	(4,868,207)	12,177,116	3,392,926	3,205,354	4,046,760	2,863,949
Plan Fiduciary Net Position - Beginning	44,008,406	48,876,613	36,699,497	33,306,571	30,101,217	26,054,457	23,190,508
Plan Fiduciary Net Position - Ending (b)	\$ 50,993,969	\$ 44,008,406	\$ 48,876,613	\$ 36,699,497	\$ 33,306,571	\$ 30,101,217	\$ 26,054,457
Net OPEB Liability - Ending (a) - (b)	\$ 45,760,490	\$ 53,943,770	\$ 87,250,411	\$ 97,896,226	\$ 99,773,332	\$ 105,449,216	\$ 108,123,966
Plan fiduciary net position as a percentage of the total OPEB liability	52.70%	44.93%	35.91%	27.27%	25.03%	22.21%	19.42%
Covered-employee payroll	\$ 98,150,113	\$ 67,147,070	\$ 85,615,934	\$ 83,937,190	\$ 91,998,007	\$ 90,194,124	\$ 88,425,612
Net OPEB liability as a percentage of covered-employee payroll	46.62%	80.34%	101.91%	116.63%	108.45%	116.91%	122.28%

Notes to Schedule:

The District implemented GASB Statement No. 74 in fiscal year 2017. The District implemented GASB Statement No. 75 in fiscal year 2018. Information prior is not available.

See independent auditors' report and notes to required supplementary information

MILWAUKEE AREA TECHNICAL COLLEGE

SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB
As of and for the years ended June 30, 2023 and 2022

	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contributor Contributions in relation to the actuarially determined contribution	\$ 6,927,339	\$ 10,478,603	\$ 7,529,733	\$ 7,495,382	\$ 6,896,186	\$ 9,528,358	\$ 9,732,734
	6,543,128	7,401,177	7,975,172	6,822,193	8,268,691	7,580,617	6,906,771
Contribution deficiency (excess)	\$ 384,211	\$ 3,077,426	\$ (445,439)	\$ 673,189	\$ (1,372,505)	\$ 1,947,741	\$ 2,825,963
Covered-employee payroll	\$ 98,150,113	\$ 67,147,070	\$ 85,615,934	\$ 83,937,190	\$ 91,998,007	\$ 90,194,124	\$ 88,425,612
Contributions as a percentage of covered-employee payroll	6.67%	11.02%	9.32%	8.13%	8.99%	8.40%	7.81%

Valuation date: June 30, 2023:

Actuarially determined contribution rates are calculated as of June 30

Methods and assumptions used to determine contribution rates

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Amortization period	4.8 years
Asset valuation method	Fair market value
Inflation	2.0 percent
Healthcare cost trend rates	7.00 % initially (6.00% for post-Medicare), decreasing .25% per year until reaching 4.00%
Salary increases	2.0 percent, average, including inflation
Investment rate of return	6.72 percent
Mortality	PUB-2010 headcount weighted base, projected using Scale MP-2021

Notes to Schedules:

The District implemented GASB Statement No. 74 in fiscal year 2017. The District implemented GASB Statement No. 75 in fiscal year 2018. Information prior is not available.

MILWAUKEE AREA TECHNICAL COLLEGE

SCHEDULE OF INVESTMENT RETURNS As of and for the years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual Money-weighted rate of return, net of investment expense	10.67%	12.70%	29.88%	4.61%	5.19%	11.33%	13.64%

Notes to Schedule:

The District implemented GASB Statement No. 74 in fiscal year 2017. The District implemented GASB Statement No. 75 in fiscal year 2018. Information prior is not available.

MILWAUKEE AREA TECHNICAL COLLEGE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

As of and for the years ended June 30, 2023 and 2022

Wisconsin Retirement System

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

The District is required to present the last ten fiscal years data; however the standards allow the District to present as many years as are available until ten fiscal years are presented.

There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

Changes in Assumptions related to Pension Liabilities (Assets)

Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- *Lowering the long-term expected rate of return from 7.0% to 6.8%
- *Lowering the discount rate from 7.0% to 6.8%
- *Lowering the price inflation rate from 2.5% to 2.4%
- *Lowering the post-retirement adjustments from 1.9% to 1.7%
- *Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- *Lowering the long-term expected rate of return from 7.2% to 7.0%
- *Lowering the discount rate from 7.2% to 7.0%
- *Lowering the wage inflation rate from 3.2% to 3.0%
- *Lowering the price inflation rate from 2.7% to 2.5%
- *Lowering the post-retirement adjustments from 2.1% to 1.9%
- *Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

Milwaukee Area Technical College Other Post Employment Benefits Trust (OPEB)

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

The District is required to present the last ten fiscal years data; however the standards allow the District to present as many years as are available until ten fiscal years are presented.

There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

Changes in Assumptions related to OPEB

- *Amortization period decreased from 30 years to 4.8 years
- *Healthcare cost trend rate decreased from 7.5% to 7.0%, decreasing to an ultimate rate from 5.0% to 4.0%
- *Investment rate of return increased from 6.62% to 6.72%
- *Mortality projection scale was updated from the RP-2014 base mortality table projected table projected using Scale MP-2019 to the PUB-2010 base mortality table projected using Scale MP-2022 to reflect the Society of Actuaries' recent mortality study

See independent auditors' report

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SUPPLEMENTARY INFORMATION

The following supplementary information is provided to document the District's compliance with budgetary requirements. To maintain accountability of available resources, the District utilizes accounts in accordance with the principles of fund accounting. 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. The District has also presented certain combining statements and individual schedules to provide additional information to the users of these financial statements.

GENERAL FUND

The General Fund is the primary operating fund of the District, and its accounts reflect all financial activity not required to be accounted for in another fund.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)

For the year ended June 30, 2023

	Original Budget	Amended Budget	Actual on a Budgetary Basis	Adjustments to Actual on a GAAP Basis to Budgetary Basis		Actual on a GAAP Basis	Variance With Amended Budget
				June 30, 2022	June 30, 2023		
Revenues:							
Local government – property tax	\$ 50,575,492	\$ 48,977,140	\$ 48,979,181	\$ -	\$ -	\$ 48,979,181	\$ 2,041
Intergovernmental revenues:							
State	81,449,738	83,335,281	83,755,289	-	-	83,755,289	420,008
Federal	1,110,000	1,110,000	1,199,219	-	-	1,199,219	89,219
Institutional:							
Statutory program fees	34,066,000	34,066,000	32,736,182	-	-	32,736,182	(1,329,818)
Material fees	1,307,000	1,307,000	1,218,666	-	-	1,218,666	(88,334)
Other student fees	1,330,400	1,330,400	1,520,883	-	-	1,520,883	190,483
Other institutional	2,847,700	2,847,700	4,826,405	-	-	4,826,405	1,978,705
Total revenues	172,686,330	172,973,521	174,235,825	-	-	174,235,825	1,262,304
Expenditures:							
Current:							
Instruction	102,163,385	105,684,230	105,621,414	(216,755)	229,220	105,633,879	50,351
Instructional resources	5,345,700	4,645,114	4,595,083	(9,247)	9,779	4,595,615	49,499
Student services	23,133,483	19,985,907	19,848,795	(36,282)	38,368	19,850,881	135,026
General institutional	22,125,655	25,376,792	25,155,664	(43,084)	45,562	25,158,142	218,650
Physical plant	19,918,107	17,281,478	17,118,529	(37,689)	39,856	17,120,696	160,782
Total expenditures	172,686,330	172,973,521	172,339,485	(343,057)	362,785	172,359,213	614,308
Revenues over (under) expenditures	-	-	1,896,340	343,057	(362,785)	1,876,612	\$ 1,876,611
Fund balance, beginning of year	-	-	43,875,758	-	-	43,867,430	
Fund balance, end of year	\$ -	\$ -	\$ 45,772,098	\$ 343,057	\$ (362,785)	\$ 45,744,042	

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SPECIAL REVENUE FUND

The Special Revenue Fund is 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 the legal or regulatory provisions. MATC 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 Fund - 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.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Special Revenue Fund - Operating Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)

For the year ended June 30, 2023

	Original Budget	Amended Budget	Actual on a Budgetary Basis	Adjustment to Actual on a GAAP Basis to Budgetary Basis		Actual on a GAAP Basis	Variance With Amended Budget
				June 30, 2022	June 30, 2023		
Revenues:							
Intergovernmental revenues:							
State	\$ 1,553,820	\$ 1,553,820	1,064,323	\$ (7,667)	\$ 3,010	\$ 1,059,666	\$ (494,154)
Federal	11,208,274	11,208,274	5,941,351	(2,18,537)	85,805	5,808,619	(5,399,655)
Institutional:							
Other institutional	4,050,976	4,050,976	2,701,553	(14,200)	5,575	2,692,928	(1,358,048)
Total revenues	16,813,070	16,813,070	9,707,227	(240,404)	94,390	9,561,213	(7,251,857)
Expenditures:							
Current:							
Instruction	6,795,522	6,807,522	3,012,980	(17,413)	6,837	3,002,404	3,805,118
Student services	6,016,384	6,004,384	5,432,877	(173,826)	68,249	5,327,300	677,084
General institutional	2,296,164	2,296,164	796,198	(1,000)	393	795,591	1,500,573
Physical Plant	1,705,000	1,705,000	299,519	(48,165)	18,911	270,265	1,434,735
Total expenditures	16,813,070	16,813,070	9,541,574	(240,404)	94,390	9,395,560	7,417,510
Revenues over expenditures	\$ -	\$ -	165,653	-	-	165,653	\$ 165,653
Fund balance, beginning of year			544,069	-	-	544,069	
Fund balance, end of year			709,722	-	-	\$ 709,722	

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Special Revenue Fund - Non-Aidable Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)

For the year ended June 30, 2023

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual on a Budgetary Basis</u>	<u>Adjustments to Actual on a GAAP Basis to Budgetary Basis</u>	<u>Actual on a GAAP Basis</u>	<u>Variance With Amended Budget</u>
Revenues:						
Intergovernmental revenues:						
State	\$ 5,016,900	\$ 5,016,900	\$ 6,088,957	\$ -	\$ 6,088,957	\$ 1,072,057
Federal	21,709,580	31,559,902	36,305,992	-	36,305,992	4,746,090
Institutional - other	1,990,000	1,990,000	1,121,080	-	1,121,080	(868,920)
Total revenues	<u>28,716,480</u>	<u>38,566,802</u>	<u>43,516,029</u>	<u>-</u>	<u>43,516,029</u>	<u>4,949,227</u>
Expenditures:						
Current						
Student services	<u>28,716,480</u>	<u>38,566,802</u>	<u>43,295,445</u>	<u>-</u>	<u>43,295,445</u>	<u>(4,728,643)</u>
Revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>220,584</u>	<u>-</u>	<u>220,584</u>	<u>\$ 220,584</u>
Fund balance, beginning of year			<u>(2,538,403)</u>	<u>-</u>	<u>(2,538,403)</u>	
Fund balance, end of year			<u>\$ (2,317,819)</u>	<u>\$ -</u>	<u>\$ (2,317,819)</u>	

CAPITAL PROJECTS FUND

The Capital Project Fund is used to account for financial sources used for the acquisition or construction of major capital assets and remodeling (other than those financed by enterprise funds.)

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Capital Projects Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)

For the year ended June 30, 2023

	Original Budget	Amended Budget	Actual on a Budgetary Basis	Adjustment to Actual on a GAAP Basis to		Actual on a GAAP Basis	Variance With Amended Budget
				June 30, 2022	June 30, 2023		
Revenues:							
Institutional - other	\$ 950,000	\$ 950,000	\$ 2,801,602	\$ -	\$ -	\$ 2,801,602	\$ 1,851,602
Total revenues	950,000	950,000	2,801,602	-	-	2,801,602	1,851,602
Expenditures:							
Physical Plant	43,500,941	45,073,465	34,594,110	(16,680,154)	15,825,607	33,739,563	11,333,902
Total expenditures	43,500,941	45,073,465	34,594,110	(16,680,154)	15,825,607	33,739,563	11,333,902
Revenues over (under) expenditures	(42,550,941)	(44,123,465)	(31,792,508)	16,680,154	(15,825,607)	(30,937,961)	13,185,504
Other financing sources:							
Debt issued	35,483,000	35,483,000	35,483,000	-	-	35,483,000	-
Revenues and other financing sources over (under) expenditures	\$ (7,067,941)	\$ (8,640,465)	3,690,492	16,680,154	(15,825,607)	4,545,039	\$ 13,185,504
Fund balance, beginning of year			25,254,107	(16,680,154)	-	8,573,953	
Fund balance, end of year			\$ 28,944,599	\$ -	\$ (15,825,607)	\$ 13,118,992	

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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 principal, interest and related costs.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Debt Service Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)

For the year ended June 30, 2023

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual on a Budgetary Basis</u>	<u>Adjustments to Actual on a GAAP Basis to Budgetary Basis</u>	<u>Actual on a GAAP Basis</u>	<u>Variance With Amended Budget</u>
Revenues:						
Local government – property tax	\$ 38,472,034	\$ 38,472,034	\$ 38,789,259	\$ -	\$ 38,789,259	\$ 317,225
Intergovernmental revenues:						
State	614,000	614,000	633,855	-	633,855	19,855
Institutional - other	1,100,000	1,100,000	1,100,297	-	1,100,297	297
Total revenues	40,186,034	40,186,034	40,523,411	-	40,523,411	337,377
Expenditures:						
Current	375,000	375,000	385,440	-	385,440	(10,440)
Debt issuance expense						
Debt service						
Principal retirement	37,806,025	37,806,025	-	-	35,521,050	2,284,975
Interest and fiscal charges	1,918,975	1,918,975	-	-	2,352,337	(433,362)
Total expenditures	40,100,000	40,100,000	385,440	-	38,258,827	1,841,173
Revenues over expenditures	86,034	86,034	2,264,584	-	2,264,584	2,178,550
Other financing sources:						
Premium on issued debt	-	-	1,474,707	-	1,474,707	1,474,707
Revenues and other financing sources over expenditures	\$ 86,034	\$ 86,034	3,739,291	-	3,739,291	\$ 3,653,257
Fund balance, beginning of year			18,136,492	-	23,347,915	
Fund balance, end of year			\$ 21,875,783	\$ -	\$ 27,087,206	

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ENTERPRISE FUNDS

The Enterprise Funds are used to account for ongoing activities which are similar to those often found in the private sector. Their measurement focus is based upon determination of net income. The operations of the various food service centers, bookstores, childcare and other activities which complement the basic educational objectives of the District (i.e., instructional related resale accounts, videoconferences and workshops) are accounted for in the Enterprise Funds. The services are provided primarily through user charges. The Enterprise Funds also account for certain television activities based on management's desire to account for this fund on an accrual basis. The television operations accounted for include user charges, grants from the Corporation for Public Broadcasting, and other support, as well as the operating expenses.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Combining Balance Sheet – Enterprise Funds
(Non-GAAP Budgetary Basis)

As of June 30, 2023

	Television Operations	Food Services	Bookstores	Child Care	Other	Total
Assets						
Current assets:						
Cash and cash equivalents	\$ -	\$ 3,511	\$ 6,600	\$ -	\$ 200	\$ 10,311
Accounts receivable	13,193,587	35,905	106,777	-	-	13,336,269
Due from other funds	3,415,888	4,197,159	5,495,044	4,715,018	1,635,642	19,458,751
Inventory	-	29,250	511,763	-	39,274	580,287
Total assets	\$ 16,609,475	\$ 4,265,825	\$ 6,120,184	\$ 4,715,018	\$ 1,675,116	\$ 33,385,618
Liabilities, Deferred Inflows of Resources and Net Position						
Current liabilities:						
Vouchers payable	\$ 13,436	\$ 794	\$ 8,973	\$ -	\$ 19,158	\$ 42,361
Accrued salaries	111,334	15,622	11,712	24,479	-	163,147
Encumbrances	260,295	-	5,044	-	10,655	275,994
Deferred program and material fees	-	-	10,738	-	483,013	493,751
Due to other funds	3,945,524	4,249,409	355,409	4,690,539	1,162,290	14,403,171
Total liabilities	4,330,589	4,265,825	391,876	4,715,018	1,675,116	15,378,424
Deferred Inflows of Resources:						
Unearned grant	1,881,932	-	-	-	-	1,881,932
Net Position:						
Unrestricted	10,396,954	-	5,728,308	-	-	16,125,262
Total liabilities, deferred inflows of resources and net position	\$ 16,609,475	\$ 4,265,825	\$ 6,120,184	\$ 4,715,018	\$ 1,675,116	\$ 33,385,618

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Enterprise Fund Schedule of Revenues, Expenditures, and Changes in Net Position
(Non-GAAP Budgetary Basis)

For the year ended June 30, 2023

	Television Operations	Food Services	Bookstores	Child Care	Other	Total
Revenues:						
Intergovernmental revenues:						
Federal	\$ -	\$ -	\$ -	45,341	\$ -	45,341
Auxiliary enterprise revenue:						
Departmental Revenue	1,275	1,269,554	4,818,884	1,490,493	1,633,323	9,213,529
TV-Federal	1,965,651	-	-	-	-	1,965,651
Total auxiliary enterprise revenue	1,966,926	1,269,554	4,818,884	1,490,493	1,633,323	11,179,180
Total revenues	1,966,926	1,269,554	4,818,884	1,535,834	1,633,323	11,224,521
Operating expenses:						
Cost of materials:						
Food	-	584,295	-	-	(14,473)	569,822
Books and supplies	-	-	3,839,138	-	-	3,839,138
Other	-	-	186,207	-	143,860	330,067
Total cost of materials	-	584,295	4,025,345	-	129,387	4,739,027
Personal services	5,657,742	1,279,439	852,672	2,090,619	-	9,880,472
Contractual services	1,062,850	-	-	110,112	675,401	1,848,363
Program acquisition and production	674,660	-	-	-	-	674,660
Supplies	1,069,363	124,939	-	23,126	204,547	1,421,975
Utilities	110,184	-	-	-	53,338	163,522
Repairs	377,689	-	-	-	-	377,689
Other	348,370	-	-	-	-	348,370
Principal and interest charges	3,712,206	-	-	-	-	3,712,206
Capital Outlay	2,466,900	-	-	-	-	2,466,900
Total operating expenses	15,479,964	1,988,673	4,878,017	2,223,857	1,062,673	25,633,184
Operating income (loss)	(13,513,038)	(719,119)	(59,133)	(688,023)	570,650	(14,408,663)
Nonoperating revenues (expenses)						
Property tax revenue	3,712,206	-	-	-	-	3,712,206
Gain (loss) on investment	(94,853)	-	-	-	-	(94,853)
Net unrealized gain (loss)	1,051,863	-	-	-	-	1,051,863
Interest income	333,555	-	-	-	-	333,555
Debt issued	3,517,000	-	-	-	-	3,517,000
Other grants:						
MPTV Foundation	7,305,338	-	(836,492)	688,023	(570,650)	7,305,338
Transfer in (out)	-	719,119	(59,133)	-	-	-
Total non-operating revenues (expenses)	15,825,109	719,119	(836,492)	688,023	(570,650)	15,825,109
Change in net position	2,312,071	-	(895,625)	-	-	1,416,446
Beginning net position (reserved for operations)	7,417,072	-	6,623,933	-	-	14,041,005
Beginning net position (reserved for capital)	667,811	-	-	-	-	667,811
Net position, beginning of year	8,084,883	-	6,623,933	-	-	14,708,816
Ending net position (reserved for operations)	8,670,979	-	5,728,308	-	-	14,399,287
Ending net position (reserved for capital)	1,725,975	-	-	-	-	1,725,975
Net position, end of year	10,396,954	\$ -	5,728,308	\$ -	\$ -	16,125,262

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Combining Statement of Cash Flows – Enterprise Funds
(Non-GAAP Budgetary Basis)

For the year ended June 30, 2023

	Television Operations	Food Services	Bookstores	Child Care	Other	Total
Cash flows from operating activities:						
Cash received for services	\$ 596,468	\$ 2,233,649	\$ 5,672,994	\$ 1,535,834	\$ 3,126,794	\$ 13,165,739
Cash received from other funds	(702,337)	(961,531)	16,680,810	(8,228)	2,295,130	17,303,844
Cash payments for materials and services	(3,888,752)	(710,978)	(3,916,773)	(133,238)	(1,062,709)	(9,712,450)
Cash payments to employees	(5,651,361)	(1,280,259)	(850,815)	(2,082,391)	-	(9,864,846)
Cash payments to other funds	-	-	(16,749,724)	-	(3,789,805)	(20,539,529)
Net cash provided by (used in) operating activities	(9,646,002)	(719,119)	836,492	(688,023)	569,410	(9,647,242)
Cash flows from noncapital financing activities:						
Local government - property tax	3,712,206	-	-	-	-	3,712,206
Transfers in (out)	-	719,119	(836,492)	688,023	(570,650)	-
Other grants	7,305,338	-	-	-	-	7,305,338
Net cash provided by (used in) noncapital financing activities	11,017,544	719,119	(836,492)	688,023	(570,650)	11,017,544
Cash flows from capital and related financing activities:						
Debt issued	3,517,000	-	-	-	-	3,517,000
Capital outlay	(2,466,900)	-	-	-	-	(2,466,900)
Debt retired	(3,503,950)	-	-	-	-	(3,503,950)
Interest paid	(208,257)	-	-	-	-	(208,257)
Net cash provided by (used in) capital and related financing activities	(2,662,107)	-	-	-	-	(2,662,107)
Cash flows from investing activities:						
Proceeds from sales and maturities of investments	(94,853)	-	-	-	-	(94,853)
Purchase of investments net unrealized gain (loss)	1,051,863	-	-	-	-	1,051,863
Interest and dividends received	333,555	-	-	-	-	333,555
Net cash provided by (used in) investing activities	1,290,565	-	-	-	-	1,290,565
Net increase (decrease) in cash and cash equivalents	-	-	-	-	(1,240)	(1,240)
Cash and cash equivalents:						
Beginning of year	-	3,511	6,600	-	1,440	11,551
End of year	-	3,511	6,600	-	200	10,311
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities						
Operating income (loss)	\$ (13,513,038)	\$ (719,119)	\$ (59,133)	\$ (688,023)	\$ 570,650	\$ (14,408,663)
Capital outlay payment included in operating activities	2,466,900	-	-	-	-	2,466,900
Debt service payment included in operating expense	3,712,206	-	-	-	-	3,712,206
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Changes in assets and liabilities:						
Accounts receivable	(1,339,963)	(664,095)	861,891	-	1,017,405	(424,762)
Due from other funds	(702,337)	961,531	16,680,810	(8,228)	2,295,130	19,226,906
Inventory	-	2,538	108,854	-	-	111,392
Vouchers payable	(245,635)	(794)	(282)	-	(36)	(246,747)
Accrued liability	6,360	820	1,861	8,228	-	17,269
Due to other funds	-	-	(16,749,728)	-	(3,789,805)	(20,539,533)
Unearned revenue	(30,495)	-	(7,781)	-	476,066	(437,900)
Net cash provided by (used in) operating activities	\$ (9,646,002)	\$ (719,119)	\$ 836,492	\$ (688,023)	\$ 569,410	\$ (9,647,242)

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Enterprise Fund Schedule of Revenues, Expenditures, and Changes in Net Position
Budget and Actual (Non-GAAP Budgetary Basis)

For the year ended June 30, 2023

	Original Budget	Amended Budget	Actual on a Budgetary Basis	Adjustment to Actual on a GAAP Basis to Budgetary Basis		Actual on a GAAP Basis	Variance With Amended Budget
				June 30, 2022	June 30, 2023		
Revenues:							
Local government – property tax	\$ 4,027,966	\$ 4,027,966	\$ 3,712,206	\$ -	\$ -	3,712,206	\$ (315,760)
Intergovernmental Revenue	2,004,519	2,004,519	2,010,992	-	-	2,010,992	6,473
Federal	12,688,090	13,168,090	10,504,094	-	-	10,504,094	(2,663,996)
Auxiliary revenue	18,700,575	19,200,575	16,227,292	-	-	16,227,292	(2,973,283)
Total revenues							
Expenditures:							
Auxiliary services	14,563,637	15,063,637	10,262,867	(226,930)	117,283	10,153,220	4,910,417
Physical plant	7,544,966	8,212,778	6,252,791	(152,503)	78,818	6,179,106	2,033,672
Public service	10,622,324	10,622,324	9,375,549	(154,584)	79,893	9,300,858	1,321,466
Total expenditures	32,730,927	33,898,739	25,891,207	(534,017)	275,994	25,633,184	8,265,555
Revenues over (under) expenditures	(14,030,352)	(14,698,164)	(9,663,915)	534,017	(275,994)	(9,405,892)	5,292,272
Other financing sources:							
Debt issued	3,517,000	3,517,000	3,517,000	-	-	3,517,000	-
Other Grants	7,983,041	7,983,041	7,305,338	-	-	7,305,338	(677,703)
Total other financing sources	11,500,041	11,500,041	10,822,338	-	-	10,822,338	(677,703)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ (2,530,311)	\$ (3,198,123)	1,158,423	534,017	(275,994)	1,416,446	\$ 4,614,569
Net position, beginning of year			15,242,833	(534,017)	-	14,708,816	
Net position, end of year			\$ 16,401,256	\$ -	\$ (275,994)	16,125,262	

INTERNAL SERVICE FUND

An Internal Service Fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies on a cost-reimbursement basis. An Internal Service Fund is used to account for all collections and claim payments of the District's health, dental, property, general liability and workers compensation self-insurance program.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Internal Service Fund Schedule of Revenues, Expenditures, and Changes in Net Position
Budget and Actual (Non-GAAP Budgetary Basis)

For the year ended June 30, 2023

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual on a Budgetary Basis</u>	<u>Adjustments to Actual on a GAAP Basis to Budgetary Basis</u>	<u>Actual on a GAAP Basis</u>	<u>Variance With Amended Budget</u>
Revenues:						
Auxiliary revenue	\$ 35,830,560	\$ 35,830,560	\$ 33,472,580	\$ -	\$ 33,472,580	\$ (2,357,980)
Expenditures:						
Auxiliary services	35,830,560	35,830,560	33,472,580	-	33,472,580	2,357,980
Change in net position	\$ -	\$ -	-	-	-	\$ -
Net position, beginning of year			5,572,445	-	5,572,445	
Net position, end of year			\$ 5,572,445	\$ -	\$ 5,572,445	

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

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Schedule to Reconcile the Combined Balance Sheet - All Fund Types to the Statement of Net Position

As of June 30, 2023

	General Fund	Special Revenue Funds	Capital Projects Fund	Debt Service Fund	Enterprise Funds	Internal Service Fund	Fiduciary Funds	Total	Reconciling Items	Statement of Net Position
Assets:										
Cash and cash equivalents	\$ 55,972,328	\$ 655,815	\$ 31,064,288	\$ 20,112,031	\$ 10,311	\$ -	\$ 102,377,731	\$ 210,192,504	\$ -	\$ 210,192,504
Property taxes receivable	6,928,697	-	-	6,352,821	-	-	-	13,281,518	-	13,281,518
Accounts and other receivables, net	9,798,829	1,165,811	-	633,854	13,336,269	-	-	24,934,763	-	24,934,763
Due from other funds	3,091,779	91,317,611	-	19,458,751	580,287	6,228,004	15,636,027	135,732,172	(135,732,172)	-
Inventory	-	-	-	-	-	-	-	580,287	-	580,287
Prepaid	97,067	-	-	-	-	5,315,814	-	5,412,881	-	5,412,881
Land, buildings and equipment, net	-	-	-	-	-	-	-	258,581,934	-	258,581,934
Total assets	75,888,700	93,139,237	31,064,288	27,098,706	33,385,618	11,543,818	118,013,758	390,134,125	122,849,762	512,983,887
Deferred outflows of resources:										
Deferred outflows related to OPEB	-	-	-	-	-	-	-	-	1,506,444	1,506,444
Deferred outflows related to pensions	-	-	-	-	-	-	-	-	128,013,716	128,013,716
Total assets and deferred outflows of resources	\$ 75,888,700	\$ 93,139,237	\$ 31,064,288	\$ 27,098,706	\$ 33,385,618	\$ 11,543,818	\$ 118,013,758	\$ 390,134,125	\$ 252,369,922	642,504,047
Liabilities, Deferred Inflows of Resources and Net Position										
Liabilities:										
Accounts payable	\$ 748,524	\$ 492,550	\$ 1,188,868	\$ 11,500	\$ 42,361	\$ -	\$ 1,639	\$ 2,485,442	\$ -	\$ 2,485,442
Accrued liabilities	10,700,220	103,391	900,821	-	163,147	5,971,373	352,075	18,191,027	-	18,191,027
Incumbances	362,785	93,881	15,825,607	-	275,994	-	60,009	16,618,276	(16,618,276)	-
Accrued interest payable	-	-	-	-	-	-	-	114,529	-	114,529
Due to other funds	17,232,670	92,841,302	-	-	14,403,171	-	11,255,029	135,732,172	(135,732,172)	-
Deferred program and material fees	1,100,459	1,161,585	30,000	-	493,751	-	1,210,815	3,996,610	(1,431,400)	2,565,210
Due to student and other groups	-	54,623	-	-	-	-	3,027,717	3,082,340	-	3,082,340
General obligation notes payable	-	-	-	-	-	-	-	74,450,000	-	74,450,000
Premium on notes payable	-	-	-	-	-	-	-	2,251,404	-	2,251,404
Subscription based IT arrangements	-	-	-	-	-	-	-	6,903,513	-	6,903,513
Compensated absences	-	-	-	-	-	-	-	7,247,452	-	7,247,452
Net pension liability	-	-	-	-	-	-	-	35,375,932	-	35,375,932
Post employment benefits	-	-	-	-	-	-	-	45,760,490	-	45,760,490
Total liabilities	30,144,658	94,747,332	17,945,296	11,500	15,378,424	5,971,373	15,907,284	180,105,867	18,321,472	198,427,339
Deferred inflows of resources:										
Deferred inflows related to pensions	-	-	-	-	-	-	-	-	74,124,703	74,124,703
Deferred inflows related to OPEB	-	-	-	-	-	-	-	-	29,322,326	29,322,326
Unearned television grant	-	-	-	-	-	-	-	1,881,932	-	1,881,932
Total deferred inflows and resources	-	-	-	-	-	-	-	1,881,932	103,447,029	105,328,961
Fund Balance/Net Position (deficit):										
Net investment in capital assets	-	-	-	-	-	-	-	-	209,570,132	209,570,132
Restricted:										
Prepaid	97,067	-	-	-	-	-	-	97,067	(97,067)	-
Debt service	-	-	-	27,087,206	-	-	-	27,087,206	(114,529)	26,972,677
Capital projects	-	-	13,118,992	-	-	-	-	13,118,992	(13,118,992)	-
Unrestricted	45,646,975	(1,608,095)	-	-	16,125,262	5,572,445	102,106,474	167,843,061	(65,638,123)	102,204,938
Total fund balance/net position (deficit)	45,744,042	(1,608,095)	13,118,992	27,087,206	16,125,262	5,572,445	102,106,474	208,146,326	130,601,421	338,747,747
Total liabilities, deferred inflows and net position (deficit)	\$ 75,888,700	\$ 93,139,237	\$ 31,064,288	\$ 27,098,706	\$ 33,385,618	\$ 11,543,818	\$ 118,013,758	\$ 390,134,125	\$ 252,369,922	\$ 642,504,047

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Schedule to Reconcile the Budget (Non-GAAP) Basis Financial Statements to the Statement of Revenues, Expenses and Changes in Net Position

For the year ended June 30, 2023

	General Fund	Special Revenue Funds	Capital Projects Fund	Debt Service Fund	Enterprise Funds	Internal Service Fund	Fiduciary Funds	Total	Reconciling Items	Statement of Revenues, Expenses and Changes in Net Position
Revenues:										
Local property tax	\$ 48,979,181	\$ -	\$ -	\$ 38,789,259	\$ 3,712,206	\$ -	\$ -	\$ 91,480,646	\$ -	\$ 91,480,646
Intergovernmental revenues:										
State	83,755,289	7,148,623	-	633,855	-	-	-	91,537,767	-	91,537,767
Federal	1,199,219	42,114,611	-	-	2,010,992	-	-	45,324,822	-	45,324,822
Institutional:										
Statutory program fees	32,736,182	-	-	-	-	-	-	32,736,182	(14,368,987)	18,367,195
Material fees	1,218,666	-	-	-	-	-	-	1,218,666	14,265	1,232,931
Other student fees	1,520,883	-	-	-	-	-	-	1,520,883	(2,046)	1,518,837
Other institutional	4,826,405	3,814,008	2,801,602	1,100,297	-	-	6,073,850	18,616,162	(48)	18,616,114
Auxiliary enterprise revenue	-	-	-	-	10,504,094	33,472,580	-	43,976,674	(38,736,100)	5,240,574
Total revenues	174,235,825	53,077,242	2,801,602	40,523,411	16,227,292	33,472,580	6,073,850	326,411,802	(53,092,916)	273,318,886
Expenditures:										
Current:										
Instructional	105,633,879	3,002,404	-	-	-	-	-	108,636,283	(1,102,486)	107,533,797
Instructional resources	4,595,615	-	-	-	-	-	-	4,595,615	(43,518)	4,552,097
Student services	19,850,881	48,622,745	-	-	-	-	271,259	68,744,885	(19,266,628)	49,478,257
General institutional	25,158,142	795,591	-	385,440	-	-	-	26,339,173	(242,796)	26,096,377
Physical plant	17,120,896	270,265	-	-	-	-	-	17,390,961	904,744	18,295,705
Capital outlay	-	-	33,739,563	-	2,466,900	-	-	36,206,463	(36,206,463)	-
Debt service:										
Principal retirement	-	-	-	35,521,050	3,503,950	-	-	39,025,000	(39,025,000)	-
Interest and fiscal charges	-	-	-	2,352,337	208,256	-	-	2,560,593	(1,460,854)	1,099,739
Depreciation	-	-	-	-	-	-	-	-	35,670,959	35,670,959
Auxiliary enterprise services	-	-	-	-	19,454,078	33,472,580	5,151,877	58,078,535	(34,035,998)	24,042,537
Total expenditures	172,359,213	52,691,005	33,739,563	38,258,827	25,633,184	33,472,580	5,423,136	361,577,508	(94,806,040)	266,769,468
Revenues over (under) expenditures	1,876,612	386,237	(30,937,961)	2,264,584	(9,405,892)	-	650,714	(35,165,706)	41,715,124	6,549,418
Other financing sources (uses):										
Debt issued	-	-	35,483,000	-	3,517,000	-	-	39,000,000	(39,000,000)	-
Premium on issued debt	-	-	-	1,474,707	-	-	-	1,474,707	(1,474,707)	-
Other grants (Foundation)	-	-	-	-	7,305,338	-	-	7,305,338	-	7,305,338
Loss on disposal	-	-	-	-	-	-	-	-	(48,164)	(48,164)
Total other financing sources (uses)	-	-	35,483,000	1,474,707	10,822,338	-	-	47,800,045	(40,522,871)	7,257,174
Revenues and other financing sources over (under) expenditures and other financing uses	1,876,612	386,237	4,545,039	3,739,291	1,416,446	-	650,714	12,614,339	1,192,253	13,806,592
Fund balance/net position (deficit), beginning of year	43,867,430	(1,994,332)	8,573,953	23,347,915	14,708,816	5,572,445	101,455,760	195,531,987	129,409,168	324,941,155
Fund balance/net position (deficit), end of year	\$ 45,744,042	\$ (1,608,095)	\$ 13,118,992	\$ 27,087,206	\$ 16,125,262	\$ 5,572,445	\$ 102,106,474	\$ 208,146,326	\$ 130,601,421	\$ 338,747,747

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Schedule to Reconcile the Budget (Non-GAAP) Basis Financial Statements
to the Statement of Revenues, Expenses and Changes in Net Position
(Continued)

As of and for the year ended June 30, 2023

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

Operating	\$ 7,148,623
Nonoperating	<u>84,389,144</u>
Total	<u>\$ 91,537,767</u>

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

Operating	<u>\$ 45,324,822</u>
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- (3) Other institutional revenue is reported as three separate line on the Statement of Revenues, Expenses and Changes in Net Position as follows:

Contract revenue	\$ 1,563,010
Miscellaneous revenue	7,464,881
Investment income	<u>9,588,223</u>
	<u>\$ 18,616,114</u>

- (4) Student Services is reported as two separate lines on the Statement of Revenues, Expenses and Changes in Net Position is as follows:

Student Services	\$ 25,110,702
Student Aid	<u>24,367,555</u>
	<u>\$ 49,478,257</u>

- (5) Reconciliation of budgetary basis fund balance and net position as presented on the Statement of Revenue Expenses and Changes in Net Position is as follows:

Budgetary basis fund balance/net position	\$ 208,146,326
General capital assets capitalized - cost	694,111,097
Accumulated depreciation on general capital assets (net)	(443,822,690)
Subscription based assets	8,293,527
General obligation debt	(74,450,000)
Premium on notes payable	(2,251,404)
Encumbrances	16,618,276
Compensated absence liability	(7,247,452)
Net OPEB liability	(45,760,490)
Subscription based IT liability	(6,903,513)
Accrued interest on long-term debt	(114,529)
Summer school tuition and fees	1,431,400
Net pension liability	(35,375,932)
Deferred outflow of resources related to pensions	128,013,716
Deferred inflow of resources related to pensions	(74,124,703)
Deferred outflow of resources related to OPEB	1,506,444
Deferred inflow of resources related to OPEB	(29,322,326)
Net position per basic financial statements	<u>\$ 338,747,747</u>

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Schedule to Reconcile the Combined Balance Sheet - All Fund Types to the Statement of Net Position

As of June 30, 2022

	General Fund	Special Revenue Funds	Capital Projects Fund	Debt Service Fund	Enterprise Funds	Internal Service Fund	Fiduciary Funds	Total	Reconciling Items	Statement of Net Position
Assets:										
Cash and cash equivalents	\$ 44,423,009	\$ 5,888,875	\$ 29,259,578	\$ 17,005,548	\$ 11,551	\$ -	\$ 99,946,010	\$ 196,534,571	\$ -	\$ 196,534,571
Property taxes receivable	6,849,188	-	-	5,745,294	-	-	-	12,594,482	-	12,594,482
Accounts and other receivables, net	13,754,057	515,839	72,977	607,073	14,839,697	-	1,509,751	31,299,394	-	31,299,394
Due from other funds	10,350,651	86,212,343	-	-	36,749,160	7,396,706	15,562,844	156,271,704	(156,271,704)	-
Inventory	-	-	-	-	686,603	-	-	686,603	-	686,603
Prepaid	576,325	-	-	-	-	4,342,693	-	4,919,019	-	4,919,019
Net pension asset	-	-	-	-	-	-	-	-	55,803,371	55,803,371
Land, buildings and equipment, net	-	-	-	-	-	-	-	-	254,444,174	254,444,174
Total assets	75,953,230	92,617,057	29,332,555	23,357,915	52,287,011	11,739,399	117,018,605	402,305,772	153,975,841	556,281,614
Deferred outflows of resources:										
Deferred outflows related to OPEB	-	-	-	-	-	-	-	-	4,227,711	4,227,711
Deferred outflows related to pensions	-	-	-	-	-	-	-	-	104,669,215	104,669,215
Total assets and deferred outflows of resources	\$ 75,953,230	\$ 92,617,057	\$ 29,332,555	\$ 23,357,915	\$ 52,287,011	\$ 11,739,399	\$ 117,018,605	\$ 402,305,772	\$ 262,872,767	\$ 665,178,540
Liabilities, Deferred Inflows of Resources and Net Position										
Liabilities:										
Accounts payable	\$ 1,795,411	\$ 440,334	\$ 3,341,524	\$ 10,000	\$ 16,062	\$ -	\$ 11,805	\$ 5,615,136	\$ -	\$ 5,615,136
Accrued liabilities	10,181,683	93,008	789,654	-	147,520	6,166,954	337,927	17,716,746	-	17,716,746
Encumbrances	343,057	239,619	16,597,424	-	534,016	-	93,856	17,807,972	(17,807,973)	-
Accrued interest payable	-	-	-	-	-	-	-	-	156,028	156,028
Due to other funds	17,232,669	92,841,302	-	-	34,942,704	-	11,255,029	156,271,704	(156,271,704)	-
Deferred program and material fees	2,532,980	961,387	30,000	-	25,466	-	1,054,104	4,603,937	(1,935,244)	2,668,693
Due to student and other groups	-	35,739	-	-	-	-	2,810,124	2,845,863	-	2,845,863
General obligation notes payable	-	-	-	-	-	-	-	-	74,475,000	74,475,000
Premium on notes payable	-	-	-	-	-	-	-	-	2,196,052	2,196,052
Subscription based IT arrangements	-	-	-	-	-	-	-	-	2,953,140	2,953,140
Compensated absences	-	-	-	-	-	-	-	-	6,962,443	6,962,443
Post employment benefits	-	-	-	-	-	-	-	-	53,943,770	53,943,770
Total liabilities	32,085,800	94,611,389	20,758,602	10,000	35,665,768	6,166,954	15,562,845	204,861,358	(35,328,488)	169,532,871
Deferred inflows of resources:										
Deferred inflows related to pensions	-	-	-	-	-	-	-	-	131,522,575	131,522,575
Deferred inflows related to OPEB	-	-	-	-	-	-	-	-	37,269,512	37,269,512
Unearned television grant	-	-	-	-	1,912,427	-	-	1,912,427	-	1,912,427
Total deferred inflows and resources	-	-	-	-	1,912,427	-	-	1,912,427	168,792,087	170,704,514
Fund Balance/Net Position:										
Net investment in capital assets	-	-	-	-	-	-	-	-	206,258,184	206,258,184
Restricted:										
Prepaid	576,324	-	-	-	-	-	-	576,324	(576,324)	-
Pension	-	-	-	-	-	-	-	-	55,803,371	55,803,371
Debt service	-	-	-	23,347,915	-	-	-	23,347,915	(156,028)	23,191,887
Capital projects	-	-	-	-	-	-	-	-	(8,573,953)	-
Student financial assistance	-	790,108	-	-	-	-	-	790,108	-	790,108
Unrestricted	43,291,106	(2,784,438)	-	-	14,708,816	5,572,445	101,455,760	162,243,689	(123,346,082)	38,897,607
Total fund balance/net position	43,867,430	(1,994,332)	8,573,953	23,347,915	14,708,816	5,572,445	101,455,760	199,531,987	129,409,168	324,941,157
Total liabilities, deferred inflows and net position	\$ 75,953,230	\$ 92,617,057	\$ 29,332,555	\$ 23,357,915	\$ 52,287,011	\$ 11,739,399	\$ 117,018,605	\$ 402,305,772	\$ 262,872,767	\$ 665,178,540

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Schedule to Reconcile the Budget (Non-GAAP) Basis Financial Statements to the Statement of Revenues, Expenses and Changes in Net Position

For the year ended June 30, 2022

	General Fund	Special Revenue Funds	Capital Projects Fund	Debt Service Fund	Enterprise Funds	Internal Service Fund	Fiduciary Funds	Total	Reconciling Items	Statement of Revenues, Expenses and Changes in Net Position
Revenues:										
Local property tax	\$ 49,884,994	\$ -	\$ -	\$ 37,719,037	\$ 4,118,871	\$ -	\$ -	\$ 91,722,902	\$ -	\$ 91,722,902
Intergovernmental revenues:										
State	81,663,253	5,462,507	-	607,072	-	-	-	87,732,832	-	87,732,832
Federal	6,537,716	45,909,069	1,069,908	-	5,224,675	-	-	58,741,368	-	58,741,368
Institutional:										
Statutory program fees	31,486,659	-	-	-	-	-	-	31,486,659	(12,380,588)	19,106,071
Material fees	1,209,337	-	-	-	-	-	-	1,209,337	6,651	1,215,988
Other student fees	1,413,615	-	-	-	-	-	-	1,413,615	(34,972)	1,378,643
Other institutional	2,768,123	3,386,716	1,340,775	20,821	-	-	(10,078,896)	(2,562,461)	(24,857)	(2,587,318)
Auxiliary enterprise revenue	-	-	-	-	7,258,741	35,905,958	-	43,164,699	(40,704,985)	2,459,714
Total revenues	174,963,696	54,758,292	2,410,683	38,346,930	16,602,287	35,905,958	(10,078,896)	312,908,950	(53,138,751)	259,770,199
Expenditures:										
Current:										
Instruction	103,180,322	3,470,175	-	-	-	-	-	106,650,497	(8,857,516)	97,792,982
Instructional resources	4,553,975	-	-	-	-	-	-	4,553,975	(405,551)	4,148,423
Student services	19,798,336	53,043,386	-	-	-	-	-	72,841,722	(23,157,296)	49,684,426
General institutional	25,259,967	535,764	-	358,013	-	-	-	26,153,744	(1,970,202)	24,183,542
Physical plant	18,635,476	1,002,344	-	-	-	-	-	19,637,820	(712)	19,637,108
Capital outlay	-	-	40,631,610	-	3,724,231	-	-	44,355,841	(44,355,841)	-
Debt service:										
Principal retirement	-	-	-	37,990,850	3,894,150	-	-	41,885,000	(41,885,000)	-
Interest and fiscal charges	-	-	-	2,130,510	224,722	-	-	2,355,232	(1,431,567)	933,665
Depreciation	-	-	-	-	-	-	-	-	36,427,402	36,427,402
Auxiliary enterprise services	-	-	-	-	19,289,789	35,905,958	636,473	55,832,220	(40,653,979)	15,178,241
Total expenditures	171,428,076	58,051,669	40,631,610	40,479,373	27,132,892	35,905,958	636,473	374,266,052	(126,290,262)	247,975,789
Revenues over (under) expenditures	3,535,620	(3,293,377)	(38,220,927)	(2,132,443)	(10,530,605)	-	(10,715,369)	(61,357,101)	73,151,511	11,794,410
Other financing sources (uses):										
Debt issued	-	-	35,707,650	-	3,292,350	-	-	39,000,000	(39,000,000)	-
Premium on issued debt	-	-	-	1,369,997	-	-	-	1,369,997	(1,369,997)	-
Other grants (Foundation)	-	-	-	-	7,005,855	-	-	7,005,855	-	7,005,855
Loss on disposal	-	-	-	-	-	-	-	-	(326,987)	(326,987)
Total other financing sources (uses)	-	-	35,707,650	1,369,997	10,298,205	-	-	47,375,852	(40,696,984)	6,678,868
Revenue and other financing sources over (under) expenditures and other financing uses	3,535,620	(3,293,377)	(2,513,277)	(762,446)	(232,400)	-	(10,715,369)	(13,981,249)	32,454,527	18,473,278
Fund balance/net position (deficit), beginning of year (as restated)	40,331,810	1,299,045	11,087,230	24,110,361	14,941,216	5,572,445	112,171,129	209,513,236	96,954,641	306,467,877
Fund balance/net position (deficit), end of year	\$ 43,867,430	\$ (1,994,332)	\$ 8,573,953	\$ 23,347,915	\$ 14,708,816	\$ 5,572,445	\$ 101,455,760	\$ 195,531,987	\$ 129,409,168	\$ 324,941,155

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Schedule to Reconcile the Budget (Non-GAAP) Basis Financial Statements
to the Statement of Revenues, Expenses and Changes in Net Position
(Continued)

As of and for the year ended June 30, 2022

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

Operating	\$ 5,462,507
Nonoperating	<u>82,270,325</u>
Total	<u>\$ 87,732,832</u>

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

Operating	<u>\$ 58,741,368</u>
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- (3) Other institutional revenue is reported as three separate line on the Statement of Revenues, Expenses and Changes in Net Position as follows:

Contract revenue	\$ 1,059,761
Miscellaneous revenue	6,301,927
Investment income	<u>(9,949,006)</u>
	<u>\$ (2,587,318)</u>

- (4) Student Services is reported as two separate lines on the Statement of Revenues, Expenses and Changes in Net Position is as follows:

Student Services	\$ 20,913,837
Student Aid	<u>28,770,589</u>
	<u>\$ 49,684,426</u>

- (5) Reconciliation of budgetary basis fund balance and net position as presented on the Statement of Revenue Expenses and Changes in Net Position is as follows:

Budgetary basis fund balance/net position	\$ 195,531,987
General capital assets capitalized - cost	667,605,823
Accumulated depreciation on general capital assets	(418,041,288)
Subscription based assets	4,879,640
General obligation debt	(74,475,000)
Premium on notes payable	(2,196,052)
Encumbrances	17,807,973
Compensated absence liability	(6,962,443)
Net OPEB liability	(53,943,770)
Subscription based IT liability	(2,953,140)
Accrued interest on long-term debt	(156,028)
Summer school tuition and fees	1,935,244
Net pension liability	55,803,371
Deferred outflow of resources related to pensions	104,669,215
Deferred inflow of resources related to pensions	(131,522,575)
Deferred outflow of resources related to OPEB	4,227,711
Deferred inflow of resources related to OPEB	<u>(37,269,512)</u>
Net position per basic financial statements	<u>\$ 324,941,156</u>

STATISTICAL SECTION

The following information in this section was prepared by the District and was not subject to audit by the independent certified public accounting firm. This information provides further insight into the District's financial condition and economic environment.

The columns headed "Year" in this section refer to the District's fiscal year (July 1 to June 30). Other differences in the data included in this section will be disclosed in the notes to the specific statement or schedule included in this section.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

NET POSITION BY COMPONENT
 Fiscal years 2014-2023
 (accrual basis of accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net investment in capital assets	\$ 209,570,132	\$ 206,258,184	\$ 201,410,140	\$ 196,111,010	\$ 187,975,254	\$ 182,147,317	\$ 177,139,895	\$ 169,196,679	\$ 154,996,508	\$ 140,438,827
Restricted	26,972,677	79,785,366	68,855,820	46,191,617	21,245,991	41,397,236	16,808,771	15,482,761	58,474,496	21,475,193
Unrestricted (deficit)	102,204,938	38,897,605	36,374,306	14,303,579	27,556,567	8,230,148	(34,200,931)	(32,452,152)	(61,556,643)	(62,038,769)
Total Net Position	\$ 338,747,747	\$ 324,941,155	\$ 306,640,266	\$ 256,606,206	\$ 236,777,812	\$ 231,774,701	\$ 159,747,735	\$ 152,227,288	\$ 151,914,361	\$ 99,875,251

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT
Statements of Revenues, Expenses and Changes in Net Position
For Fiscal Years 2014-2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Operating revenues										
Student tuition and program fees, net of scholarship allowances	\$ 21,118,963	\$ 21,700,702	\$ 22,891,532	\$ 27,877,988	\$ 28,689,051	\$ 25,658,430	\$ 25,863,378	\$ 26,709,249	\$ 27,130,151	\$ 28,253,514
Federal grants	45,324,822	58,741,368	43,404,988	35,850,078	32,940,615	32,405,683	33,157,562	35,690,390	41,887,680	42,266,416
State grants	5,500,000	5,462,507	6,062,933	6,678,951	6,782,893	5,438,697	6,171,912	7,267,722	6,665,787	6,731,423
Contract revenue	1,563,010	1,059,761	940,605	1,518,240	1,095,506	1,016,305	1,573,317	1,986,893	1,647,285	1,357,944
Auxiliary enterprise revenues, net of scholarship allowances	5,240,574	2,459,714	5,065,068	5,371,058	8,468,983	8,850,045	8,153,287	8,300,252	8,786,270	9,440,162
Miscellaneous	7,464,881	6,301,927	5,283,550	7,484,560	6,193,130	5,637,083	4,128,853	3,416,604	4,761,590	7,443,353
Total operating revenues	86,212,250	95,725,979	83,648,676	84,780,875	84,170,178	79,006,243	79,048,309	83,371,110	90,878,763	95,492,812
Operating expenses										
Instruction	107,533,797	97,792,982	96,342,518	111,003,514	116,220,976	109,792,671	113,305,987	118,273,543	115,598,343	133,177,683
Instructional resources	4,552,097	4,148,423	3,885,336	4,710,920	4,792,512	4,811,604	5,196,552	4,570,257	4,662,390	5,281,375
Student services	25,110,702	20,913,837	19,299,936	18,381,437	20,309,334	19,511,231	19,735,658	21,113,453	19,662,419	21,819,795
General institutional	26,096,377	24,183,542	24,496,522	23,451,251	25,386,314	22,005,604	19,011,293	21,498,922	23,765,214	20,218,891
Physical plant	18,295,705	19,637,108	19,073,051	18,625,369	20,564,484	20,022,585	20,566,300	19,299,179	19,077,054	17,462,432
Student aid	24,367,555	28,770,589	18,099,743	18,099,743	15,244,018	12,963,431	13,363,596	13,087,819	15,138,207	16,274,075
Auxiliary enterprise services	24,042,537	15,178,241	21,439,480	21,438,972	23,251,382	20,680,782	18,817,974	23,069,448	24,034,022	22,312,492
Depreciation	35,670,959	36,427,402	35,381,379	33,646,560	33,824,057	33,673,844	32,703,502	30,764,430	30,121,915	29,225,535
Total operating expenses	265,669,729	247,052,124	238,017,965	249,357,766	259,593,077	243,481,752	242,700,862	251,678,951	252,079,564	265,772,278
Operating loss	(179,457,479)	(151,326,146)	(154,369,289)	(164,576,891)	(175,422,899)	(164,455,509)	(163,652,553)	(168,305,841)	(161,200,801)	(170,279,466)
Nonoperating revenues (expenses)										
Local property taxes	91,480,646	91,722,902	95,539,085	94,075,458	92,775,493	91,605,973	90,144,670	88,242,249	87,619,524	143,613,080
State appropriations	86,037,767	82,270,325	78,219,412	79,192,262	77,179,538	75,923,240	76,809,233	76,476,730	77,890,636	19,940,585
Build America bond interest subsidy	-	-	-	-	-	-	-	-	49,456	112,462
Other grants	7,305,338	7,005,855	6,812,511	7,009,293	5,917,142	5,857,556	5,538,027	5,522,109	6,779,544	4,322,327
Investment income (expense)	9,588,223	(9,949,006)	26,086,433	6,035,565	6,431,302	4,062,760	107,200	33,951	29,473	80,244
Loss on Disposal	(48,164)	(326,987)	(604,853)	(139,482)	(61,026)	(842,806)	(149,961)	(344,364)	(118,853)	(13,607)
Interest expense	(1,099,739)	(923,665)	(1,649,239)	(1,767,811)	(1,816,440)	(1,538,027)	(1,276,169)	(1,311,908)	(1,568,672)	(2,843,101)
Total nonoperating revenues (expenses)	193,264,071	169,799,424	204,403,349	184,405,285	180,426,009	175,068,696	171,173,000	168,618,767	170,681,108	165,211,990
Special item										
Change in net position	13,806,592	18,473,278	50,034,060	19,828,394	5,003,110	95,544,501	7,520,447	312,926	9,480,307	(5,067,476)
Net position - beginning of the year, as restated	324,941,155	306,467,877	256,606,206	236,777,812	231,774,701	136,230,199	152,227,287	151,914,361	142,434,054	104,942,727
Net position - end of the year	\$ 338,747,747	\$ 324,941,155	\$ 306,640,266	\$ 256,606,206	\$ 236,777,811	\$ 231,774,700	\$ 159,747,734	\$ 152,227,287	\$ 151,914,361	\$ 99,875,251

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Revenues By Source and Debt Proceeds

Historical Comparisons
Fiscal Years 2014-2023
Figures in Thousands

Year Ended June 30	Property Tax Levy			Intergovernmental		Tuition and Fees (1)	Institutional (2)	Auxiliary Enterprise	Interest	Total
	Operational	Debt Service		State	Federal					
2014	\$ 109,161	\$ 34,452	\$ 26,672	\$ 42,379	\$ 28,254	\$ 12,297	\$ 80	\$ 9,440	\$ 262,735	
2015	44,030	43,590	84,558	41,937	27,130	13,188	29	8,786	263,248	
2016	45,363	42,879	83,744	35,690	26,709	10,912	34	8,315	253,646	
2017	46,623	43,521	82,981	33,158	25,863	11,240	107	8,153	251,646	
2018	48,118	43,488	81,362	32,406	25,658	12,511	4,063	8,850	256,456	
2019	49,262	43,514	83,962	32,941	28,689	13,206	6,431	8,469	266,474	
2020	51,025	43,050	85,871	35,850	27,878	16,012	6,036	5,371	271,093	
2021	52,579	42,960	84,282	43,405	22,892	13,037	26,086	5,065	290,306	
2022	49,885	41,838	87,733	58,741	21,701	14,367	(9,949)	2,460	266,776	
2023	48,979	42,501	91,538	45,325	21,119	18,616	9,588	5,241	282,907	

(1) Tuition and Fee Revenue is Statutory program fees, material fees and other student fees.

(2) Institutional Revenue is Contract, Miscellaneous, and Other Grants Revenue.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Expenses by Function

Historical Comparisons
Fiscal Years 2014-2023
Figures in Thousands

Year Ended June 30	Instruction	Instructional Resources	Student Services	General Institution	Physical Plant (1)	Interest Expense	Student Aid	Depreciation	Auxiliary Services	Loss on Disposal	Total
2014	\$ 133,178	\$ 5,281	\$ 21,820	\$ 20,219	\$ 17,463	\$ 2,017	\$ 16,274	\$ 29,226	\$ 22,312	\$ 13	\$ 267,803
2015	115,598	4,662	19,683	23,765	19,077	1,569	15,138	30,122	24,034	119	253,767
2016	118,274	4,570	21,113	21,499	19,300	1,312	13,088	30,764	23,069	344	253,333
2017	113,306	5,197	19,661	19,011	20,566	1,276	13,364	32,704	18,818	150	244,053
2018	109,793	4,812	19,511	22,006	20,023	1,538	12,963	33,674	20,681	843	245,844
2019	116,221	4,793	20,309	25,386	20,564	1,816	15,244	33,824	23,251	61	261,469
2020	111,004	4,711	18,381	23,451	18,625	1,768	18,100	33,647	21,439	139	251,265
2021	96,343	3,885	19,300	24,497	19,073	1,649	18,100	35,381	21,439	605	240,272
2022	97,973	4,148	20,914	24,184	19,637	924	28,771	36,427	15,178	327	248,483
2023	107,534	4,552	25,111	26,096	18,296	1,100	24,368	35,671	24,043	48	266,817

(1) Physical Plant expense includes physical plant expense and capital outlay expense.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Distribution of Property Value
Milwaukee and Parts of Ozaukee, Washington, and Waukesha Counties

Historical Comparisons
Fiscal years 2014-2023
All figures are in thousands

Year	Residential	Commercial	Manufacturing	Agricultural	Undeveloped	Forest	Personal Property	Total
2014	\$ 51,122,367	\$ 21,601,589	\$ 2,103,580	\$ 23,273	\$ 37,130	\$ 20,927	\$ 2,355,532	\$ 77,264,398
2015	51,841,512	22,131,356	2,170,259	23,484	39,260	22,807	2,050,327	78,279,005
2016	53,490,070	23,414,471	2,266,863	22,541	38,827	23,338	2,118,538	81,374,647
2017	55,169,206	23,659,743	2,264,480	22,618	39,933	22,306	2,183,632	83,361,917
2018	57,343,217	25,649,950	2,290,714	23,092	45,061	23,766	1,643,498	87,019,297
2019	60,954,749	26,299,212	2,344,989	23,570	43,753	25,448	1,714,444	91,406,164
2020	62,968,139	28,794,312	2,419,185	24,464	43,147	24,276	1,812,604	96,086,128
2021	69,059,137	30,448,460	2,502,993	25,222	40,683	24,673	1,809,346	103,910,513
2022	77,917,603	34,486,647	2,613,607	53,380	40,366	24,558	1,803,388	116,939,548
2023	87,136,582	37,061,651	3,023,669	28,541	41,544	26,457	1,926,317	129,244,762

Source: Equalized Property Values @ <https://www.revenue.wi.gov/Pages/Report/Home.aspx>

MILWAUKEE AREA TECHNICAL COLLEGE
Equalized Value and Tax Levy Distribution by Municipality
Fiscal Year 2022-23

	TAXABLE EQUALIZED VALUATION ⁽¹⁾	PERCENT OF TOTAL	TOTAL TAX LEVY
<u>Milwaukee County:</u>			
Village of Bayside	\$ 782,030,400	0.769220%	\$ 703,660
Brown Deer	1,223,405,300	1.203365%	1,100,804
Fox Point	1,359,086,300	1.336823%	1,222,888
Greendale	1,703,106,900	1.675208%	1,532,433
Hales Corners	801,392,800	0.788265%	721,082
River Hills	509,420,400	0.501076%	458,370
Shorewood	1,935,381,700	1.903678%	1,741,430
West Milwaukee	430,513,100	0.423461%	387,370
Whitefish Bay	2,859,759,100	2.812913%	2,573,173
City of Cudahy	1,515,988,000	1.491155%	1,364,066
Franklin	5,252,114,500	5.166079%	4,725,782
Glendale	2,159,360,000	2.123987%	1,942,963
Greenfield	3,712,834,400	3.652014%	3,340,758
Milwaukee	36,919,938,100	36.315152%	33,220,062
Oak Creek	4,436,802,000	4.364123%	3,992,175
St. Francis	705,202,300	0.693650%	634,532
South Milwaukee	1,630,334,700	1.603628%	1,466,953
Wauwatosa	8,519,107,200	8.379555%	7,665,378
West Allis	5,191,417,900	5.106377%	4,671,168
<u>Ozaukee County:</u>			
Town of Belgium	140,005,953	0.137713%	125,975
Cedarburg	1,200,532,200	1.180866%	1,080,223
Fredonia	147,441,866	0.145027%	132,666
Grafton	812,794,600	0.799480%	731,342
Port Washington	292,526,100	0.287734%	263,211
Sauville	295,175,000	0.290340%	265,594
Village of Bayside	33,006,300	0.032466%	29,699
Fredonia	236,260,000	0.232390%	212,584
Grafton	1,613,523,100	1.587092%	1,451,826
Newburg	8,063,400	0.007931%	7,255
Sauville	564,586,300	0.555338%	508,007
Thiensville	446,937,100	0.439616%	402,148
City of Cedarburg	1,947,575,600	1.915672%	1,752,402
Mequon	5,785,616,400	5.690842%	5,205,820
Port Washington	1,370,834,100	1.348378%	1,233,458
<u>Washington County:</u>			
Town of Germantown	33,872,400	0.033318%	30,478
Jackson	211,133,958	0.207675%	189,975
Polk	93,159,966	0.091634%	83,824
Richfield	3,389,240,200	3.333721%	3,049,593
Village of Germantown	92,274,374	0.090763%	83,027
Jackson	863,955,577	0.849803%	777,376
<u>Waukesha County:</u>			
City of Milwaukee	15,240,100	0.014990%	13,713
New Berlin	424,433,481	0.417481%	381,900
	<u>\$ 101,665,383,175</u>	<u>100%</u>	<u>91,477,140</u>

(1) Source: Wisconsin Department of Revenue, excludes tax increment

(2) Calculations by District Staff

MILWAUKEE AREA TECHNICAL COLLEGE
Property Tax Levies, Equalized Value and Tax Rates
Historical Comparisons
Fiscal Years 2014-23

Year	Total Property Tax Levy-All Funds ⁽¹⁾		Equalized Value of Taxable Property ⁽²⁾		Total Property Tax	
	Amount \$	Percent Change	Amount \$	Percent Change	Rate ⁽³⁾	Percent Change
2014	143,594,580	-0.6%	67,499,263,273	-1.5%	2.13	0.93%
2015	87,671,440	-38.9%	69,017,851,677	2.2%	1.27	-40.29%
2016	87,896,728	0.3%	69,908,973,752	1.3%	1.26	-1.02%
2017	90,150,730	2.6%	71,560,793,961	2.4%	1.26	0.20%
2018	91,638,040	1.6%	72,879,221,796	1.8%	1.26	-0.19%
2019	92,746,924	1.2%	75,676,549,719	3.8%	1.23	-2.53%
2020	93,965,584	1.3%	79,415,980,799	4.9%	1.18	-3.46%
2021	95,626,532	1.8%	83,111,403,922	4.7%	1.15	-2.76%
2022	91,160,828	-4.7%	90,311,455,530	8.7%	1.01	-12.27%
2023	91,477,140	0.3%	101,665,383,175	12.6%	0.90	-10.86%

(1) Counties are responsible for the collection of delinquent taxes; thus, the District receives 100% of its levy.

(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, excluding tax increments.

(3) District property tax rates are shown per \$1,000 of equalized value.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Property Value and Construction for Milwaukee County
Historical Comparisons Fiscal Years 2014 - 2023

The following table represents Milwaukee County only. Milwaukee County accounts for 82% of the District's valuation.

<u>Year</u>	<u>Property Value* ⁽¹⁾</u>			
	<u>Non-Residential</u>	<u>Residential</u>	<u>Exemptions</u>	<u>Total</u>
2014	\$ 20,140,162	\$ 36,173,659	\$ 1,940,102	\$ 54,373,719
2015	20,586,877	36,320,315	1,645,987	55,261,206
2016	21,687,987	36,885,566	1,719,007	58,573,553
2017	21,796,916	37,879,641	1,736,741	59,676,556
2018	23,549,264	39,154,908	1,361,444	62,704,172
2019	23,991,817	41,784,152	1,402,481	65,775,969
2020	26,329,745	43,104,889	1,482,227	69,434,634
2021	27,820,110	47,984,701	1,485,507	75,804,812
2022	31,322,535	54,233,597	1,477,581	85,556,132
2023	33,851,716	60,611,190	1,574,688	94,462,906

* Amounts expressed in thousands.

Figures compiled by Milwaukee County:

⁽¹⁾ Source: Equalized Property Values @ <https://www.revenue.wi.gov/Pages/Report/Home.aspx>

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Principal Taxpayers - Milwaukee County ⁽¹⁾
December 31, 2022

<u>Company</u>	<u>Full Market Value \$ in (1,000)</u>	<u>Percent of MATC Total Equalized Valuation</u>
Northwestern Mutual Life Insurance Company	\$ 669,534	0.77%
Froedert Health	492,616	0.57%
Mayfair Mall	476,635	0.55%
Mandel Group	465,192	0.53%
Irgen	391,405	0.45%
Berrada Properties	361,312	0.42%
Weidner Investments	267,313	0.31%
US Bankcorp	263,859	0.30%
Aurora Health	239,264	0.27%
Children's Hospital of Wisconsin	208,209	0.24%
Vanguard Partners	175,537	0.20%

⁽¹⁾ Milwaukee County accounts for 80% of the District's valuation.

Source - Milwaukee County Annual Comprehensive Financial Report, December 2022

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Student Enrollment Unduplicated Equivalent⁽¹⁾
 Student Enrollment Statistics⁽³⁾
 Historical Comparisons
 Fiscal years 2014-2023

Year	Unduplicated		College Parallel	Associate Degree	Technical Diploma	Vocational Adult	Community Service	Non-Postsecondary
	Total	Minority %						
2014	38,049	58%	11,880 31%	19,171 50%	2,883 8%	5,618 15%	24 0%	11,174 29%
			% of Total					
2015	35,859	53%	10,744 30%	17,704 49%	3,059 9%	5,188 14%	56 0%	14,637 41%
			% of Total					
2016	33,851	53%	9,551 28%	16,157 48%	2,884 9%	4,776 14%	63 0%	13,649 40%
			% of Total					
2017	32,188	54%	9,047 28%	15,340 48%	2,665 8%	4,810 15%	48 0%	13,729 43%
			% of Total					
2018	31,489	55%	8,977 29%	14,963 48%	2,794 9%	5,072 16%	52 0%	12,671 40%
			% of Total					
2019	31,635	56%	9,617 30%	15,390 49%	3,147 10%	4,647 15%	53 0%	10,777 34%
			% of Total					
2020	29,733	59%	9,233 31%	14,947 50%	3,104 10%	3,906 13%	49 0%	10,904 37%
			% of Total					
2021	23,458	55%	7,507 32%	12,869 55%	2,399 10%	2,821 12%	— 0%	3,880 17%
			% of Total					
2022	25,052	60%	6,440 27%	12,778 54%	2,734 12%	3,582 15%	103 0%	5,423 23%
			% of Total					
2023	26,497	61%	6,477 24%	13,114 49%	2,729 10%	3,734 14%	131 0%	6,613 25%
			% of Total					

⁽¹⁾ Unduplicated student count by column per year. Students may be represented in multiple 'tracks' (i.e. College Parallel, Associate Degree, Vocational Adult, etc.) as determined by their course enrollment. For example, a student taking two general education courses and two courses specific to an associate degree program that does not fulfill a general education requirement would count once in collegiate transfer, once in Associate Degree, and once in the Total column.

⁽²⁾ Percentages represent the portion of total students served in each 'track'

⁽³⁾ source: WTCS report CLI620A. WTCS report CLI310 for Minority %

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Full Time Equivalent ⁽¹⁾⁽²⁾
Student Enrollment Statistics⁽³⁾

Historical Comparisons
Fiscal Years 2014-2023

Year	College Parallel	Associate Degree	Vocational		Community Service	Non-Postsecondary	Total
			Diploma	Adult			
2014	3,245	6,888	909	182	1	1,192	12,417
% of Total	26%	55%	7%	1%	0%	10%	100%
2015	2,972	6,309	935	169	1	1,424	11,811
% of Total	25%	53%	8%	1%	0%	12%	100%
2016	2,605	5,645	889	154	5	1,336	10,634
% of Total	24%	53%	8%	1%	0%	13%	100%
2017	2,524	5,387	882	131	4	1,270	10,198
% of Total	25%	53%	9%	1%	0%	12%	100%
2018	2,559	5,171	890	123	4	1,145	9,893
% of Total	26%	52%	9%	1%	0%	12%	100%
2019	2,732	5,322	936	122	4	906	10,023
% of Total	27%	53%	9%	1%	0%	9%	100%
2020	2,641	5,290	982	109	3	937	9,962
% of Total	27%	53%	10%	1%	0%	9%	100%
2021	2,125	4,667	726	65	—	438	8,022
% of Total	26%	58%	9%	1%	0%	5%	100%
2022	1,807	4,439	873	80	7	611	7,816
% of Total	23%	55%	11%	1%	0%	8%	97%
2023	1,751	4,673	905	87	10	740	8,166
% of Total	21%	57%	11%	1%	0%	9%	100%

⁽¹⁾ A full-time equivalent (FTE) is equal to 30 annual student credits which is subject to State approval and audit

⁽²⁾ as of 2016, FTE calculations exclude Transcribed Credit

⁽³⁾ source: WTCS report CLI620A

MILWAUKEE AREA TECHNICAL COLLEGE
Course Fee History
Historical Comparisons
Fiscal Years 2014 - 2023

Year	College Parallel		Percent Change		Associate Degree, Adult, and Vocational Programs		Percent Change		Avocational Programs		Percent Change
	\$										
2014	\$	165.40	4.5%	\$	122.20	4.5%	\$	291.00	0.0%		
2015		170.35	3.0%		125.85	3.0%		291.00	0.0%		
2016		173.75	2.0%		128.40	2.0%		291.00	0.0%		
2017		176.35	1.5%		130.35	1.5%		291.00	0.0%		
2018		178.80	1.4%		132.20	1.4%		291.00	0.0%		
2019		181.50	1.5%		134.20	1.5%		291.00	0.0%		
2020		184.60	1.7%		136.50	1.7%		291.00	0.0%		
2021		187.85	1.8%		138.90	1.8%		291.00	0.0%		
2022		188.90	0.6%		141.00	1.5%		291.00	0.0%		
2023		188.90	0.0%		143.45	1.7%		291.00	0.0%		

NOTES:

All amounts are per-credit charges.

College Parallel and Associate Degree, Adult, and Vocational Program fees are established by the Wisconsin Technical College System Board. Avocational fees are established by the District Board to cover 100% of instructional cost.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Ratio of Net Debt to Equalized Value and
Per Capita, and Computation of Legal Debt Margin ⁽¹⁾

Historical Comparisons
Fiscal Years 2014-2023

Year ended June 30	Figures are in thousands					Net Debt	
	Population	Equalized Valuation	Gross Debt Amount	Sinking Funds	Net Amount	Percent of Equalized Valuation	Per Capita
2014	1,045,479	\$ 67,499,263	\$ 97,620	\$ 20,294	\$ 77,326	0.1%	\$ 74
2015	1,045,585	69,017,851	89,875	17,952	71,923	0.1%	69
2016	1,039,762	69,908,973	84,020	14,182	69,838	0.1%	67
2017	⁽²⁾	71,560,793	81,905	15,624	66,281	0.1%	⁽²⁾
2018	⁽²⁾	72,879,221	80,135	9,765	70,370	0.1%	⁽²⁾
2019	⁽²⁾	75,676,550	78,900	12,623	66,277	0.1%	⁽²⁾
2020	⁽²⁾	79,415,980	77,890	16,899	60,991	0.1%	⁽²⁾
2021	⁽²⁾	83,111,404	77,360	17,197	60,163	0.1%	⁽²⁾
2022	⁽²⁾	90,311,456	74,475	17,006	57,469	0.1%	⁽²⁾
2023	⁽²⁾	101,665,383	74,450	20,112	54,338	0.1%	⁽²⁾

⁽¹⁾ Bonded indebtedness may not exceed 2% of equalized valuation and total indebtedness may not exceed 5% of equalized valuation. For fiscal year 2019, the computation of legal debt margin is as follows (in thousands):

Equalized Valuation	\$ 101,665,383
	<u> x 5%</u>
Debt limit – 5% of total equalized value	5,083,269
Gross indebtedness applicable to debt limit	\$ 74,450
Less sinking funds	<u>20,112</u>
Total amount of debt applicable to debt limit	<u>54,338</u>
Legal debt margin	<u>\$ 5,028,931</u>

⁽²⁾ Not available

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Ratio of Annual Debt Service and Debt Expenditures
to Total Operating Expenses

Historical Comparisons
Fiscal Years 2014-2023

<u>Year</u>	<u>Principal</u>	<u>Interest and Related Charges</u>	<u>Total</u>	<u>Total Operating Expenses</u>	<u>Percent of Debt Service to Operating Expenses</u>
2014	\$ 36,172,574	\$ 2,566,883	\$ 38,739,457	\$ 264,301,039	14.7%
2015	39,742,783	2,363,209	42,105,992	252,079,564	16.7%
2016	45,427,070	2,297,992	47,725,062	251,676,950	19.0%
2017	41,115,000	2,247,556	43,362,556	242,700,862	17.9%
2018	40,770,000	2,427,689	43,197,689	243,461,752	17.7%
2019	40,235,000	2,773,583	43,008,583	259,593,077	16.6%
2020	40,010,000	2,975,021	42,985,021	249,357,766	17.2%
2021	45,875,000	3,021,019	48,896,019	238,017,965	20.5%
2022	41,885,000	2,355,232	44,240,232	247,052,124	17.9%
2023	39,025,000	2,560,593	41,585,593	266,029,404	15.6%

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Statement of Direct and Overlapping Debt ⁽¹⁾
 As of June 30, 2023
 (Dollars are in thousands) ⁽²⁾

		<u>Net Debt Outstanding</u>	<u>Amount Applicable to District</u>	<u>Percent of Debt to District Equalized Valuation</u>	<u>Per Capita Debt to District Population</u>
2023 Equalized Valuation	\$ 101,665,383				
2023 Estimated Population	1,092,846				
DIRECT DEBT OF DISTRICT		\$ 74,450	\$ <u>74,450</u>	<u>0.0732%</u>	\$ <u>68</u>
INDIRECT DEBT APPLICABLE TO DISTRICT					
Total County Debt Outstanding		125,711			
Portion of County Debt Applicable to District			28,879	0.0284%	26
Total City Debt Outstanding		1,835,576			
Portion of City Debt Applicable to District			1,764,332	1.7354%	1,614
Total Village Debt Outstanding		341,707			
Portion of Village Debt Applicable to District			323,545	0.3182%	296
Total Town Debt Outstanding		5,662			
Portion of Town Debt Applicable to District			5,353	0.0053%	-
Total School District Debt Outstanding		865,456			
Portion of School District Debt Applicable to District			865,456	0.8513%	792
Total Milwaukee Metropolitan Sewerage District (MMSD) Debt		728,183			
Portion of MMSD Debt Applicable to District			<u>573,444</u>	<u>0.5641%</u>	<u>525</u>
Total Indirect Debt Applicable to District			\$ <u>3,561,009</u>	<u>3.5027%</u>	\$ <u>3,258</u>
SUMMARY					
Total Direct and Indirect Debt			\$ <u><u>3,635,459</u></u>	<u><u>3.5759%</u></u>	\$ <u><u>3,327</u></u>

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT
Demographic Statistics for Milwaukee and Ozaukee Counties

Historical Data 2013-2022

Year	Population ¹	Number of Households ²	Income per Capita (2015 Dollars) ³	Median Age (Milwaukee County) ⁴	Median Age (Ozaukee County) ⁴	School Enrollments (Public ⁵ and Private ⁶)	Annual Graduates (Public and Private) ^{7,8}	Annual Unemployment Rate ⁹
2013	1,044,731	414,920	\$45,313	34.0	45	194,977	8,726	8.1%
2014	1,046,126	417,295	\$46,066	34.5	44	194,475	8,557	6.7%
2015	1,046,588	417,346	\$47,467	34.6	44	195,691	8,416	5.6%
2016	1,043,384	416,735	\$47,438	34.7	44.0	194,231	8,559	5.0%
2017	1,039,018	411,997	\$48,002	35.0	44.4	192,510	8,862	3.9%
2018	1,037,348	420,542	\$51,636	35.1	44.3	191,531	9,006	3.8%
2019	1,034,947	419,460	\$52,880	35.2	44.3	191,133	9,012	3.9%
2020	1,030,992	419,869	\$54,167	35.0	44.0	189,930	11,069	7.9%
2021	1,020,556	425,578	\$64,004 ¹⁰	35.4 ¹⁰	43.7 ¹⁰	184,016	10,503	5.2%
2022	1,030,994					183,897	8,652 ¹¹	3.6%

¹U.S. Census Bureau, Population Estimates: 2015 (2010-2020)

Annual Estimates of the Resident Population: April 1, 2010 to July 1, 2020

Source: U.S. Census Bureau, Population Division

Release Dates: For the United States, regions, divisions, states, and Puerto Rico Commonwealth, December 2016. For counties, municipalities, metropolitan statistical areas, micropolitan statistical areas, metropolitan divisions, and combined statistical areas, May 2020.

²U.S. Census Bureau, American Community Survey, Table S1101, 1-year files (2010-2019), 5-year files (2020)

³U.S. Bureau of Economic Analysis, Local Area Personal Income, Personal income per capita personal income, and population (CA 1-3). Inflation Adjusted using BLS CPI

⁴U.S. Census Bureau, American Community Survey, Table B01002, 1-year files

⁵Wisconsin Department of Instruction (DPI), WISEdash Data Files, http://wise.dpi.wi.gov/wisedash_downloadfiles/type

⁶Wisconsin Department of Instruction (DPI), Private (non-Public) School Enrollment Data

⁷Wisconsin Department of Instruction (DPI), Legacy data files (2006-2009), WISE dash Data Files (2010-2021) (4yr completions), http://wise.dpi.wi.gov/wisedash_downloadfiles/type

⁸Wisconsin Department of Instruction (DPI), Public School Graduates only (2010-2019), Public and Private School Graduates (2020-2021)

⁹Wisconsin Department of Workforce Development, Bureau of Workforce Training, Local Area Unemployment Statistics

¹⁰ Data not available

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

PRINCIPAL EMPLOYERS

Fiscal year 2023⁽¹⁾

<u>Name of Business</u>	<u>Type of Business</u>	<u>Employees</u>
1 Advocate Aurora Health	Health Care	29,503
2 Froedtert Health Inc	Health Care	14,058
3 Ascension Wisconsin	Health Care	10,449
4 Roundy's Supermarkets Inc.	Retail Supermarkets	7,800
5 Medical College of Wisconsin	Medical School	6,554
6 GE Healthcare	Health Care	6,000
7 Quad	Printing	5,800
8 Children's Hospital and Health System	Health Care	5,309
9 Kohl's Corp	Retailer	5,000
10 Northwestern Mutual	Insurance	5,000

⁽¹⁾ Data reflects full time equivalent employees

Source - Milwaukee County Comprehensive Annual Financial Report, December 2022

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT
Employment Trends by Equal Employment Opportunity Categories
2014-2023

Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Administrative/Managerial	97	104	102	104	105	112	124	130	118	128
Percent Female	50%	54%	56%	52%	51%	53%	53%	56%	59%	60%
Percent Minority	45%	44%	43%	49%	49%	46%	44%	47%	46%	52%
Faculty	502	544	532	521	521	512	472	471	473	478
Percent Female	52%	53%	53%	52%	52%	52%	52%	52%	54%	54%
Percent Minority	29%	29%	30%	30%	30%	31%	32%	33%	32%	33%
Professional/Noninstructional	149	157	157	157	160	160	186	216	220	229
Percent Female	61%	63%	62%	63%	61%	61%	58%	62%	63%	63%
Percent Minority	40%	41%	39%	43%	39%	43%	48%	48%	53%	51%
Secretarial/Clerical	193	192	192	188	181	169	155	160	146	133
Percent Female	99%	97%	96%	95%	95%	93%	92%	89%	88%	86%
Percent Minority	45%	44%	44%	48%	51%	51%	55%	52%	53%	49%
Technical/Paraprofessional	146	154	152	149	145	142	134	129	133	132
Percent Female	53%	56%	55%	52%	53%	54%	54%	56%	58%	58%
Percent Minority	31%	31%	31%	31%	35%	32%	31%	36%	37%	38%
Skilled Trades	10	8	10	10	10	10	10	10	9	8
Percent Female	10%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Percent Minority	10%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Service/Maintenance	108	117	112	112	110	109	102	92	95	85
Percent Female	46%	45%	44%	42%	43%	43%	42%	38%	35%	35%
Percent Minority	57%	59%	62%	62%	60%	60%	63%	62%	62%	64%
Total	1,205	1,276	1,257	1,241	1,232	1,214	1,183	1,208	1,194	1,193
Percent Female	60%	60%	60%	59%	58%	58%	57%	58%	59%	59%
Percent Minority	37%	37%	37%	38%	39%	39%	41%	42%	37%	43%

Figures as of July of each year.

Ratio of Operational Expenditures Per
Full-time Equivalent Student (FTE)

Historical Comparisons
Fiscal Years 2014-2023

Year	Operational Expenditures (General and Special Revenue Funds)		Student Enrollments		Ratio Of Operational Expenditures Per Student	
	Amount	Percent Change	FTE	Percent change	FTE	Percent Change
2014	\$ 192,267,666	2.3%	12,417	-5.6%	\$ 15,484	8.4%
2015	179,277,230	-6.8%	11,811	-4.9%	15,179	-2.0%
2016	172,834,253	-3.6%	10,634	-10.0%	16,253	7.1%
2017	168,442,167	-2.5%	10,198	-4.1%	16,517	1.6%
2018	172,174,744	2.2%	9,893	-3.0%	17,404	5.4%
2019	177,174,477	2.9%	10,023	1.3%	17,677	1.6%
2020	176,875,528	-0.2%	9,962	-0.6%	17,755	0.4%
2021	177,011,706	0.1%	8,022	-19.5%	22,066	24.3%
2022	184,378,289	4.2%	7,816	-2.6%	23,590	6.9%
2023	181,754,733	-1.4%	8,166	4.5%	22,257	-5.6%

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Student and Campus Statistics

District Students

The median age of our students is 29 years, and they represent a variety of backgrounds. Our graduates have about 90 percent employment rate, and approximately 78 percent of our students are employed within the program area from which they graduated.

District Campuses

In addition to the main campus in Milwaukee, the District also operates three other campuses as well. These locations and square footages are summarized as follows:

(Unaudited)

Campus	Location	Under Roof Square Footage
Milwaukee Campus	700 West State Street Milwaukee, WI 53233	2,006,431
Mequon Campus	5555 West Highland Rd Mequon, WI 53092	208,918
Oak Creek Campus	6665 South Howell Ave Oak Creek, WI 53154	358,303
West Allis Campus	1200 South 71st Street West Allis, WI 53214	<u>180,365</u>
	Total for District	<u><u>2,754,017</u></u>

Prepared by District Staff from information supplied by departments of Finance, Construction Services, and Institutional Research.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Employee Budgeted Position Analysis
(Unaudited)

District Employees

The District utilizes qualified full-time and part-time employees to maintain its staffing flexibility and responsiveness. Likewise, part-time instructors who are actively employed in the fields in which they teach are an important factor in maintaining an educational environment consistent with current work environments. Full-time and full-time equivalent position classifications are included in the following tabulations:

District Position Budgets
By Classification
All Funds

<u>Full-Time</u>	<u>2021-22</u>	<u>2022-23</u>
Executive/Administrative/Managerial	133	125
Faculty	518	519
Professional/Non-Instructional	142	138
Secretarial/Clerical	157	145
Technical/Paraprofessional	256	262
Skilled Trades	12	11
Service/Maintenance	<u>120</u>	<u>122</u>
Subtotal Full-Time	<u>1,338</u>	<u>1,322</u>
<u>Part-Time (Expressed in Full-Time Equivalents)</u>		
Faculty	282	286
Students	49	58
Part-Time – All Other	<u>100</u>	<u>95</u>
Subtotal Part-Time	<u>431</u>	<u>439</u>
TOTAL	<u>1,769</u>	<u>1,761</u>

**MILWAUKEE AREA TECHNICAL COLLEGE
Program Graduate Follow-Up Statistics ⁽¹⁾**

**Historical Comparisons
Fiscal Years 2013-2022**

Year	Number of Graduates	Number of Follow-up Respondents	Total Number Available for Employment	Percent Employed ⁽²⁾	Percent Employed in Related Occupation	Percent Employed in District
2013	2,962	1,422	1,247	87.7%	69.0%	79.4%
2014	2,717	1,534	1,424	88.9%	70.6%	80.9%
2015	2,554	1,427	1,301	90.7%	72.5%	75.5%
2016	2,543	1,514	1,347	91.5%	72.3%	74.6%
2017	2,418	1,525	1,241	92.4%	72.3%	70.7%
2018	2,413	1,173	1,063	93.9%	74.5%	74.3%
2019	2,430	1,418	1,147	94.3%	73.3%	71.5%
2020	1,714	1,086	752	85.5%	62.2%	71.5%
2021	2,066	1,221	821	92.6%	67.9%	76.4%
2022	2,027	1,271	896	90.3%	78.2%	48.8%

⁽¹⁾ Based on survey of district graduates conducted approximately six months after graduation; Statistics only include graduates of the district's post-secondary vocational-technical programs.

⁽²⁾ Percent computed based upon WTCS standard of Employed / Available for Employment

MILWAUKEE AREA TECHNICAL COLLEGE

Academic & Career Pathways

MATC's offerings cover a wide spectrum in adult education from Adult Basic Education to Technical Associate Degree programs and many areas in between. Below are MATC's academic pathways grouped by Career Cluster: (A) = Associate Degree, (T) = Technical Diploma, (C) = Certificate.

Business Management Academic & Career Pathway

The Pathway goal is to develop the skills, knowledge and train students to make them competitive in the rapidly changing business and financial services industries. Students in the Business & Management Pathway, will have the opportunity to earn industry-recognized certifications, technical diplomas and associate degrees in accounting, banking and financial services, business management, supply chain management, transportation logistics and more.

Whether the student's goal is to own a business, work for a corporation, a nonprofit organization or a small startup – or to develop the necessary abilities to advance and expand leadership influence – the Business & Management Pathway will equip them with the skills, tools, experience and confidence to succeed.

<https://www.matc.edu/course-catalog/business-management>

- Accounting (A)
- Accounting Assistant (T)
- Accounting Bookkeeper Trainee (C)
- Administrative Professional (A)
- Banking and Financial Services (A)
- Bilingual Office Assistant (T)
- Business Analyst (A)
- Business Management (A)
- Business Management (T)
- Business Management Trainee (C)
- Digital Marketing and Integrated Communications (T)
- Entrepreneurship (T)
- Entrepreneurship (C)
- Event Management (A)
- Financial Services (T)
- Financial Services Trainee (C)
- Foundations of Lodging and Hospitality Management (T)
- Hotel/Hospitality Management (A)
- Human Resources (A)
- Leadership Development (A)
- Marketing – Online Accelerated (A)
- Marketing (A)
- Medical Administrative Specialist (A)
- Medical Billing (T)
- Office Technology Assistant (T)
- Property Management (C)

Academic & Career Pathways (Cont.)

Real Estate (A)

- Real Estate Broker Associate (T)
- Real Estate Salesperson (C)
- Sales and Customer Experience (T)
- Special Event Management (T)
- Supply Chain Management (A)
- Supply Management (T)
- Transportation – Logistics (T)

Community and Human Services Academic & Career Pathway

The Community & Human Services Pathway has programs to help students gain the skills needed to begin an exciting career. MATC's academic programs train and educate the service-related professionals who provide the lifeblood of a thriving community. Our graduates serve our communities in the areas of firefighting, criminal justice, emergency medical services and human services. They work in barbershops, salons, spas, early childhood education centers, laboratories, legal offices, funeral homes, and many other settings. With input from local employers, MATC's courses are designed to ensure you receive high-quality, career-focused training with the most up-to-date equipment and facilities. Our instructors are dedicated professionals with years of experience in their respective fields.

<https://www.matc.edu/course-catalog/community-human-services>

- Aesthetician (T)
- Aesthetician Skin Care Therapist (A)
- Barber (T)
- Child Care Services (T)
- Cosmetology (T)
- Criminal Justice Studies (A)
- Early Childhood Education (A)
- Emergency Medical Technician (T)
- Emergency Medical Technician – Advanced (T)
- Emergency Medical Technician – Paramedic (T)
- Environmental Health and Water Quality Technology (A)
- Fire Protection Technician (A)
- Funeral Service (A)
- Human Service Associate (A)
- Legal Studies/Paralegal (A)
- Nail Technician (T)
- Paramedic Technician (A)
- Post-Baccalaureate Legal Studies/Paralegal (T)
- Preschool (C)
- Sign Language Interpreting in Education (A)
- Water Technician (C)

Academic & Career Pathways (Cont.)

Creative Arts, Design & Media Academic & Career Pathway

The Creative Arts, Design & Media Pathway provides comprehensive education and training in the arts to prepare students for a career or to transfer to four-year colleges and universities. Our mission is to educate students to deliver their talents and skills through coursework that supports exploration and practical application toward creative industry careers that unify our diverse community.

Students in the Creative Arts, Design & Media Pathway, will discover their artistic expression through the guidance of our talented faculty of industry professionals. This Pathway is for students with passion in animation, gaming, visual media, cooking, baking, music, design, photography, or broadcasting. MATC has a program to help students gain the skills they need to begin an exciting career.

<https://www.matc.edu/course-catalog/creative-arts-design-media>

- Animation (A)
- Audio Engineer (T)
- Audio Production (A)
- Baking and Pastry Arts (A)
- Baking Production (T)
- Computer Simulation and Gaming (A)
- Culinary Arts (A)
- Culinary Assistant (T)
- Digital Imaging (T)
- eProduction (A)
- Food Service Assistant (T)
- Front-End Web Developer (T)
- Graphic Design (A)
- Interior Design (A)
- Music Occupations (A)
- Photography (A)
- Production Artist (T)
- Television & Video Production (A)
- TV/Video Field Production Assistant (T)
- TV/Video Studio Production Assistant (T),
- Unity Developer (T)
- Web & Digital Media Design (A)

General Education Academic & Career Pathway

The General Education Academic & Career Pathway (GenEd ACP) is MATC's largest and most diverse Academic and Career Pathway. MATC offers unparalleled academic and career course combinations in the liberal arts and sciences; the foundation for all academic and career paths. The GenEd ACP fosters educational excellence and interdisciplinary inquiry through our unique blend of course options in the humanities, natural sciences and social sciences. GenEd ACP students have access to choose, explore and sculpt a personalized and individually powerful learning experience suited for their desired academic and/or career paths. GenEd ACP courses will help transform our students into socially aware, critically thinking global citizens who strive to bring about positive change in their communities and beyond

Academic & Career Pathways (Cont.)

The GenEd ACP's diversity and dynamism serve as an incubator for continued growth and development in any field of study; from business administration and health sciences to manufacturing, human services, technology, engineering, mathematics, chemical technology, chemistry, physical, health, and wellness, psychology, economics and other social sciences to historical and global studies. We cover the whole spectrum for our students to jump start their journey to a four-year university or college

<https://www.matc.edu/course-catalog/general-education>

- Associate of Arts (A)
- Associate of Arts: Online – Accelerated (A)
- Associate of Arts – Community Engagement: Pre-Major (A)
- Associate of Arts – Global Studies: Pre-Major (A)
- Associate of Arts – Teacher Education: Pre-Major (A)
- Associate of Science (A)
- Associate of Science – Chemical Technology: Pre-Major (A)
- Associate of Science – Economics Pre-Major (A)
- Associate of Science – Psychology: Pre-Major (A)
- Individualized Technical Studies (A)

Healthcare Services Academic & Career Pathway

These programs prepare students to be healthcare providers with the necessary leadership skills to strengthen the health and well-being of our community. MATC has state-of-the-art dental clinic, simulation labs and food science kitchen, and many other impressive spaces where students can grow both personally and professionally.

<https://www.matc.edu/course-catalog/healthcare/index.html>

- Anesthesia Technology (A)
- Cardiovascular Technology – Echocardiography (A)
- Cardiovascular Technology – Invasive (A)
- Central Service Technician (T)
- Community Health and Nutrition Navigator (A)
- Dental Assistant (T)
- Dental Hygiene (A)
- Dietary Manager, (C)
- EKG Technician (C)
- Health Information Technology (A)
- Health Unit Coordinator (T)
- Healthcare Customer Service (C)
- Healthcare Services Management (A)
- LPN to ADN Progression (A)
- Medical Assistant (T)
- Medical Coding Specialist (T)
- Medical Interpreter (T)
- Medical Laboratory Technician (A),
- Nursing Assistant (T)
- Nutrition and Dietetic Technician *formerly Dietetic Technician* (A)

Academic & Career Pathways (Cont.)

- Occupational Therapy Assistant (A)
- Pharmacy Technician (T)
- Phlebotomy (T)
- Physical Therapist Assistant (A)
- Practical Nursing (T)
- Radiography (A)
- Registered Nursing (A)
- Renal Dialysis Technician (T)
- Respiratory Therapist (A),
- Surgical Technology (A)

Manufacturing, Construction & Transportation Academic & Career Pathway

MATC's Manufacturing, Construction & Transportation Pathway encompasses several skilled trades and prepares students for their career or for transfer to a four-year college or university. We focus on the student's achievement, providing a supportive learning environment. Students will work with MATC's diverse industry-expert faculty and other industry professionals to acquire current, in-demand skills. Programs in this Pathway lead to careers related to manufacturing; the building, plumbing and electrical work in residential, commercial and industrial structures; as well as maintenance and repair of appliances, building systems, automobiles, aircraft and diesel trucks. If you are interested in a career in the manufacturing, construction or transportation fields, MATC offers a variety of programs to meet your needs.

<https://www.matc.edu/course-catalog/manufacturing-construction-transportation>

- Advanced Metal Fabrication (T)
- Air Conditioning and Refrigeration Technology (A)
- Appliance Technician (T)
- Architectural Woodworking/Cabinetmaking (T)
- Auto Collision Repair and Finish Technician (T)
- Automated Building Systems (T)
- Automotive Express Lube Technician (C)
- Automotive Maintenance Technician (T)
- Automotive Technology – Comprehensive (A)
- Automotive Technology Maintenance Light Repair (T)
- Aviation Maintenance Technician – General (C)
- Aviation Technician – Airframe (T)
- Aviation Technician – Powerplant (T)
- Boiler Operator (C)
- Bricklaying (T)
- Carpentry (T)
- Computer Numerical Control (CNC) Technician (T)
- CNC Setup and Operations (C)
- Dental Technician (T)
- Diesel and Powertrain Servicing (T)
- Electrical Power Distribution/Line Mechanic (T)
- Electricity (T)
- Landscape Horticulture (A)

Academic & Career Pathways (Cont.)

- Landscape Horticulture Technician (T)
- Machine Tool Operations (T)
- Manufacturing Maintenance (T)
- Power Engineering and Boiler Operator (T)
- Preparatory Plumbing (T)
- Refrigeration, Air Conditioning and Heating Service Technician (T)
- Technical Studies: Apprentice (A)
- Tool and Die Making (T)
- Truck Driving (T)
- Welding (T)
- Welding Fundamentals (C)
- Welding Technology (A)

STEM (Science, Technology, Engineering and Mathematics) Academic & Career Pathway

The certificates, technical diplomas and associate degrees in this Pathway will prepare our Students for a professional career in your chosen STEM (science, technology, engineering, mathematics) field. According to the U.S. Bureau of Labor Statistics, the projected growth rate for STEM fields through 2026 is 10.8%, with 93 of 100 STEM occupations earning wages above the national average. MATC's Students can explore their passion in STEM, experiencing hands-on learning with industry-expert faculty. Each course within your program is designed to strengthen your skills in thinking critically and analytically to solve problems. They will experience real-world learning applicable to specific STEM professions, with a supportive, team approach to learning. Our STEM programs are aligned with industry trends focused on changes in technology, equipment, software and instruction methods.

<https://www.matc.edu/course-catalog/stem>

- Architectural Technology (A)
- Biomedical Electronics Technology (A)
- Civil Engineering Technology (A)
- Chemical Processing Technician (T)
- Chemical Technician (A)
- Computer Electronics Technology (A)
- Electronic Engineering Technology (A)
- Electronic Technology – Automation (A)
- Electronics Technician Fundamentals (T)
- Food Science Technology (A)
- IT Computer Support Specialist (A)
- IT Computer Support Technician (T)
- IT Digital Forensics Analyst (T)
- IT Help Desk Support Specialist (T)
- IT Information Systems Security Specialist (A)
- IT Mobile Applications Developer (A)
- IT Network Specialist – Online Accelerated (A)
- IT Network Specialist (A)
- IT Networking and Infrastructure Administration (T)
- IT User Support Technician (T)

Academic & Career Pathways (Cont.)

- IT Web and Software Developer (A)
- Level 2 – Service Center Technician (C)
- Mechanical and Computer Drafting (T)
- Mechanical Design Technology (A)
- Microsoft Enterprise Desktop Support Specialist (C)
- Quality Engineering Technology, (A)
- Service Center Technician (C)
- Surveying and Mapping (T)

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Insurance in Force

Type of Coverage	Policy Number	Carrier	Policy Expiration	Details of Coverage																						
General Liability (Casualty)	DMI-C0722-08-19	Districts Mutual Insurance	7/1/2024	Limits: \$5,000,000 per occurrence with a \$5,000 deductible per claim per occurrence.																						
Auto Physical Damage	DMI-C0722-08-19	Districts Mutual Insurance	7/1/2024	Limits: Actual Cash Value with a \$5,000 deductible.																						
Auto Liability	DMI-C0722-08-19	District Mutual Insurance	7/1/2024	\$5,000 deductible per claim.																						
Educators Legal Liability	DMI-C0722-08-19	Districts Mutual Insurance	7/1/2024	Coverage Includes: Educators Legal Liability; Board Errors and Omissions; Employment Practices Liability. Limits: \$5,000,000 per claim with a \$100,000 deductible per claim.																						
Professional Liability - Students Practicum (Students in Practicum)	DMI-C0722-08-19	Districts Mutual Insurance	7/1/2024	Limits: \$5,000,000 per claim with a \$5,000 deductible per claim.																						
Business Travel Accident	9912-03-25	Chubb [Written through the Trust]	7/1/2025	Coverage includes: \$2,500,000 Aggregate, \$100,000 Benefits for Scheduled Losses, Coverage is Applicable for Business or Pleasure, Assistance Services, Medical Evacuation and Repatriation.																						
Property	DMI-P0722-08-19	Districts Mutual Insurance	7/1/2024	Limits: \$500,000,000 per occurrence with a \$25,000 deductible per occurrence.																						
Boiler and Equipment Breakdown	DMI-E0722-08-19	Districts Mutual Insurance	7/1/2024	Limits: \$100,000,000 Per "Accident" defined by policy with a \$25,000 combined deductible per accident for all coverages except service interruption. Note: Jurisdictional Inspections performed by Hartford Steam Boiler.																						
Crime/Employee Dishonesty	01-123-70-30	AIG (Trust)	7/1/2024	<table border="1"> <thead> <tr> <th>Type of Coverage</th> <th>Limit</th> </tr> </thead> <tbody> <tr> <td>Employee Dishonesty including ERISA</td> <td>\$</td> </tr> <tr> <td>Forgery and Alteration</td> <td>750,000</td> </tr> <tr> <td>Inside The Premises – Theft of Money and Securities</td> <td>750,000</td> </tr> <tr> <td>Inside The Premises – Robbery or Safe Burglary of other Property</td> <td>750,000</td> </tr> <tr> <td>Outside the Premise</td> <td>750,000</td> </tr> <tr> <td>Computer Fraud</td> <td>750,000</td> </tr> <tr> <td>Funds Transfer Fraud</td> <td>750,000</td> </tr> <tr> <td>Money Orders and Counterfeit Money</td> <td>750,000</td> </tr> <tr> <td>Credit, Debt or Charge Card Forgery</td> <td>750,000</td> </tr> <tr> <td>Impersonation Fraud Coverage</td> <td>100,000</td> </tr> </tbody> </table> <p>Deductible is \$50,000 except \$25,000 for Impersonation Fraud</p>	Type of Coverage	Limit	Employee Dishonesty including ERISA	\$	Forgery and Alteration	750,000	Inside The Premises – Theft of Money and Securities	750,000	Inside The Premises – Robbery or Safe Burglary of other Property	750,000	Outside the Premise	750,000	Computer Fraud	750,000	Funds Transfer Fraud	750,000	Money Orders and Counterfeit Money	750,000	Credit, Debt or Charge Card Forgery	750,000	Impersonation Fraud Coverage	100,000
Type of Coverage	Limit																									
Employee Dishonesty including ERISA	\$																									
Forgery and Alteration	750,000																									
Inside The Premises – Theft of Money and Securities	750,000																									
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Outside the Premise	750,000																									
Computer Fraud	750,000																									
Funds Transfer Fraud	750,000																									
Money Orders and Counterfeit Money	750,000																									
Credit, Debt or Charge Card Forgery	750,000																									
Impersonation Fraud Coverage	100,000																									
Worker Compensation	1000002853	Districts Mutual Insurance/United Heartland A	7/1/2024	First dollar coverage for all work related accidents and/or injuries. Statutory limits are in place (bodily injury by accident \$100k, injury by disease aggregate \$500k, injury by disease \$100k). All employees covered.																						
Terrorism and Sabotage	DMI-T0722-08-6	Districts Mutual Insurance	7/1/2024	\$100,000,000 any one occurrence																						
Cyber Risk Insurance	DMI-N0722-08-9	Districts Mutual Insurance	7/1/2024	Limit: \$5,000,000 Retention \$25,000 Limit: per privacy breach \$500,000																						
Storage Tank Liability	STP415210	Crum & Forester Specialty Insurance	9/30/2024	Limit: \$1,000,000 per claim/\$2,000,000 aggregate Deductible: \$5,000 per claim																						
Motorcycle Training Bond	106142253	Travelers	9/11/2024	Amount of bond: \$20,000																						
Special Privilege Bond for Banner Poles w/ City of Milwaukee	6166942	SafeCo	10/15/2024	5000 Bond #29S003202																						
Maintain Backup Driveway and Loading Beam - S. 9th Street & National Ave.	6197593	SafeCo	10/15/2024	2000 Bond #6197593																						
Deadly Weapon	DMI-A0722-08-5	Districts Mutual Insurance	7/1/2024	\$1,000,000 each & every Deadly Weapon Event including Claim Expenses, \$1,000,000 Aggregate																						
Aviation (Drone)	1000238365-04	Starr Indemnity & Liability Company	2/26/2024	\$5,000,000 each occurrence, \$5,000 medical expense including crew, \$1,000,000 Aircraft Parts and Maintenance each occurrence, \$1,000,000 Personal Injury any one offense.																						
Student Accident Coverage	SDAN10786241	Chubb	0/23/2024	Limit: \$100,000 per injury Deductible: \$0																						

APPENDIX B

FORM OF CONTINUING DISCLOSURE AGREEMENT

Milwaukee Area Technical College District, Wisconsin
\$1,500,000 General Obligation Promissory Notes, Series 2024-25D

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) dated as of October 15, 2024, is executed and delivered by the Milwaukee Area Technical College District, Wisconsin (the “District”), in connection with the issuance of \$1,500,000 General Obligation Promissory Notes, Series 2024-25D (the “Notes”). The Notes are being issued pursuant to resolutions dated August 27, 2024 and September 24, 2024 (the “Resolutions”). The District covenants and agrees as follows:

Section 1(a). Purpose of Continuing Disclosure Agreement. This Continuing Disclosure Agreement is being executed and delivered by the District for the benefit of the Holders and in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with S.E.C. Rule 15e2-12(b)(5).

(b). Filing Requirements. Any filing under this Continuing Disclosure Agreement 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 definitions set forth in the Resolutions which apply to any capitalized term used in this Continuing Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Continuing Disclosure Agreement.

“Audited Financial Statements” shall mean the District'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 District intends to continue to prepare in substantially the same form.

“Dissemination Agent” shall mean any Dissemination Agent designated in writing by the District which has filed with the District a written acceptance of such designation.

“District Contact” shall mean the Chief Financial Officer of the District, Milwaukee Area Technical College, Room 278, 700 West State Street, Milwaukee, Wisconsin 53233; Telephone: (414) 297-6663.

“Fiscal Year” means the fiscal year of the District, currently ending on June 30 of each year.

“Financial Obligation” means any (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned

debt obligation; or (c) a guarantee of (a) or (b); provided, however, that the Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Holder” shall mean the registered owner or beneficial owner of any of the Notes.

“Material Event” means any of the events listed in Section 5(a) of this Continuing Disclosure Agreement”

“MSRB” means the Municipal Securities Rulemaking Board located at 100 Duke Street, Suite 600, Alexandria, Virginia 22314.

“Official Statement” shall mean the final official statement delivered in connection with the Notes, which is available from the MSRB.

“Participating Underwriter” shall mean the original underwriter of the Notes required to comply with the Rule in connection with offering of the Notes.

“Rule” shall mean SEC Rule 15e2-12(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” shall mean the Securities and Exchange Commission.

“Tax-exempt” shall mean that interest on the Notes is excluded from gross income for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating any other tax liability, including any alternative minimum tax.

“Taxable” shall mean the shall mean that interest on the Notes is included in the gross income for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating any other tax liability, including any alternative minimum tax.

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than 270 days after the end of the District's fiscal year in each year, commencing with the fiscal year ending June 30, 2024, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Continuing Disclosure Agreement. Not later than fifteen (15) Business Days prior to said date, the District shall provide the Annual Report to the Dissemination Agent, if any. In each case, 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 Continuing Disclosure Agreement; provided that the audited financial statements of the District 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 District is unable or fails to provide an Annual Report to the MSRB by the date required above, the District shall, in a timely manner, send a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Continuing Disclosure Agreement. As of the date of this Continuing Disclosure Agreement, the District has filed the audited financial information and operating data in the manner prescribed by the MSRB through the EMMA system. The District has established procedures to ensure filing of audited financial information and operating data are made in a timely manner in the future to the MSRB.

(c) The Dissemination Agent, if any, shall file a report with the District certifying that the Annual Report has been provided pursuant to this Continuing Disclosure Agreement and stating the date it was provided to the MSRB.

Section 4. Content of Annual Reports. The District's Annual Report shall contain or incorporate by reference the Audited Financial Statements of the District, current general fund budget summary and updates of the following sections of the Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

Tax Levies, Rates and Collections
Equalized Valuations
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 District or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The District shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Notes:

- (1) Principal and interest payment delinquencies;
- (2) Nonpayment 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 Notes, or other material events affecting the tax status of the Notes;

- (7) Modifications to the rights of holders of the Notes, if material;
- (8) Note or Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the Notes, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the District;
- (13) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, 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 District, if that Financial Obligation is material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, 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 District, 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 District 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 District, 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 District.

(b) When a Material Event occurs, the District shall, in a timely manner not in excess of ten business days after the occurrence of the Material Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Material 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 the holders of affected Notes pursuant to the Resolutions.

(c) Unless otherwise required by law, the District shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Continuing Disclosure Agreement.

Section 6. Termination of Reporting Obligation. The District's obligations under this Continuing Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Notes.

Section 7. District Contact/Dissemination Agent. Information may be obtained from the District Contact. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Agreement, the District may amend this Continuing Disclosure Agreement, and any provision of this Continuing Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been affective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

Section 9. Additional Information. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information or notice of occurrence of a Material Event, in addition to that which is required by this Continuing Disclosure Agreement. If the District chooses to include any information or notice of occurrence of a Material Event in addition to that which is specifically required by this Continuing Disclosure Agreement, the District shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 10. Default. In the event of a failure of the District to comply with any provision of this Continuing Disclosure Agreement any Holder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement shall not be deemed an Event of Default under the Resolutions, and the sole remedy under this Continuing Disclosure Agreement in the event of any failure of the District to comply with this Continuing Disclosure Agreement shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent, if any, shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Notes.

Section 12. Beneficiaries. This Continuing Disclosure Agreement shall inure solely to the benefit of the District, the Dissemination Agent, if any, the Participating Underwriters, the Holders from time to time of the Notes and shall create no rights in any other person or entity.

[signature page to follow]

IN WITNESS WHEREOF, we have executed this Continuing Disclosure Agreement in our official capacities effective as of the date first written above.

**MILWAUKEE AREA TECHNICAL
COLLEGE DISTRICT, WISCONSIN**

By: _____
Mark F. Foley, Chairperson

By: _____
Citlali Mendieta Ramos, Secretary

APPENDIX C

FORM OF LEGAL OPINION

790 North Water Street
Suite 2500
Milwaukee, WI 53202-4108
Phone 414.271.6560
Fax 414.277.0656

October 15, 2024

\$1,500,000.00
Milwaukee Area Technical College District, Wisconsin
General Obligation Promissory Notes, Series 2024-25D

We have acted as bond counsel in connection with the issuance by the Milwaukee Area Technical College District, Wisconsin (the "District"), of \$1,500,000.00 aggregate principal amount of General Obligation Promissory Notes, Series 2024-25D, dated the date hereof (the "Notes"). We have examined the law and a certified copy of the proceedings of record of the District preliminary to and in connection with the issuance of the Notes, as well as other documents and records which we have deemed necessary to render this opinion.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of any offering material related to the Notes and we express no opinion relating thereto. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certificates of officers of the District and other public officials furnished to us, without undertaking to verify the same by independent investigation. The rights of the owners of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

The Internal Revenue Code of 1986, as amended (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 excluded 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 paragraph 2, below, 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.

Based on the foregoing, we are of the opinion and hereby certify that, as of the date hereof:

1. The Notes are valid and binding general obligations of the District, payable from a nonrepealable, direct annual tax levied upon all the taxable property of the District for the express purpose of paying interest on the Notes as it falls due and also to pay and discharge the principal thereof at maturity.

2. Under existing statutes and court decisions, interest on the Notes is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of

October 15, 2024

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the Code and is not an item of tax preference for purposes of the alternative minimum tax imposed under the Code on individuals and corporations; such interest, however, may be included in adjusted current earnings for purposes of computing alternative minimum taxable income with respect to the alternative minimum tax imposed under the Code on certain corporations.

3. The Notes have not been designated by the District as “qualified tax-exempt obligations” under the Code.

Very truly yours,

MICHAEL BEST & FRIEDRICH LLP

APPENDIX D

OFFICIAL NOTICE OF SALE AND BID FORM

FOR

**MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT, WISCONSIN
\$1,500,000 General Obligation Promissory Notes, Series 2024-25D**

DATE AND TIME: Tuesday, September 24, 2024
9:30 A.M. (Central Time)

PLACE: Robert W. Baird & Co. Incorporated
Public Finance Department
777 East Wisconsin Avenue, 25th Floor
Milwaukee, Wisconsin 53202

Attention: Ms. Danielle Olson
Phone: (414) 298-2657
Fax: (414) 298-7354
Bids will also be accepted electronically via PARITY.

EXHIBIT A

OFFICIAL NOTICE OF SALE

\$1,500,000.00

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT, WISCONSIN
GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2024-25D
DATED OCTOBER 15, 2024

NOTICE IS HEREBY GIVEN that bids will be received by the District Board, Milwaukee Area Technical College District, Wisconsin for the purchase of all but no part of its Notes at the offices of the District's financial advisor, Robert W. Baird & Co. Incorporated ("Baird"), 25th Floor, 777 E. Wisconsin Avenue, Milwaukee, Wisconsin 53202, Attention: Danielle Olson, Analyst until 9:30 a.m. (Central Time) on

September 24, 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, faxed to Baird at (414) 298-7354, 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) 765-3827 or fax (414) 298-7354 for inclusion in the submitted bid. Bids which are mailed or delivered should be plainly marked "Bid for Milwaukee Area Technical College District Notes". Bids will only be considered if the required good faith deposit has been received. A meeting of the District Board will be held on said date for the purpose of taking action on such bids as may be received.

Dates and Maturities: The Notes will be dated October 15, 2024 and will mature on the following dates, in the principal amounts as follows:

<u>Date</u>	<u>Principal Amount</u>
June 1, 2026	\$350,000
June 1, 2027	\$500,000
June 1, 2028	\$500,000
June 1, 2029	\$150,000

Interest: Interest on the Notes will be payable semi-annually on June 1 and December 1 of each year, commencing on June 1, 2025 to the registered owners of the Notes appearing of record in the bond register as of the close of business on the fifteenth day (whether or not a business day) of the immediately preceding month. 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 will not be subject to optional 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 upon the taxable property located in the District. The Notes will be issued for public purposes of financing \$1,500,000.00 of building remodeling and improvement projects, consisting of projects included in the District's 2024-2025 building remodeling and improvement program that are anticipated to occur in 2024-2025.

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, either in the denomination of \$5,000 or any integral multiple thereof or in the denomination of \$100,000 or more as specified in the Notes. 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 by the fiscal agent for the District (the "Fiscal Agent") in the denomination of \$5,000 or any integral multiple thereof. Such Fiscal Agent 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 fifteenth day of each 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 (\$1,500,000) nor more than One Hundred Four Percent (104%) of the principal amount of the Notes (\$1,560,000) 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 – Amount: 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 Robert W. Baird & Co. Incorporated, 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 \$30,000 may be submitted contemporaneously with the bid or, in the alternative, a deposit in the amount of \$30,000 shall be made by the winning bidder by federal wire transfer as directed by the Secretary or Treasurer to be received by the District no later than 1:00 p.m. prevailing Central Time on the day of the bid opening (**September 24, 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.

Delivery: The Notes will be delivered in printed form, one Note per maturity, registered in the name of CEDE & CO., as nominee of The Depository Trust Company, 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 Michael Best & Friedrich LLP, 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.

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.

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.

Establishment of Issue Price:

(1) 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 “issue price” or similar 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. 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.

(2) 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: (a) the District shall disseminate this Notice of Sale to potential underwriters in a manner that is

reasonably designed to reach potential underwriters; (b) all bidders shall have an equal opportunity to bid; (c) 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 (d) 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 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.

(3) In the event that the competitive sale requirements are not satisfied, the District shall so advise the winning bidder. Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. The winning bidder may elect to comply with either (a) the “10% test”, which treats the first price at which 10% of a maturity of the Notes is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity) or (b) the “hold-the-offering-price test”, which provides that the winning bidder will neither offer nor sell the Notes to any person at a price higher than the initial offering price during the period beginning on the sale date and ending on the earlier of (x) the close of the fifth business day after the sale date, or (y) the date on which the winning bidder has sold at least 10% of the Notes (of the particular maturity) to the public at a price no higher than the initial offering price. The winning bidder shall provide a written certification to the District, together with reasonable supporting documentation, as to the test chosen by the winning bidder and the winning bidder’s compliance with such test.

(4) If the competitive sale requirements are not satisfied, then until the applicable test has been satisfied as to each maturity of the Notes, the winning bidder agrees to promptly report to the District the prices at which the unsold Notes of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the applicable test has been satisfied as to the Notes of that maturity or until all Notes of that maturity have been sold.

(5) By submitting a bid, each bidder confirms that: (a) 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 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, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (b) 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 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, if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

(6) 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: (a) “public” means any person other than an underwriter or a related party; (b) “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) 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); (c) 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 (d) “sale date” means the date that the Notes are awarded by the District to the winning bidder.

Official Statement: 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 days of the award of the Notes, the successful bidder will be provided with an electronic copy of the Official Statement in pdf format without cost. If the successful bidder is the manager of an underwriting syndicate, the successful bidder shall be responsible for distributing copies of the Official Statement 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: Additional information may be obtained by addressing inquiries to: Robert W. Baird & Co. Incorporated, 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202; Attention: Danielle Olson, (414) 298-2657 or the undersigned.

Attn: Eva Kuether, Chief Financial Officers
Milwaukee Area Technical College District
700 West State Street
Milwaukee, WI 53233-1443
Phone: (414) 297-6897

\$1,500,000.00
MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT, WISCONSIN
GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2024-25D
DATED OCTOBER 15, 2024

ISSUE PRICE CERTIFICATE FOR COMPETITIVE SALE

_____ (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 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 Underwriter in formulating its bid to purchase the Notes. Attached as Schedule B is a true and correct copy of the bid provided by Underwriter to purchase the Notes.

(b) Underwriter was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by Underwriter constituted a firm offer to purchase the Notes.

2. 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 September 24, 2024.

(d) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (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 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 Issuer with respect to certain of the representations set forth in the Arbitrage Certificate and with respect to compliance with the federal income tax rules affecting the Notes, and by Michael Best & Friedrich LLP 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 Issuer from time to time relating to the Notes. Except as expressly set forth

above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose.

By: _____

Name: _____

Title: _____

Dated: October 15, 2024

SCHEDULE A
EXPECTED OFFERING PRICES

(Attached)

SCHEDULE B
COPY OF UNDERWRITER'S BID
(Attached)

September 24, 2024

**BID FORM
MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT, WISCONSIN
\$1,500,000 General Obligation Promissory Notes, Series 2024-25D**

Mr. Mark Foley, District Chairperson
and Members of the District Board
Milwaukee Area Technical College District
700 West State Street
Milwaukee, Wisconsin 53233

Dear Mr. Foley and Members of the District Board:

For all but no part of your issue of \$1,500,000 General Obligation Promissory Notes, Series 2024-25D (the "Notes") said bid being no less than \$1,500,000 (100% of par) and no more than \$1,560,000 (104% of par), we offer to pay a price of \$_____. The dated date and delivery date of the Notes is October 15, 2024. The Notes shall bear interest as follows:

<u>(June 1)</u>	<u>Rate</u>
2026	_____%
2027	_____%
2028	_____%
2029	_____%

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 cashier's check in the amount of \$30,000 may be submitted contemporaneously with the bid or, in the alternative, a deposit in the amount of \$30,000 shall be made by the winning bidder by federal wire transfer as directed by the District Secretary or Treasurer to be received by the District no later than 1:00 p.m. prevailing Central Time on the day of the bid opening (September 24, 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 24th day of September, 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