

Annual Comprehensive Financial Report

FISCAL YEAR 2022 (July 1, 2021-June 30, 2022)

Milwaukee Area Technical College District



MATC MILWAUKEE AREA
Technical College
Transforming Lives, Industry & Community

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 2021-22

Members of the Board as of June 30, 2022

| | |
|------------------------|------------------|
| Lisa Olson | Chairperson |
| Erica Case | Vice Chairperson |
| Citlali Mendieta-Ramos | Secretary |
| Nikki Moews | Treasurer |
| Ashanti Hamilton | |
| Ann Wilson | |
| Mark Foley | |
| Antonio Diaz | |
| Lauren Baker | |

Administrators as of June 30, 2022

| | |
|-------------------------------|---|
| Dr. Vicki J. Martin | President |
| Dr. Naydeen Gonzalez-De Jesus | Executive Vice President of Student Success |
| Eva Martinez Powless | Chief Diversity, Equity & Inclusion Officer |
| Dr. Mohammad M. Dakwar | Vice President, Learning |
| Janice M. Falkenberg | Vice President and 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 |
| Dr. Sarah Adams | Interim Vice President, Enrollment Services |
| Bohdan Zacharij | Vice President and General Manager, Milwaukee PBS |
| Barbara A. Cannell | Dean of Academic Learning |
| Dr. Nicole Tanner | Interim Dean of Enrollment Services |
| Dr. Pamela Holt | Dean of Online Learning |
| Equan A. Burrows | Dean of Student Experience |
| Dr. Sadique Isahaku | 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. Micheal Sitte | Interim Dean, Creative Arts, Design and Media |
| Dr. Valencia Brown | Interim 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

Mary Mathers, Sr. Accounting Administrator

Brenda Schmitt, Sr. Financial Grants Administrator

William C. Smith, CPA, CMA, MBA, Capital Accounting and Budget Manager

THIS PAGE INTENTIONALLY LEFT BLANK.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
AS OF AND FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| <u>INTRODUCTORY SECTION</u> | |
| Transmittal Letter | 1 |
| Organizational chart | 17 |
| Wisconsin Technical College System Map | 18 |
| <u>FINANCIAL SECTION</u> | |
| Independent Auditors' Report | 19 |
| Management's Discussion and Analysis (required supplementary information) | 22 |
| Basic Financial Statements: | |
| Statements of Net Position | 32 |
| Statements of Revenues, Expenses and Changes in Net Position | 33 |
| Statements of Cash Flows..... | 34 |
| Statements of Fiduciary Net Position..... | 36 |
| Statements of Changes in Fiduciary Net Position..... | 37 |
| Notes to Financial Statements | 38 |
| Required Supplementary Information: | |
| Schedule of District's Proportionate Share of the Net Pension Liability (Asset) and Contributions | 109 |
| Schedule of Changes in the Net OPEB Liability and Related Ratios..... | 110 |
| Schedule of Employer Contributions - OPEB | 111 |
| Schedule of Investment Returns..... | 112 |
| Notes to Required Supplementary Information | 113 |
| Supplementary Information: | |
| Combining and Individual Fund Financial Statements and Schedules: | |
| General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)..... | 114 |
| Special Revenue Fund – Operating Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)..... | 115 |

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
AS OF AND FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

TABLE OF CONTENTS

| | <u>Page</u> |
|--|-------------|
| <u>FINANCIAL SECTION (Continued)</u> | |
| Supplementary Information (Continued): | |
| Combining and Individual Fund Financial Statements and Schedules (Continued): | |
| Special Revenue Fund – Non-Aidable Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)..... | 116 |
| Capital Projects Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) | 117 |
| Debt Service Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)..... | 118 |
| Enterprise Fund Balance Sheet (Non-GAAP Budgetary Basis) | 119 |
| Enterprise Fund Schedule of Revenues, Expenditures, and Changes in Net Position (Non-GAAP Budgetary Basis) | 120 |
| Enterprise Fund Schedule of Cash Flows (Non-GAAP Budgetary Basis) | 121 |
| Enterprise Fund Schedule of Revenues, Expenditures, and Changes in Net Position – Budget and Actual (Non-GAAP Budgetary Basis)..... | 122 |
| Internal Service Fund Schedule of Revenues, Expenditures, and Changes in Net Position – Budget and Actual (Non-GAAP Budgetary Basis)..... | 123 |
| Schedule to Reconcile the Combined Balance Sheet – All Fund Types To the Statement of Net Position – June 30, 2022..... | 124 |
| Schedule to Reconcile the Budget (Non-GAAP) Basis Financial Statements To the Statement of Revenues, Expenses and Changes in Net Position - Year Ended June 30, 2022 | 125 |
| Schedule to Reconcile the Combined Balance Sheet – All Fund Types To the Statement of Net Position – June 30, 2021..... | 127 |
| Schedule to Reconcile the Budget (Non-GAAP) Basis Financial Statements To the Statement of Revenues, Expenses and Changes in Net Position - Year Ended June 30, 2021 | 128 |

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
AS OF AND FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| <u>STATISTICAL SECTION (Unaudited)</u> | |
| Financial Trends | |
| Net Position by Component..... | 130 |
| Statement of Revenues, Expenses, and Changes in Net Position | 131 |
| Revenue Capacity | |
| Revenues by Source and Debt Proceeds | 132 |
| Expenses by Function | 133 |
| Distribution of Real Property Value Assessed on an Aggregate Full-Value Basis for Milwaukee and parts of Ozaukee, Washington and Waukesha Counties..... | 134 |
| Equalized Value and Tax Levy Distribution by Municipality | 135 |
| Property Tax Levies, Equalized Value and Tax Rates | 136 |
| Property Value and Construction for Milwaukee County..... | 137 |
| Principal Property Taxpayers – Milwaukee County..... | 138 |
| Student Enrollment Unduplicated Headcount | 139 |
| Full-time Equivalent Enrollment Statistics | 140 |
| Course Fee History | 141 |
| Debt Capacity | |
| Ratio of Net Bonded Debt to Equalized Value and Per Capita, and Computation of Legal Debt Margin | 142 |
| Ratio of Annual Debt Service and Debt Expenditures to Total Operating Expenses | 143 |
| Statement of Direct and Overlapping Debt | 144 |
| Demographic and Economic Information | |
| Demographic Statistics for Milwaukee and Ozaukee Counties | 145 |
| Principal Employers | 146 |

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
AS OF AND FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| <u>STATISTICAL SECTION (Unaudited) (Continued)</u> | |
| Operating Information | |
| Employment Trends by Equal Employment Opportunities Categories | 147 |
| Ratio of Operational Expenditures per Full-Time Equivalent (FTE) Student | 148 |
| Student and Campus Statistics | 149 |
| Employee Budgeted Position Analysis | 150 |
| Program Graduate Follow-up Statistics | 151 |
| Program Offerings | 152 |
| Insurance in Force..... | 159 |

INTRODUCTORY SECTION



December 6, 2022

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 2022 (July 1, 2021 to June 30, 2022).

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

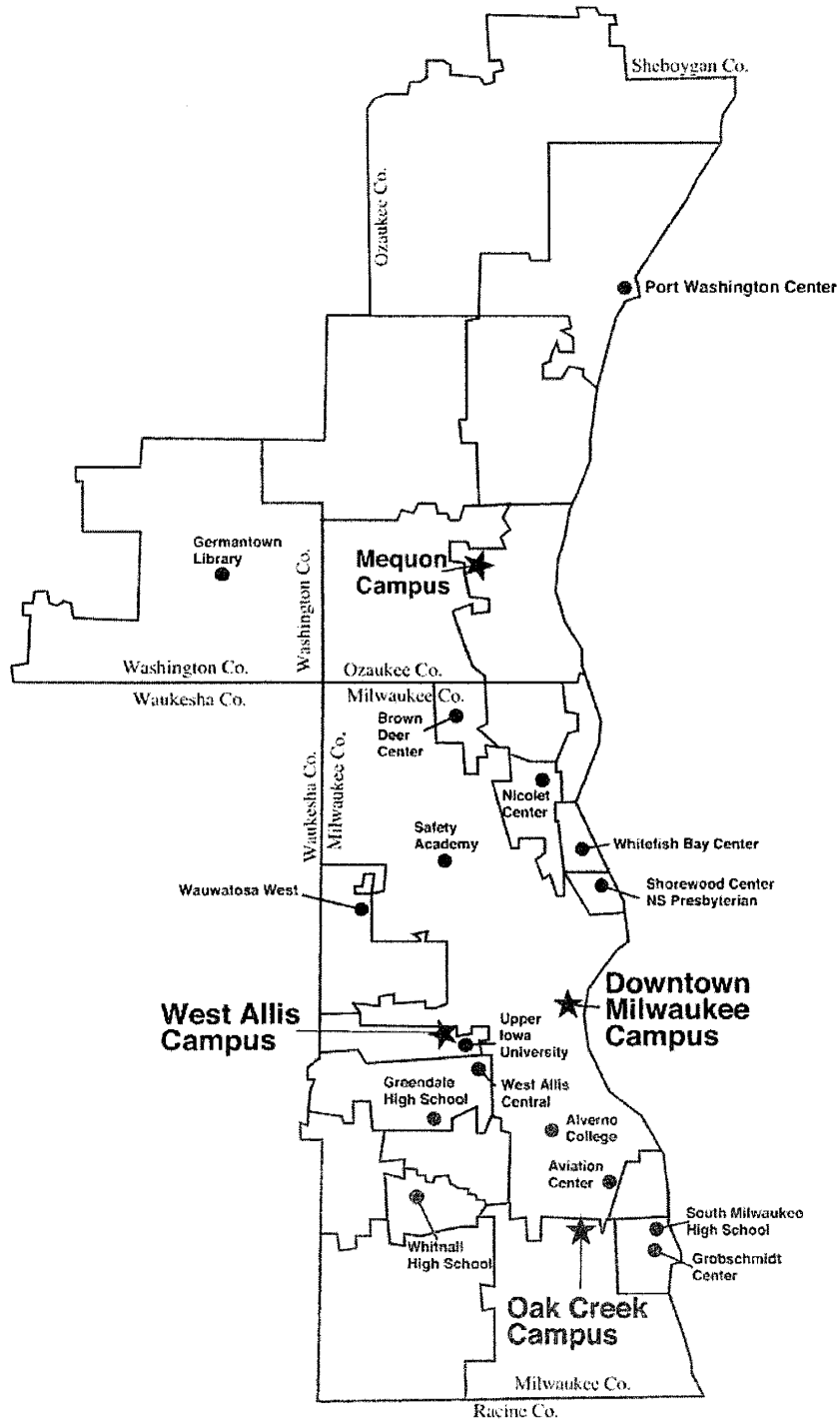
Mequon Campus
5555 West Highland Road
Mequon, WI 53092-1199

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' 16 technical colleges from increasing their operational property tax levy amount by more than the increase in net new construction. The COVID-19 pandemic has presented the District with unique financial challenges and uncertainties. MATC and community colleges across the country have realized a decline in enrollments. This decline in enrollment, as well as the economic impact of the pandemic, places further limitations on revenue from state aid, as well as student tuition and fees.

While historically an economic recession has been an indicator of future increases in enrollment, the uncertainty surrounding COVID-19 left many college-aged and adult students rethinking their educational plans. The pandemic has had a profound effect on Wisconsin's economy and the MATC District has been uniquely challenged to accommodate the resulting unprecedented shifts in the labor market. The District stands prepared and committed to help Wisconsin workers find employment by accessing reskilling and retraining opportunities in essential and well-paying fields such as healthcare, protective services, manufacturing, information technology, telecommunications, transportation and logistics.

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 **\$1.5 billion in annual economic activity by our students, alumni, faculty and staff**, according to a May 2018 report from the respected labor market analytics firm Emsi.

Both graduates and taxpayers 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 \$3.80 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 \$418,000 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' investment in the college outpaces the average return from the U.S. stock market: MATC provides a 15.8% annual rate of return over the past 30 years compared to 10.1% in the market.

For taxpayers, every \$1 of public funds invested yields a cumulative value of \$2.70 over the course of the students' working lives, Emsi concluded. Taxpayers also will see **\$25.7 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 Drive

Breaking down the financial barriers that stand between students and the education that provides a family-sustaining wage is critical. More than **85,000 public and charter K-12 students in our college District are economically disadvantaged**, according to the Wisconsin Department of Public Instruction. 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 **MATC Promise** is unlocking the doors to opportunity by providing free tuition for eligible, new high school graduates and for adults who started but did not complete college.

The public-private partnership **leverages federal and state financial aid with private donations** filling the gap between what aid provides and the cost of tuition.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Affordability and the MATC Scholarships Drive (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 about **2,000 qualified students, 75% of whom are students of color. About 400 students have already earned certificates, technical diplomas or associate degrees.**

In August 2022, the college launched its new Ellen & Joe Checota MATC Scholarship Program, which will become the college's largest and most comprehensive scholarship program at \$7.5 million to cover tuition, books, equipment, food, transportation and housing at Westtown Green Apartments for eligible students pursuing 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.

In 2021, Froedtert Hospital announced an agreement that will create the largest-ever gift to the Milwaukee Area Technical College Foundation in the college's history. MATC and the University of Wisconsin-Milwaukee will each receive \$5.75 million to support a 20-year program to fund scholarships for students to pursue healthcare careers.

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.

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.

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.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

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.

Through MATC's M-Cubed partnership with MPS and UWM and the M-Cubed College Connections dual enrollment effort, 152 MPS students took dual enrollment classes at both MATC and UWM in 2021-22, a 60% increase from 2020-21. Since 2019, more than 400 participants have earned more than 5,000 college credits while still in high school for a cost savings of about \$1.5 million.

In addition, more than 200 local high school students were taking college-level classes at MATC in fall 2021 through the state's Start College Now program.

Nearly 4,000 high school students earned nearly 12,000 MATC credits by taking transcribed classes at their high schools in 2021-22, up from about 1,500 students and 4,300 credits in 2020-21.

In 2021-22, MATC instructors taught 75 sections of high school classes under contract with revenues exceeding \$500,000 up from 60 sections in 2020-21.

Finally, twelve area high school students are helping fill the pipeline for high-quality early childhood educators by taking Early Childhood Education courses at MATC with tuition and fees paid for by Next Door, where students will become eligible for an Associate Teacher position.

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 distanced 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 2021-22 academic year was the second 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 equity gaps between White students and students of color, and increase graduation rates.**

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 is enhancing 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 FY22, energy efficiency projects included continual effort of LED lighting conversion during construction and remodeling projects, HVAC updates, maintenance of existing renewable sites, and installation of two large solar arrays installed at Mequon and Oak Creek campuses. An artificial baseball turf project at Oak Creek included a large storm water sustainability project. The project allows for up to 352,040 gallons of storm water to be stored and diverted during heavy rainfall helping protect local rivers and lakes from runoff pollution. Projects completed in FY22 are calculated to result in \$91,567 in annual energy savings with an additional \$98,491 in Focus on Energy Incentives and \$636,063 in a grant through Milwaukee Metropolitan Sewerage District.

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. It also provides digital-only content for the web and has launched its first 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 80 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 proactive 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 Health and Safety Team continues to monitor community and campus indicators related to the COVID-19 virus. In addition, the College's Interim Public Health Officer, in collaboration with the Health and Safety Team, provides 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 1.3% increase in jobs compared to a year ago, a decrease of -0.2% from the first quarter of 2022. 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 the impacts of this on the economy and MATC, it could signal an increase in unemployment. History has shown a direct correlation between unemployment rates and enrollment in technical colleges. MATC could be seeing an increase in enrollment by 2024 if the economic growth continues to slow.

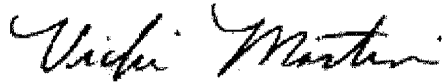
Independent Audit

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 6, 2022

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 2022 (July 1, 2021 to June 30, 2022).

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 millions of 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*, and *Listen MKE and My Wisconsin Backyard*. Milwaukee PBS has made inroads into the burgeoning area of social media with *My Wisconsin Backyard* which is featured on PBS' national website. Additionally, Milwaukee PBS launched its first podcast series *Speaking of...* and it has received national attention.

Financial Highlights

In fiscal year 2022, the generosity of Milwaukee PBS donors made this year the second best fundraising year of the past 10 for Milwaukee PBS. Donors invested \$6.9 million into the media organization, which was a 13% increase over budget and a \$700,000 increase over last year's total. Drivers for Milwaukee PBS continue to be strong membership support, which exceeded its budgeted goal and individual giving, which includes planned gifts. Overall, membership in Milwaukee PBS remains strong at 39,000 people.

Still emerging from the pandemic, Milwaukee PBS engagement remained virtual until the spring when a sold out movie theater crowd joined us for the prescreening of *Downton Abbey: A New Era*. Through a partnership with Wisconsin's John Michael Kohler Arts Center, Milwaukee PBS presented its Indie Lens Pop Up series with exclusive, curated talk backs with guests whose professional and personal experiences provided a local perspective for each indie film. Members have proven to be very interested in travel opportunities through Milwaukee PBS, as well. A robust travel program was offered in the spring of 2022 as COVID restrictions lifted and continues to be popular with our audience. With all markers moving up, 2022 was a remarkable year of support.

Service to MATC Students

More than 80 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 your iPhone or iPad!

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 24 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 31 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** is an ongoing collaboration between the Milwaukee Journal Sentinel, WUWM NPR Radio, the Milwaukee Public Library, and Milwaukee PBS. Community issues are discussed by leaders and members and community reporters and Milwaukee PBS broadcasts these important conversations.

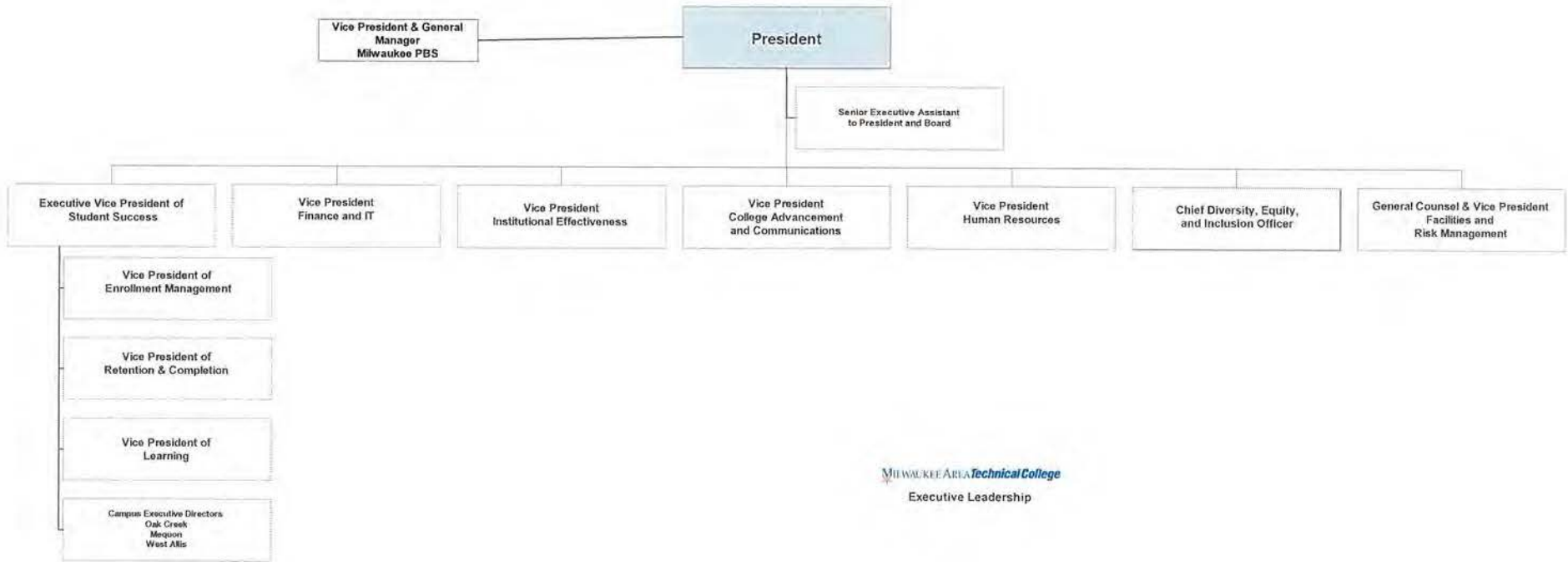
- ***My Wisconsin Backyard*** has become one of the more popular new ongoing series. It was originally developed as short video segments for the milwaukeepbs.org website. These have proven popular to digital audiences - and every few months a compilation of the short video segments are produced as a half hour broadcast program for Milwaukee PBS.
- ***Milwaukee's Next Mayor: A Conversation with the Candidates*** was presented on March 31st. For the first time in nearly 18 years the office of Mayor of Milwaukee will not have an incumbent seeking re-election. WMVS in partnership with CBS58, WMLW and 89.7 WUWM Milwaukee's NPR, presented a conversation with Milwaukee's two Mayoral Candidates. The conversation was moderated by Mike Strehlow from CBS58 and WMLW and WUWM's Maayan Silver and Milwaukee PBS' Everett Marshburn posed the questions to the candidates.
- ***Speaking of...Teachers In Crisis*** was a special dedicated to examining the nationwide teacher shortage. On May 5th Milwaukee PBS presented this hour-long special to not only examine the shortage of teachers but also the stressors impacting teachers that cause them to quit or retire early. While the pandemic had a huge impact on teachers, the crisis was building even before COVID-19. This special also included discussions with teachers about their decisions to work in a classroom and the problem of finding enough teachers of color; an interview with the U.S. Secretary of Education, Miguel Cardona, who shared his insights on this nationwide issue; and in honor of Teacher Appreciation Week, we thanked teachers for their service and dedication. The special was produced by Maryann Lazarski who also lead the team of Milwaukee PBS producers: Mariano Avila, Erica Drehfal, Emmy Fink, Patricia Gomez, Adam Lilley, Darin Malkowski, Everett Marshburn and Scottie Lee Meyers.
- ***Black Nouveau: Milwaukee's 51st Annual Juneteenth Celebration*** was aired on June 23rd as Milwaukee PBS' *Black Nouveau* celebrated Milwaukee's 51st Annual Juneteenth Celebration 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 included reports from Uzezi Okwata, James Causey, and Everett Marshburn who also executive produced the special.

Respectfully submitted,

Bohdan Zachary
VP and General Manager
Milwaukee PBS

Vicki J. Martin, Ph.D.
MATC President

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



MILWAUKEE AREA *Technical College*
Executive Leadership

WISCONSIN
TECHNICAL COLLEGE
 SYSTEM



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, 2022 and 2021, 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, 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, 2022 and 2021 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*.

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 6, 2022 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.



Milwaukee, Wisconsin
December 6, 2022

THIS PAGE INTENTIONALLY LEFT BLANK.

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 2021-2022 (FY21-22), identifies changes in financial positions when compared with Fiscal Year 2020-2021 (FY20-21) and is provided to assist the reader of the accompanying financial statements with focusing on the noteworthy financial issues of FY21-22 and FY20-21.

The primary mission of a public institution of higher education is to provide education and training. In addition, the District actively participates in community activities and operates Milwaukee PBS. The District concentrates on maintaining a financial viability to ensure it can continue to meet its mission in 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*.

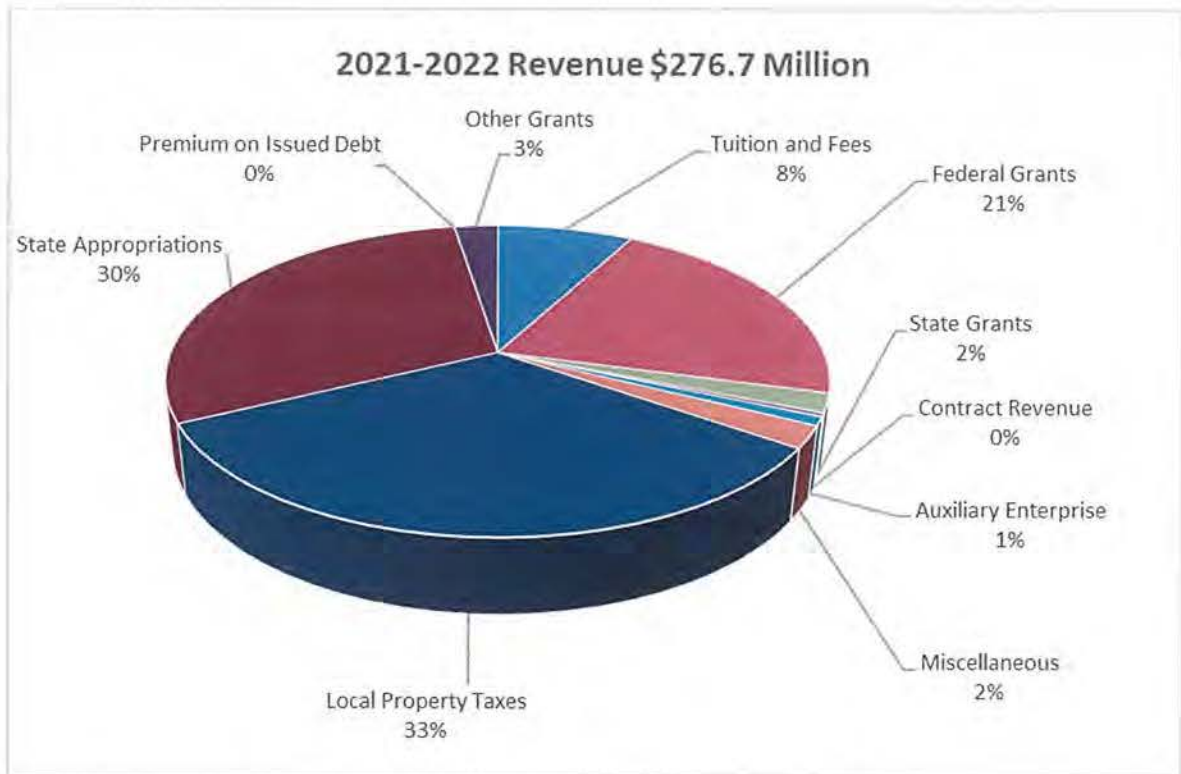
Statement of Revenues, Expenses, and Changes in Net Position

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>2022</u> | <u>2021</u> | <u>2020</u> | CHANGE 2022 - 2021 | | CHANGE 2021 - 2020 | |
|--------------------------------|-----------------------|-----------------------|-----------------------|------------------------|----------------|----------------------|---------------|
| | | | | \$ | % | \$ | % |
| Operating Revenues: | | | | | | | |
| Tuition and Fees | \$ 21,700,702 | \$ 22,891,532 | \$ 27,877,988 | \$ (1,190,830) | -5.20% | \$ (4,986,456) | -17.89% |
| Federal Grants | 58,741,368 | 43,404,988 | 35,850,078 | 15,336,380 | 35.33% | 7,554,910 | 21.07% |
| State Grants | 5,462,507 | 6,062,933 | 6,678,951 | (600,426) | -9.90% | (616,018) | -9.22% |
| Contract Revenue | 1,059,761 | 940,605 | 1,518,240 | 119,156 | 12.67% | (577,635) | -38.05% |
| Auxiliary Enterprise | 2,459,714 | 5,065,068 | 5,371,058 | (2,605,354) | -51.44% | (305,990) | -5.70% |
| Miscellaneous | 6,301,927 | 5,283,550 | 7,484,560 | 1,018,377 | 19.27% | (2,201,010) | -29.41% |
| Total Oper. Rev. | 95,725,979 | 83,648,676 | 84,780,875 | 12,077,303 | 14.25% | (1,132,199) | -1.34% |
| Non-Operating Revenues: | | | | | | | |
| Local Property Taxes | 91,722,902 | 95,539,085 | 94,075,458 | (3,816,183) | -3.99% | 1,463,627 | 1.56% |
| State Appropriations | 82,270,325 | 78,219,412 | 79,192,262 | 4,050,913 | 5.18% | (972,850) | -1.23% |
| Other Grants | 7,005,855 | 6,812,511 | 7,009,293 | 193,344 | 2.84% | (196,782) | -2.81% |
| Investment Income | - | 26,086,433 | 6,035,565 | (26,086,433) | -100.00% | 20,050,868 | 332.21% |
| Total Non-Oper. Rev. | 180,999,082 | 206,657,441 | 186,312,578 | (25,658,359) | -13.77% | 20,344,863 | 10.92% |
| Total Revenues: | \$ 276,725,061 | \$ 290,306,117 | \$ 271,093,453 | \$ (13,581,056) | 0.47% | \$ 19,212,664 | 9.58% |



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

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.

▪ **Operating revenues (Cont.)**

FY 2020-21

- Continued uncertainty surrounding the COVID-19 pandemic has resulted in a dramatic reduction in enrollments in FY2021. The FY2021 budget predicted a 6.9% decrease in Student Tuition and Fees Revenue, yet actual full-time equivalent students (FTE's) fell by 12%, which led to a steep decline in Tuition and Fees Revenue of \$4,986,456 or 17.9%.
- Federal Revenues have increased by \$7,554,910 or 21.1% in FY2021. This significant increase is due to funding provided by the Department of Education's Higher Education Emergency Relief Fund (HEERF) grants. The funds were used cover institutional expenses incurred in responding to the Pandemic and to provide replacement of lost operating revenue.
- State Grants have decreased by \$616,018 or 9.2% in FY2021.
- Contracts with business and industry declined in FY2021 as a result of labor shortages and employers' capacity limits to release employees for training. This environment resulted in a decrease in Contract Revenue of \$577,635 or 38.0% in FY2021.
- Auxiliary Revenues fell by \$305,990 or 5.7% in FY2021 due to a sharp decline in on-campus activity as a result of the COVID-19 pandemic.

- **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 2021-22

- 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.

▪ **Non-operating revenues (Cont.)**

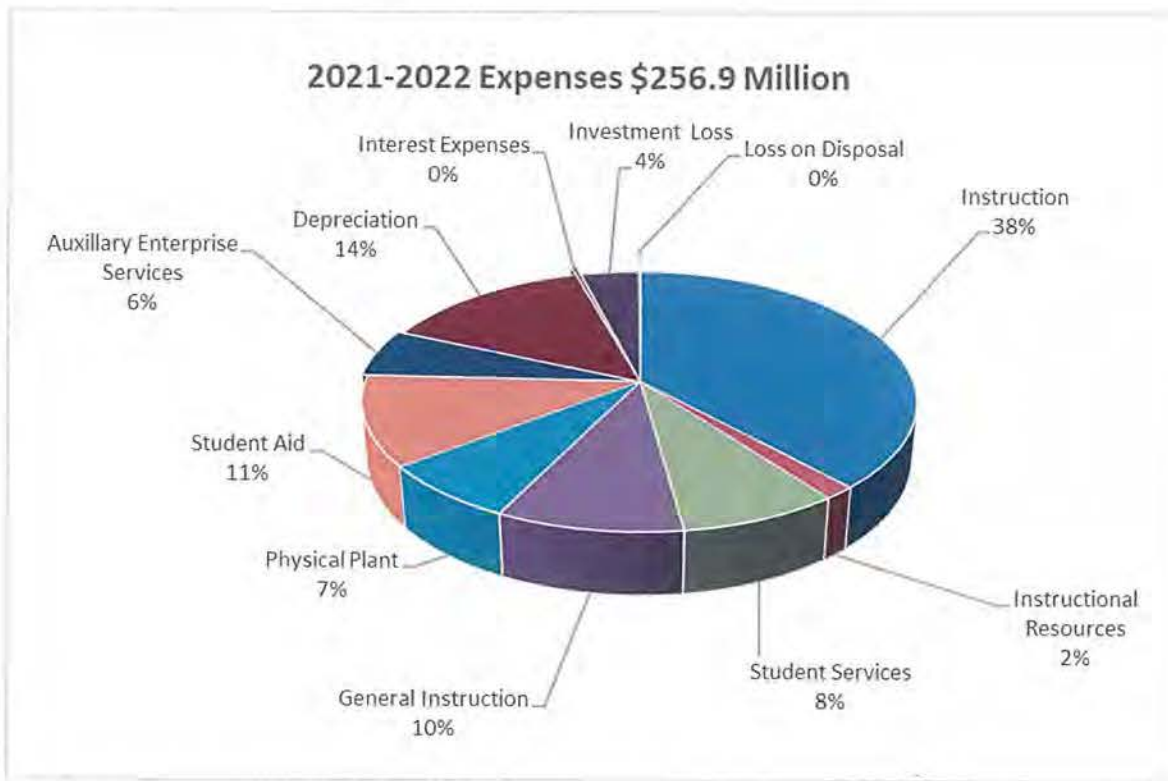
FY 2020-2021

- Property tax revenue increased by \$1,463,627 or 1.6% as a result of MATC District equalized value due to aggregate new construction.
- State appropriations decreased by \$972,850 or 1.2% in FY2021. Considering the District's drop in enrollments, this decline is moderate due to the fact that the other 15 WTCS District also experienced lower enrollments due to COVID-19 impacts. The uniform relative decline in enrollments across all of the colleges led to only moderate changes in the disbursement of general aids to the WTCS colleges.
- Other grants decreased by \$196,782 or 2.8%.
- Investment income has increased significantly by \$20,050,868 or 332.2% in FY2021 as a result of a substantial increase in realized and unrealized gains reported by the District's FCC Trust.

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>2022</u> | <u>2021</u> | <u>2020</u> | <u>CHANGE 2022 - 2021</u> | | <u>CHANGE 2021- 2020</u> | |
|--------------------------------|-----------------------|-----------------------|-----------------------|---------------------------|----------------|--------------------------|---------------|
| | | | | <u>\$</u> | <u>%</u> | <u>\$</u> | <u>%</u> |
| Operating Expenses: | | | | | | | |
| Instruction | \$ 97,792,982 | \$ 96,342,518 | \$ 111,003,514 | \$ 1,450,464 | 1.51% | \$ (14,660,996) | -13.21% |
| Instructional Resources | 4,148,423 | 3,885,336 | 4,710,920 | 263,087 | 6.77% | (825,584) | -17.52% |
| Student Services | 20,913,837 | 19,299,936 | 18,381,437 | 1,613,901 | 8.36% | 918,499 | 5.00% |
| General Institutional | 24,183,542 | 24,496,522 | 23,451,251 | (312,980) | -1.28% | 1,045,271 | 4.46% |
| Physical Plant | 18,513,079 | 19,073,051 | 18,625,369 | (559,972) | -2.94% | 447,682 | 2.40% |
| Student Aid | 28,770,589 | 18,099,743 | 18,099,743 | 10,670,846 | 58.96% | - | 0.00% |
| Auxiliary Enterprise Services | 15,178,241 | 21,439,480 | 21,438,972 | (6,261,239) | -29.20% | 508 | 0.00% |
| Depreciation | 36,226,112 | 35,381,379 | 33,646,560 | 844,733 | 2.39% | 1,734,819 | 5.16% |
| Total Oper. Expenses: | 245,726,805 | 238,017,965 | 249,357,766 | 7,708,840 | 3.24% | (11,339,801) | -4.55% |
| Non-Operating Expenses: | | | | | | | |
| Interest Expenses | 923,665 | 1,649,239 | 1,767,811 | (725,574) | -43.99% | (118,572) | -6.71% |
| Investment Loss | 9,949,006 | - | - | 9,949,006 | 0.00% | - | 0.00% |
| Loss on Disposal | 326,987 | 604,853 | 139,482 | (277,866) | -45.94% | 465,371 | 333.64% |
| Total Non-Oper. Exp. | 11,199,658 | 2,254,092 | 1,907,293 | 8,945,566 | 396.86% | 346,799 | 18.18% |
| Total Expenses: | \$ 256,926,463 | \$ 240,272,057 | \$ 251,265,059 | \$ 16,654,408 | 400.10% | \$ (10,993,002) | 13.64% |



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

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.

FY 2020-21

- Total Operating expenses decreased overall by \$11,339,801 in FY2021. Instructional expenses decreased significantly by \$14,660,996 or 13.2% as a result of decreased enrollments and the continued dramatic financial impact of the Pandemic. Likewise, spending on Instructional Resources also decreased sharply by \$825,584 or 17.5%. Moderate increases in operating expenses in Student Services, General Institutional, Physical Plant reflect spending on the fixed operating expenses of the college.

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

FY 2021-22

- 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.

FY2020-21

- Interest expense decreased by \$118,572 or 6.7% reflecting the Federal Reserve's continued efforts to support the economy.
- Loss on disposal of assets increased by \$465,371 due to specific inventory counts and adjustments which occurred in FY2021.

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).

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:

Statement of Net Position (cont.)

| | 2022 | 2021 | 2020 | CHANGE 2022 - 2021 | | CHANGE 2021 - 2020 | |
|--|-----------------------|-----------------------|-----------------------|---------------------|----------------|---------------------|---------------|
| | | | | \$ | % | \$ | % |
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 196,534,571 | \$ 207,547,025 | \$ 189,971,482 | \$ (11,012,454) | -5.31% | \$ 17,575,543 | 9.25% |
| Net capital assets | 252,988,742 | 246,014,802 | 245,933,956 | 6,973,940 | 2.83% | 80,846 | 0.03% |
| Net pension asset | 55,803,371 | 44,133,264 | 23,391,244 | 11,670,107 | 26.44% | 20,742,020 | 88.67% |
| Other assets | 49,499,498 | 53,646,301 | 38,639,702 | (4,146,803) | -7.73% | 15,006,599 | 38.84% |
| Total Assets | 554,826,182 | 551,341,392 | 497,936,384 | 3,484,790 | 0.63% | 53,405,008 | 10.73% |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | | |
| Deferred Outflow s Related to OPEB | 4,227,711 | 2,777,576 | 3,688,258 | 1,450,135 | 52.21% | (910,682) | -24.69% |
| Deferred Outflow s Related to Pensions | 104,669,215 | 68,985,001 | 50,351,714 | 35,684,214 | 51.73% | 18,633,287 | 37.01% |
| Total Deferred Outflow s of Resources | 108,896,926 | 71,762,577 | 54,039,972 | 37,134,349 | 51.75% | 17,722,605 | 32.80% |
| LIABILITIES | | | | | | | |
| Current liabilities | 59,227,583 | 60,789,680 | 60,458,932 | (1,562,097) | -2.57% | 330,748 | 0.55% |
| Net OPEB liability | 53,943,770 | 87,250,415 | 97,896,230 | (33,306,645) | -38.17% | (10,645,815) | -10.87% |
| Long-term liabilities | 53,408,378 | 55,351,228 | 55,999,443 | (1,942,850) | -3.51% | (648,215) | -1.16% |
| Total Liabilities | 166,579,731 | 203,391,323 | 214,354,605 | (36,811,592) | -18.10% | (10,963,282) | -5.11% |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| Deferred inflow s related to pensions | 131,522,575 | 96,897,491 | 70,194,954 | 34,625,084 | 35.73% | 26,702,537 | 38.04% |
| Deferred inflow s related to OPEB | 37,269,512 | 13,937,423 | 8,789,744 | 23,332,089 | 167.41% | 5,147,679 | 58.56% |
| Unearned television grant | 1,912,427 | 2,237,466 | 2,030,847 | (325,039) | -14.53% | 206,619 | 10.17% |
| Total Deferred Inflow s of Resources | 170,704,514 | 113,072,380 | 81,015,545 | 57,632,134 | 50.97% | 32,056,835 | 39.57% |
| NET POSITION | | | | | | | |
| Net investment in capital assets | 207,755,893 | 201,410,140 | 196,111,010 | 6,345,753 | 3.15% | 5,299,130 | 2.70% |
| Restricted | 79,785,366 | 68,855,820 | 46,191,617 | 10,929,546 | 15.87% | 22,664,203 | 49.07% |
| Unrestricted surplus | 38,897,604 | 36,374,306 | 14,303,579 | 2,523,298 | 6.94% | 22,070,727 | 154.30% |
| Total Net Position | \$ 326,438,863 | \$ 306,640,266 | \$ 256,606,206 | 19,798,597 | 6.46% | 50,034,060 | 19.50% |

FY 2021-22

- 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.

FY2020-21

- Cash and investments increased by \$17,575,543 or 9.3% in FY2021 primarily due to investment gains 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, 2022 and 2021 amounted to \$252,988,742 and \$246,014,802 (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, 2022 and 2021, the District had general obligation debt outstanding of \$74,475,000 and \$77,360,000 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 2021-2022 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, 2022 and 2021

| | Primary Government | | Component Unit | |
|---|--------------------|----------------|----------------|---------------|
| | 2022 | 2021 | 2022 | 2021 |
| Assets | | | | |
| Current assets | | | | |
| Cash and cash equivalents (Note 2) | \$ 143,712,762 | \$ 154,905,092 | \$ 1,079,066 | \$ 1,382,862 |
| Restricted cash and cash equivalents (Note 2) | 667,812 | 944,859 | 429,184 | 1,890,883 |
| Property tax receivable | 12,594,482 | 14,023,076 | - | - |
| Accounts and other receivables, net (Note 4 and Note 14) | 31,299,394 | 30,812,115 | 1,573,774 | 1,626,333 |
| Inventory | 686,603 | 838,636 | - | - |
| Prepaid expenses | 4,919,019 | 7,972,474 | 52,461 | 9,242 |
| Total current assets | 193,880,072 | 209,496,252 | 3,134,485 | 4,909,320 |
| Noncurrent assets | | | | |
| Restricted cash and cash equivalents (Note 2) | 52,153,997 | 51,697,074 | - | - |
| Net pension asset (Note 7) | 55,803,371 | 44,133,264 | - | - |
| Investments (Note 14) | - | - | 30,221,726 | 25,680,370 |
| Capital assets, net of accumulated depreciation (Note 10) | | | | |
| Land | 6,259,711 | 7,981,596 | - | - |
| Construction in progress | 7,981,596 | 6,420,721 | - | - |
| Other capital assets | 238,747,435 | 231,612,485 | - | - |
| Total noncurrent assets | 360,946,110 | 341,845,140 | 30,221,726 | 25,680,370 |
| Total Assets | 554,826,182 | 551,341,392 | 33,356,211 | 30,589,690 |
| Deferred Outflows of Resources | | | | |
| Deferred outflows related to OPEB (Note 8) | 4,227,711 | 2,777,576 | - | - |
| Deferred outflows related to pensions (Note 7) | 104,669,215 | 68,985,001 | - | - |
| Total deferred outflows of resources | 108,896,926 | 71,762,577 | - | - |
| Liabilities | | | | |
| Current liabilities | | | | |
| Accounts payable | 2,273,612 | 2,157,004 | 334,235 | 1,779,998 |
| Accounts payable - restricted | 3,341,524 | 2,968,025 | - | - |
| Accrued liabilities | 16,955,967 | 16,901,346 | - | - |
| Accrued liabilities - restricted | 760,779 | 445,750 | - | - |
| Accrued interest payable | 156,028 | 177,913 | - | - |
| Unearned program and material fees | 2,668,693 | 3,804,558 | - | - |
| Due to student and other groups | 2,845,863 | 3,572,770 | - | - |
| Current portion of long-term obligations (Note 6) | 29,320,000 | 29,915,000 | - | - |
| Current portion of compensated absences (Note 6) | 905,117 | 847,314 | - | - |
| Total current liabilities | 59,227,583 | 60,789,680 | 334,235 | 1,779,998 |
| Long-term obligations (Note 6) | | | | |
| General obligation notes payable | 47,351,052 | 49,680,737 | - | - |
| Compensated absences | 6,057,326 | 5,670,491 | - | - |
| Net OPEB liability (Note 8) | 53,943,770 | 87,250,415 | - | - |
| Total long-term obligations | 107,352,148 | 142,601,643 | - | - |
| Total Liabilities | 166,579,731 | 203,391,323 | 334,235 | 1,779,998 |
| Deferred Inflows of Resources | | | | |
| Deferred inflows related to pensions (Note 7) | 131,522,575 | 96,897,491 | - | - |
| Deferred inflows related to OPEB (Note 8) | 37,269,512 | 13,937,423 | - | - |
| Unearned television grant | 1,912,427 | 2,237,466 | - | - |
| Total Deferred Inflows of Resources | 170,704,514 | 113,072,380 | - | - |
| Net Position | | | | |
| Net investment in capital assets (Note 10) | 207,755,893 | 201,410,140 | - | - |
| With donor restrictions (Note 14) | - | - | 31,997,133 | 26,511,137 |
| Without donor restrictions (Note 14) | - | - | 1,024,843 | 2,298,555 |
| Restricted for: | | | | |
| Pensions | 55,803,371 | 44,133,264 | - | - |
| Debt service | 23,191,887 | 23,932,448 | - | - |
| Student financial assistance | 790,108 | 790,108 | - | - |
| Unrestricted | 38,897,604 | 36,374,306 | - | - |
| Total Net Position | \$ 326,438,863 | \$ 306,640,266 | \$ 33,021,976 | \$ 28,809,692 |

The accompanying notes are an integral part of these financial statements.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT
Statements of Revenues, Expenses and Changes in Net Position
For the years ended June 30, 2022 and 2021

| | Primary Government | | Component Unit | |
|--|-----------------------|-----------------------|----------------------|----------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Operating revenues | | | | |
| Student tuition and program fees, net of scholarship allowances of \$13,387,806 and \$15,014,971 for 2022 and 2021, respectively | \$ 21,700,702 | \$ 22,891,532 | \$ - | \$ - |
| Federal grants | 58,741,368 | 43,404,988 | - | - |
| State grants | 5,462,507 | 6,062,933 | - | - |
| Contract revenue | 1,059,761 | 940,605 | - | - |
| Auxiliary enterprise revenues, net of scholarship allowances of \$5,209,276 and \$5,205,446 for 2022 and 2021, respectively | 2,459,714 | 5,065,068 | - | - |
| Contributions and other support | - | - | 18,469,516 | 13,180,246 |
| Miscellaneous | 6,301,927 | 5,283,550 | - | - |
| Total operating revenues | 95,725,979 | 83,648,676 | 18,469,516 | 13,180,246 |
| Operating expenses | | | | |
| Instruction | 97,792,982 | 96,342,518 | - | - |
| Instructional resources | 4,148,423 | 3,885,336 | - | - |
| Student services | 20,913,837 | 19,299,936 | - | - |
| General institutional | 24,183,542 | 24,496,522 | - | - |
| Physical plant | 18,513,079 | 19,073,051 | - | - |
| Student aid | 28,770,589 | 18,099,743 | - | - |
| Auxiliary enterprise services | 15,178,241 | 21,439,480 | - | - |
| Program activities and other | - | - | 9,928,669 | 9,100,302 |
| Depreciation | 36,226,112 | 35,381,379 | - | - |
| Total operating expenses | 245,726,805 | 238,017,965 | 9,928,669 | 9,100,302 |
| Operating income (loss) | (150,000,826) | (154,369,289) | 8,540,847 | 4,079,944 |
| Nonoperating revenues (expenses) | | | | |
| Local property taxes (Note 3) | 91,722,902 | 95,539,085 | - | - |
| State appropriations | 82,270,325 | 78,219,412 | - | - |
| Other grants | 7,005,855 | 6,812,511 | - | - |
| Investment income (expense) | (9,949,006) | 26,086,433 | (4,328,563) | 4,926,338 |
| Loss on disposal | (326,987) | (604,853) | - | - |
| Interest expense | (923,665) | (1,649,239) | - | - |
| Total nonoperating revenues (expenses) | 169,799,424 | 204,403,349 | (4,328,563) | 4,926,338 |
| Change in net position | 19,798,597 | 50,034,060 | 4,212,284 | 9,006,282 |
| Net position - beginning of the year | 306,640,266 | 256,606,206 | 28,809,692 | 19,803,410 |
| Net position - end of the year | \$ 326,438,863 | \$ 306,640,266 | \$ 33,021,976 | \$ 28,809,692 |

The accompanying notes are an integral part of these financial statements.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT
Statements of Cash Flows
For the years ended June 30, 2022 and 2021

| | <u>2022</u> | <u>2021</u> |
|---|-----------------------|-----------------------|
| Cash flows from operating activities | | |
| Tuition and fees | \$ 20,564,837 | \$ 24,754,668 |
| Federal and state grants | 63,878,836 | 49,674,540 |
| Contract revenues | 1,059,761 | 940,605 |
| Payments to employees, including related benefits | (192,241,557) | (186,255,572) |
| Payments for materials and services | (37,915,992) | (44,984,695) |
| Auxiliary enterprise revenues | 2,611,747 | 5,145,932 |
| Other receipts | <u>5,575,019</u> | <u>5,017,400</u> |
| Net cash used in operating activities | <u>(136,467,349)</u> | <u>(145,707,123)</u> |
| Cash flows from noncapital financing activities | | |
| Local property taxes | 93,151,496 | 91,038,859 |
| State appropriations | 82,270,325 | 78,219,412 |
| Other grants | <u>7,005,855</u> | <u>6,812,511</u> |
| Net cash provided by noncapital financing activities | <u>182,427,676</u> | <u>176,070,782</u> |
| Cash flows from capital and related financing activities | | |
| Purchases of capital assets | (43,153,541) | (36,821,029) |
| Proceeds from capital debt issued | 39,000,000 | 45,345,000 |
| Premium on debt issued | 1,369,997 | 1,540,198 |
| Principal retired on capital debt | (41,885,000) | (45,875,000) |
| Interest paid on capital debt | <u>(2,355,232)</u> | <u>(3,063,719)</u> |
| Net cash used in capital and related financing activities | <u>(47,023,776)</u> | <u>(38,874,550)</u> |
| Cash flows from investing activities | | |
| Investment income received | <u>(9,949,006)</u> | <u>26,086,433</u> |
| Net cash provided by investing activities | <u>(9,949,006)</u> | <u>26,086,433</u> |
| Net increase (decrease) in cash and cash equivalents | (11,012,454) | 17,575,543 |
| Cash and cash equivalents | | |
| Beginning of year | <u>207,547,025</u> | <u>189,971,482</u> |
| End of year | <u>\$ 196,534,571</u> | <u>\$ 207,547,025</u> |

The accompanying notes are an integral part of these financial statements.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT
Statements of Cash Flows
For the years ended June 30, 2022 and 2021

| | 2022 | 2021 |
|--|------------------|------------------|
| Reconciliation of operating loss to net cash used in operating activities | | |
| Operating loss | \$ (150,000,826) | \$ (154,369,289) |
| Adjustments to reconcile operating loss to net cash used in operating activities | | |
| Depreciation | 36,226,112 | 35,381,379 |
| (Increase) Decrease in deferred outflows of resources | (37,134,349) | (17,722,605) |
| Increase (Decrease) in deferred inflows of resources | 57,632,134 | 32,056,835 |
| Changes in assets and liabilities | | |
| Accounts receivable | (487,279) | (7,955,170) |
| Inventory | 152,033 | 80,863 |
| Prepaid expenses | 3,053,455 | (2,632,067) |
| Net pension asset (liability) | (11,670,107) | (20,742,020) |
| Accounts payable | 116,608 | (208,727) |
| Accrued liabilities | 369,650 | (254,266) |
| Net OPEB liability | (33,306,645) | (10,645,815) |
| Accrued compensated absences | 444,638 | (293,227) |
| Unearned program and material fees | (1,135,865) | 1,863,136 |
| Due to student and other groups | (726,907) | (266,150) |
| Net cash used in operating activities | \$ (136,467,349) | \$ (145,707,123) |
| Reconciliation of cash and cash equivalents to the statement of net position | | |
| Cash and cash equivalents | \$ 143,712,762 | \$ 154,905,092 |
| Restricted cash and cash equivalents | | |
| Current | 667,812 | 944,859 |
| Noncurrent | 52,153,997 | 51,697,074 |
| | \$ 196,534,571 | \$ 207,547,025 |
| Noncash capital and related financing activities | | |
| Net change in capital assets financed by accounts payable | \$ (373,498) | \$ 753,951 |
| Amortization of premiums | (1,409,682) | (1,383,306) |

The accompanying notes are an integral part of these financial statements.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT
Statements of Fiduciary Net Position
Fiduciary Fund - MATC Post-Employment Benefits Trust
As of June 30, 2022 and 2021

| | 2022 | 2021 |
|---|---------------|---------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 40,854 | \$ 10,825 |
| Accounts receivable | 2,000,000 | 2,000,000 |
| Total current assets | 2,040,854 | 2,010,825 |
| Non-current assets | | |
| Long-term investments | | |
| Mutual Funds | 39,853,870 | 45,138,569 |
| Other Investments | 2,650,231 | 2,077,583 |
| Total non-current assets | 42,504,101 | 47,216,152 |
| Total Assets | \$ 44,544,955 | \$ 49,226,977 |
| Liabilities | | |
| Current liabilities | | |
| IBNR payable | \$ 536,550 | \$ 378,560 |
| Total Liabilities | 536,550 | 378,560 |
| Net Position | | |
| Restricted for | | |
| Post-employment benefits | 44,008,406 | 48,848,418 |
| Total Liabilities and Net Position | \$ 44,544,956 | \$ 49,226,978 |

The accompanying notes are an integral part of these 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, 2022 and 2021

| | <u>2022</u> | <u>2021</u> |
|--|----------------------|----------------------|
| Additions | | |
| Contributions | | |
| MATC | \$ 7,937,729 | \$ 7,975,172 |
| Retirees | 2,944,654 | 3,096,493 |
| Realized Gains | 454,107 | 5,037,218 |
| Unrealized Gains | (8,575,229) | 4,775,880 |
| Interest | <u>1,508,278</u> | <u>1,079,829</u> |
| Total additions | <u>4,269,539</u> | <u>21,964,592</u> |
| Deductions | | |
| Administration | 329,967 | 255,658 |
| Benefit payments | <u>8,779,584</u> | <u>9,560,009</u> |
| Total deductions | <u>9,109,551</u> | <u>9,815,667</u> |
| Change in net position | (4,840,012) | 12,148,925 |
| Net Position Restricted for Post Employment Benefits- Beginning of the year | <u>48,848,418</u> | <u>36,699,493</u> |
| Net Position Restricted for Post Employment Benefits- End of the year | <u>\$ 44,008,406</u> | <u>\$ 48,848,418</u> |

The accompanying notes are an integral part of these financial statements.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(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, 2022 and 2021

(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, 2022 and 2021

(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.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(1) Summary of Significant Accounting Policies (continued)

(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.

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.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(1) Summary of Significant Accounting Policies (continued)

(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.

(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.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

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

(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.

(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, 2022 and 2021.

(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.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(1) Summary of Significant Accounting Policies (continued)

(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.

(o) Deferred Inflows of Resources

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

(q) Scholarship Allowances and Student Aid

Financial aid to students is reported in the financial statements under the alternative method, as prescribed by the National Association of College and University Business Officers (NACUBO). 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.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

Summary of Significant Accounting Policies (continued)

(r) **Pensions**

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

(s) **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.

(t) **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, 2022 and 2021

(1) Summary of Significant Accounting Policies (continued)

(u) 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, 2022 and 2021

(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, 2022 and 2021

(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, 2022 and 2021

(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, 2022 and 2021, 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:

| | 2022 | 2021 | Risks |
|--|--------------------|--------------------|--|
| Cash on hand | \$ 35,195 | \$ 36,896 | Not Applicable |
| Demand deposits | 50,785,140 | 26,158,653 | Custodial credit |
| Local Government Investment Pool | 59,647,658 | 70,700,925 | Credit |
| Mutual Funds-Bonds | 21,744,723 | 25,302,482 | Interest rate and credit |
| Mutual Funds-Other than Bonds | 87,673,352 | 117,706,405 | Foreign currency |
| Other Equity Investments | 19,193,458 | 14,868,642 | Custodial credit and concentration of credit |
| Total Cash, Cash Equivalents and Investments | \$ 239,079,526 | \$ 254,774,003 | |
| Reconciliation to Financial Statements: | | | |
| Per Statement of Net Position: | | | |
| Unrestricted cash and cash equivalents | \$ 143,712,762 | \$ 154,905,092 | |
| Restricted cash and cash equivalents | 52,821,809 | 52,641,933 | |
| Per Statement of Fiduciary Net Position - Fiduciary Fund | 42,544,955 | 47,226,978 | |
| | \$ 239,079,526 | \$ 254,774,003 | |

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(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:

| | 2022 | 2021 |
|---|----------------|----------------|
| Restricted for | | |
| Debt Service | \$ 17,005,548 | \$ 17,197,299 |
| Capital Projects | 29,259,578 | 31,750,742 |
| PBS Capital Projects | 667,812 | 944,859 |
| Student Financial Assistance | 5,888,871 | 2,749,033 |
| Total Restricted | 52,821,809 | 52,641,933 |
| Unrestricted | 143,712,762 | 154,905,092 |
| Total Cash and Investments | \$ 196,534,571 | \$ 207,547,025 |
| Restricted for Post-Employment Benefits Trust | \$ 42,544,955 | \$ 47,226,977 |

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 \$36,946,558 at June 30, 2022 and \$26,158,653 at June 30, 2021, and the bank's carrying values were \$39,962,655 and \$27,106,680, 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 \$53,081,537 as of June 30, 2022 and \$67,967,549 as of June 30, 2021.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

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

Investments

The District's carrying value for investments were \$142,450,115 and \$157,877,529 as of June 30, 2022 and 2021, respectively. The District had other equity investments of \$19,193,458 and \$14,868,642 as of June 30, 2022 and June 30, 2021 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, 2022</u> | Fair Value | Investment Maturities (in Years) | | |
|----------------------|---------------|----------------------------------|-------------|--------------|
| | | Less Than 1 Year | 1 - 5 Years | 6 - 10 Years |
| Mutual Funds-Bonds | \$ 21,744,723 | \$ 21,744,723 | \$ - | \$ - |

| <u>June 30, 2021</u> | Fair Value | Investment Maturities (in Years) | | |
|----------------------|---------------|----------------------------------|-------------|--------------|
| | | Less Than 1 Year | 1 - 5 Years | 6 - 10 Years |
| Mutual Funds-Bonds | \$ 25,302,482 | \$ 25,302,482 | \$ - | \$ - |

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%:

| Issuer | Investment Type | Percentage of Portfolio | |
|---|--------------------------|-------------------------|-------|
| | | 2022 | 2021 |
| Vanguard Total Int'l Stock Mkt Index Fund | Mutual Fund Equity | 7.3% | 7.2% |
| First American Govt Obligation - Z | Money Mkt Mutual Fund | 9.73% | |
| Vanguard Total Stock Mkt Index Fund | Mutual Fund Equity | 25.4% | 36.9% |
| Prudential Total Return Bond-Q | Mutual Fund Fixed Income | | 5.1% |
| JOHCM Int'l Select Fund I | Mutual Fund Equity | | 5.4% |
| Harding Loevner Int'l Equity Portfolio | Mutual Fund Equity | | 5.5% |

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(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 of deposit.

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 Loevner Intl 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> |

At June 30, 2021, 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 | \$ 11,294,727 |
| JOHCM Int'l Select Fund 1 | Numerous | N/A | 8,584,387 |
| | | | <u>\$ 19,879,114</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, 2022 and 2021

(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 | | | |
|---|--------------------------------------|---|--|--|
| | <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, 2022 and 2021

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

| | Fair Value Measurements Using | | | |
|---|-------------------------------|---|---|---|
| | 6/30/2021 | 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: | | | | |
| Cash & Cash Alternatives | \$ 590,289 | \$ 590,289 | \$ - | \$ - |
| Equity Securities: | | | | |
| Mutual Funds | 36,391,685 | 36,391,685 | - | - |
| Total Equity Securities: | 36,391,685 | 36,391,685 | - | - |
| Debt Securities: | | | | |
| Mutual Funds | 106,026,913 | 106,026,913 | - | - |
| Total Debt Securities: | 106,026,913 | 106,026,913 | - | - |
| Private Equity: | | | | |
| Clarion Lion Properties Fund | 1,569,305 | - | - | 1,569,305 |
| Commonfund | 1,278,971 | - | - | 1,278,971 |
| Golub Capital Partners | 2,508,000 | - | - | 2,508,000 |
| Lem Multifamily Sr Equity Fund V | 1,117,721 | - | - | 1,117,721 |
| Morgan Stanley Prime Properties | 5,188,115 | - | - | 5,188,115 |
| Strategic Value Special SIT Fund | 107,000 | - | - | 107,000 |
| GCM Grosvenor 777 Fund | 895,701 | - | - | 895,701 |
| Total P/E Securities: | 12,664,813 | - | - | 12,664,813 |
| Reinsurance: | | | | |
| ILS Capital Management | 2,203,829 | - | - | 2,203,829 |
| Total Reinsurance: | 2,203,829 | - | - | 2,203,829 |
| Total Investments by Fair Value Level: | \$ 157,877,529 | \$ 143,008,887 | \$ - | \$ 14,868,642 |

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

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, 2022 and 2021 were as follows:

| | 2022 | | 2021 | |
|-----------------------------|-----------|------------------|-----------|------------------|
| | Mill Rate | Amount Levied | Mill Rate | Amount Levied |
| Operating levy | \$ 0.5489 | \$ 49,575,492 | \$ 0.6332 | \$ 52,626,532 |
| Debt service levy | 0.4605 | 41,585,336 | 0.5174 | 43,000,000 |
| Total Property Tax Levy | | \$ 91,160,828 | | \$ 95,626,532 |

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 \$1,330,786 and \$1,324,074 in state aid revenue in lieu of property tax for the year ended June 30, 2022 and 2021, 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 \$91,722,902 and \$95,539,085 for the years ended June 30, 2022 and 2021, 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, 2022 and 2021

(4) Accounts and Other Receivables, Net

Accounts and other receivables at June 30, 2022 and 2021, consisted of the following amounts, net of allowances for uncollectible amounts:

| | <u>2022</u> | <u>2021</u> |
|--------------------------------------|----------------------|----------------------|
| Intergovernmental | \$ 11,316,816 | \$ 3,115,476 |
| Student | 17,778,673 | 21,338,666 |
| Foundation | 11,875,141 | 13,042,906 |
| Other | 3,779,117 | 5,817,911 |
| | <u>44,749,747</u> | <u>43,314,959</u> |
| Allowance for uncollectible accounts | <u>(13,450,353)</u> | <u>(12,502,844)</u> |
| Net receivables | <u>\$ 31,299,394</u> | <u>\$ 30,812,115</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, 2020, 2021 and 2022 follow:

| <u>Fiscal Year</u> | <u>Liability July 1</u> | <u>Claims and Changes in Estimates</u> | <u>Claim Payments</u> | <u>Liability June 30</u> |
|--------------------|-----------------------------|--|---------------------------|------------------------------|
| 2019-20 | \$ 3,326,014 | \$ 44,324,465 | \$ 44,868,426 | \$ 2,782,053 |
| 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 |

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(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, 2022 and 2021

(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, 2022 and 2021

(6) Long-Term Obligations

The following is a summary of the changes in long-term obligations for the years ended June 30, 2022 and 2021:

| | 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 | 79,595,737 | 40,369,997 | (43,294,682) | 76,671,052 | 29,320,000 |
| Compensated absences | 6,517,805 | 6,467,667 | (6,023,029) | 6,962,443 | 905,117 |
| Net OPEB liability | 87,250,415 | 9,505,125 | (42,811,770) | 53,943,770 | - |
| Totals | \$ 173,363,957 | \$ 56,342,789 | \$ (92,129,481) | \$ 137,577,265 | \$ 30,225,117 |

| | July 1, 2020 | Additions | Reductions | June 30, 2021 | Due Within One Year |
|--------------------------|-----------------|---------------|-----------------|------------------|------------------------|
| Notes Payable: | | | | | |
| General obligation debt | \$ 77,890,000 | \$ 45,345,000 | \$ (45,875,000) | \$ 77,360,000 | \$ 29,915,000 |
| Premium on debt issuance | 2,078,845 | 1,540,198 | (1,383,306) | 2,235,737 | - |
| Total Notes Payable | 79,968,845 | 46,885,198 | (47,258,306) | 79,595,737 | 29,915,000 |
| Compensated absences | 6,811,032 | 6,054,626 | (6,347,853) | 6,517,805 | 847,314 |
| Net OPEB liability | 97,896,230 | 9,347,091 | (19,992,906) | 87,250,415 | - |
| Totals | \$ 184,676,107 | \$ 62,286,915 | \$ (73,599,065) | \$ 173,363,957 | \$ 30,762,314 |

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(6) Long-Term Obligations (continued)

General obligation debt outstanding at June 30, 2022 and 2021 consist of the following notes and bonds:

| | | <u>2022</u> | <u>2021</u> |
|----------|---|-----------------------|-------------|
| | | <u>(in thousands)</u> | |
| 2012-13E | General obligation refunding promissory notes, 2.40%, final payment \$475,000 plus interest, to June 1, 2022 (issued for \$10,000,000 on October 15, 2012 through R.W. Baird & Co., to refinance certain Other Post-Employment Benefits (OPEB) obligations.) | \$ - | \$ 475 |
| 2017-18A | General obligation promissory notes, 3.0%, final payment of \$150,000, plus interest, to June 1, 2022 (issued for \$1,500,000 on July 10, 2017, through R.W. Baird & Co., to finance building remodeling and improvement projects.) | - | 150 |
| 2017-18B | General obligation promissory notes, 2.0%, final amount of \$150,000, plus interest, due on June 1, 2022 (issued for \$1,500,000 on August 8, 2017, through R.W. Baird & Co., to finance building remodeling and improvement projects.) | - | 150 |
| 2017-18C | General obligation promissory notes, 2.0%, final amount of \$3,470,000, plus interest, due on June 1, 2022 (issued for \$22,500,000 on September 12, 2017, through R.W. Baird & Co., to finance movable equipment, building remodeling and improvement projects.) | - | 3,470 |
| 2017-18D | General obligation promissory notes, 3.0%, final amount of \$150,000, plus interest, due on June 1, 2022 (issued for \$1,500,000 on October 17, 2017, through R.W. Baird & Co., to finance building remodeling and improvement projects.) | - | 150 |
| 2017-18E | General obligation promissory notes, 2.0%, final amount of \$150,000, plus interest, due on June 1, 2022 (issued for \$1,500,000 on November 15, 2017, through R.W. Baird & Co., to finance building remodeling and improvement projects.) | - | 150 |
| 2017-18F | General obligation promissory notes, 4.0%, final amount of \$150,000, plus interest, due on June 1, 2022 (issued for \$1,500,000 on December 13, 2017, through R.W. Baird & Co., to finance building remodeling and improvement projects.) | - | 150 |
| 2017-18G | General obligation promissory notes, 3.0% final amount of \$150,000, plus interest, due on June 1, 2022 (issued for \$1,500,000 on January 10, 2018, 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, 2022 and 2021

(6) Long-Term Obligations (continued)

| | | <u>2022</u> | <u>2021</u> |
|----------|--|-----------------------|-------------|
| | | <u>(in thousands)</u> | |
| 2017-18H | General obligation promissory notes, 3.0%, final amount of \$150,000, plus interest, due on June 1, 2022 (issued for \$1,500,000 on February 15, 2018, through R.W. Baird & Co., to finance building remodeling and improvement projects.) | - | 150 |
| 2017-18I | General obligation promissory notes, 3.0%, final amount of \$150,000, plus interest, due on June 1, 2022 (issued for \$1,500,000 on March 15, 2018, through R.W. Baird & Co., to finance building remodeling and improvement projects.) | - | 150 |
| 2017-18J | General obligation promissory notes, 2.0%, final amount of \$150,000, plus interest, due on June 1, 2022 (issued for \$1,500,000 on April 17, 2018, through R.W. Baird & Co., to finance building remodeling and improvement projects.) | - | 150 |
| 2017-18K | General obligation promissory notes, 4.0%, final amount of \$150,000, plus interest, due on June 1, 2022 (issued for \$1,500,000 on May 15, 2018, through R.W. Baird & Co., to finance building remodeling and improvement projects.) | - | 150 |
| 2017-18L | General obligation promissory notes, 4.0%, final amount of \$150,000, plus interest, due on June 1, 2022 (issued for \$1,500,000 on June 13, 2018, through R.W. Baird & Co., to finance building remodeling and improvement projects.) | - | 150 |
| 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 | 650 |
| 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 | 650 |
| 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 | 6,745 |
| 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 | 650 |

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(6) Long-Term Obligations (continued)

| | | <u>2022</u> | <u>2021</u> |
|----------|---|-----------------------|-------------|
| | | <u>(in thousands)</u> | |
| 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 | 650 |
| 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 | 650 |
| 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 | 650 |
| 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 | 650 |
| 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 | 650 |
| 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 | 650 |
| 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 | 650 |
| 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 | 650 |

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(6) Long-Term Obligations (continued)

| | | <u>2022</u> | <u>2021</u> |
|----------|--|-----------------------|-------------|
| | | <u>(in thousands)</u> | |
| 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.) | 650 | 1,150 |
| 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.) | 650 | 1,150 |
| 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.) | 6,600 | 9,710 |
| 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.) | 650 | 1,150 |
| 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.) | 650 | 1,150 |
| 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.) | 650 | 1,150 |
| 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.) | 650 | 1,150 |
| 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.) | 650 | 1,150 |

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(6) Long-Term Obligations (continued)

| | | <u>2022</u> | <u>2021</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.) | 650 | 1,150 |
| 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.) | 650 | 1,150 |
| 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.) | 650 | 1,150 |
| 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.) | 650 | 1,150 |
| 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.) | 1,150 | 1,500 |
| 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.) | 1,150 | 1,500 |
| 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.) | 9,720 | 12,710 |
| 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.) | 1,150 | 1,500 |

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(6) Long-Term Obligations (continued)

| | | <u>2022</u> | <u>2021</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.) | 1,150 | 1,500 |
| 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.) | 1,150 | 1,500 |
| 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.) | 1,150 | 1,500 |
| 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.) | 1,150 | 1,500 |
| 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.) | 6,235 | 6,300 |
| 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.) | 1,150 | 1,500 |
| 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.) | 1,150 | 1,500 |
| 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.) | 1,150 | 1,500 |

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(6) Long-Term Obligations (continued)

| | | <u>2022</u> | <u>2021</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.) | 1,150 | 1,500 |
| 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.) | 1,500 | - |
| 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.) | 1,500 | - |
| 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.) | 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.) | 1,500 | - |
| 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.) | 1,500 | - |
| 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.) | 1,500 | - |

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(6) Long-Term Obligations (continued)

| | | <u>2022</u> | <u>2021</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.) | 1,500 | - |
| 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.) | 1,500 | - |
| 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.) | 1,500 | - |
| 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.) | 1,500 | - |
| 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.) | 1,500 | - |
| 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.) | 1,500 | - |
| | | <u>\$ 74,475</u> | <u>\$ 77,360</u> |

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(6) Long-Term Obligations (continued)

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

| Year Ending June 30 | Principal | Interest | Total |
|------------------------|----------------------|---------------------|----------------------|
| 2023 | \$ 29,320,000 | \$ 1,785,331 | \$ 31,105,331 |
| 2024 | 22,410,000 | 979,813 | 23,389,813 |
| 2025 | 13,795,000 | 503,488 | 14,298,488 |
| 2026 | 5,045,000 | 157,663 | 5,202,663 |
| 2027 | 615,000 | 44,438 | 659,438 |
| 2028-32 | 3,290,000 | 122,376 | 3,412,376 |
| | <u>\$ 74,475,000</u> | <u>\$ 3,593,109</u> | <u>\$ 78,068,109</u> |

Chapter 67.03 (1) of Wisconsin State Statutes limits total general obligation debt to 5 percent of the equalized value of the taxable property in the District. As of June 30, 2022 and 2021, this 5 percent limitation was approximately \$4.8 billion and \$4.4 billion, respectively, and the District's outstanding general obligation debt, net of resources available to pay principal was \$57,469,452 and \$60,162,701 respectively. Chapter 67.03 (9) of the Wisconsin State Statutes limits bonded indebtedness of the District to 2 percent of the equalized value of the taxable property located in the District. As of June 30, 2022 and 2021, this 2 percent limitation was approximately \$1.9 billion and \$1.77 billion, respectively, and the District's outstanding bonded indebtedness, net of resources available to pay principal and interest, was \$0.

On February 10, 2021, bonds in the amount of \$6,345,000 were issued with an average interest rate of 1.07% to advance refund \$6,145,000 of outstanding bonds with an average interest rate of 3.09%. The net proceeds were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the old bonds. As a result, that portion of the old bonds are considered defeased and the liability for that portion of the old bonds has been removed from the statement of net position.

The cash flow requirements on the old bonds prior to the refunding was \$7,603,128 from June 1 2021 through June 1, 2032. The cash flow requirements on the new bonds are \$6,838,175 from June 1, 2021 through June 1, 2032. The refunding resulted in an economic gain of \$711,018.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(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.

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.

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.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(7) Retirement Systems (continued)

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

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.

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.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(7) Retirement Systems (continued)

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

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 | \$ 104,669,215 | \$ 131,522,575 |

\$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: | |
|----------------------------|----------------|
| 2022 | \$ (2,642,275) |
| 2023 | (15,171,484) |
| 2024 | (6,655,765) |
| 2025 | (6,362,417) |

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(7) Retirement Systems (continued)

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

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.

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:

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(7) Retirement Systems (continued)

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

| Asset Allocation Targets and Expected Returns ¹ | | | |
|--|--------------------|---|---|
| As of December 31, 2021 | | | |
| Core Fund Asset Class | Asset Allocation % | Long-Term Expected Nominal Rate of Return % | Long-Term Expected Real Rate of Return % ² |
| 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 Fund ³ | 115 | 6.6 | 4 |
| Variable Fund Asset | | | |
| 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%.

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.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(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 percent, as well as what the District’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.8 percent) or 1-percentage-point higher (7.8 percent) 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 the 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, 2022 and 2021

(7) Retirement Systems (continued)

(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.

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.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(7) Retirement Systems (continued)

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

The Core and Variable annuity adjustments granted during recent years are as follows:

| Year | Core Fund Adjustment | Variable Fund Adjustment |
|------|----------------------|--------------------------|
| 2011 | (1.2)% | 11.0 |
| 2012 | (7.0) | (7.0) |
| 2013 | (9.6) | (9.0) |
| 2014 | 4.7 | 25 |
| 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 |

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 \$7,784,411 in contributions from the employer.

Contribution rates for the year ended June 30, 2021 are:

| | Employee | Employer |
|----------------------------------|----------|----------|
| July 1, 2020 – December 31, 2020 | 6.75% | 6.75% |
| January 1, 2021 - June 30, 2021 | 6.75% | 6.75% |

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

At June 30, 2021, the District reported an asset of \$44,133,264 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. 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.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(7) Retirement Systems (continued)

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

At December 31, 2020, the District's proportion was 0.70690828%, which was a decrease of 0.01852388% from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized pension expense of (\$4,888,357).

At June 30, 2021, 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 | \$ 63,874,384 | \$ 13,758,427 |
| Changes in assumptions | 1,001,028 | - |
| Net differences between projected and actual earnings on pension plan investments | - | 82,856,608 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 33,339 | 282,456 |
| Employer contributions subsequent to the measurement date | 4,076,250 | - |
| Total | \$ 68,985,001 | \$ 96,897,491 |

\$4,076,250 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, 2022. 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: | |
|----------------------------|----------------|
| 2022 | \$ (8,235,782) |
| 2023 | (2,287,061) |
| 2024 | (15,080,026) |
| 2025 | (6,385,871) |

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(7) Retirement Systems (continued)

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

Actuarial assumptions - The total pension liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|--------------------------------|
| Actuarial Valuation Date: | December 31, 2018 |
| Measurement Date of Net Pension Liability (Asset) | December 31, 2019 |
| Actuarial Cost Method: | Entry Age Normal |
| Asset Valuation Method: | Fair Value |
| Long-Term Expected Rate of Return: | 7.0% |
| Discount Rate: | 7.0% |
| Salary Increases: | |
| Inflation | 3.0% |
| Seniority/Merit | 0.1% - 5.6% |
| Mortality: | Wisconsin 2018 Mortality Table |
| Post-retirement Adjustments* | 1.9% |

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

Actuarial assumptions are based upon an experience study in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The total pension liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation.

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

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(7) Retirement Systems (continued)

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

| Asset Allocation Targets and Expected Returns | | | |
|--|---------------------------|--|---|
| As of December 31, 2020 | | | |
| <u>Core Fund Asset Class</u> | <u>Asset Allocation %</u> | <u>Long-Term Expected Nominal Rate of Return %</u> | <u>Long-Term Expected Real Rate of Return %</u> |
| Global Equities | 51 | 7.2 | 4.7 |
| Fixed Income | 25 | 3.2 | 0.8 |
| Inflation Sensitive Assets | 16 | 2.0 | (0.4) |
| Real Estate | 8 | 5.6 | 3.1 |
| Private Equity/Debt | 11 | 10.2 | 7.6 |
| Multi-Asset | 4 | 5.8 | 3.3 |
| Total Core Fund | 115 | 6.6 | 4.1 |
| | | | |
| <u>Variable Fund Asset Class</u> | | | |
| U.S. Equities | 70 | 6.6 | 4.1 |
| International Equities | 30 | 7.4 | 4.9 |
| Total Variable Fund | 100 | 7.1 | 4.6 |
| | | | |
| New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.4% | | | |
| Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations | | | |

Single Discount rate - A single discount rate of 7.0% was used to measure the total pension liability (asset) for the current and prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.0% and a long-term bond rate of 2.75%. Because of the unique structure of WRS, the 7.0% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term 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, 2022 and 2021

(7) Retirement Systems (continued)

(b) Wisconsin Retirement System (WRS) – prior 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 7.0 percent, as well as what the District’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

| | 1% Decrease to Discount Rate (6.0%) | Current Discount Rate (7.0%) | 1% Increase to Discount Rate (8.0%) |
|--|--|---------------------------------|--|
| MATC's proportionate share of the net pension liability (asset) | \$ 42,008,751 | \$ (44,133,264) | \$ (107,403,932) |

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, 2022 and 2021

(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, 2022 and 2021

(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, 2022 and 2021, the District's average contribution rate was 7.69 percent and 9.32 percent 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, 2022 and 2021

(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 | |
|---|--------------------------|-------------------------|-------|
| | | 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% |

Rate of return

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) percent and 29.88 percent, 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.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(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, 2022 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 6.62 percent. 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 (a) | Plan Fiduciary Net Position (b) | Net OPEB Liability (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, 2022 and 2021

(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 (5.62 percent) or 1-percentage-point higher (7.62 percent) 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 percent decreasing to 3.0 percent) or 1-percentage-point higher (8.0 percent decreasing to 5 percent) 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, 2022 and 2021

(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, 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 | - |
| | \$ 4,227,711 | \$ 37,269,512 |
| 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) |
| 2027 | - |
| 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, 2022 and 2021

(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, 2022 and 2021

(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, 2021 and 2020, the District's average contribution rate was 9.32 percent and 8.13 percent 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, 2022 and 2021

(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 | |
|---|--------------------------|-------------------------|-------|
| | | 2021 | 2020 |
| Vanguard Total Stock Mkt Index Fund | Mutual Fund Equity | 39.1% | - |
| 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% | - |
| PFM Multi Mgr Domestic Eq Fund | Mutual Fund Equity | - | 46.3% |
| PFM Multi Mgr Fixed Income Fund | Mutual Fund Fixed Income | - | 25.6% |
| PFM Multi Mgr International Eq Fund | ETF Equity | - | 22.3% |

Rate of return

For the year ended June 30, 2021 and 2020, the annual money-weighted rate of return on investments, net of investment expense, was 29.88 percent and 4.61 percent, 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, 2020 liabilities | June 30, 2021 |
| For June 30, 2019 liabilities | June 30, 2020 |
| Actuarial valuation date | July 1, 2019 |
| Inflation | 2.0 percent |
| Salary increases | 2.0 percent |
| Investment rate of return | 6.0 percent |
| Healthcare cost trend rates | 7.5 percent initially, decreasing to an ultimate rate of 5.0 percent in 2023 |

As of June 30, 2021, the mortality rates are from the sex distinct RP-2014 White Collar Mortality table fully generational with projection scale MP2019.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(9) Other Postretirement Benefits – Prior 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, 2020 and 2021 valuations were based on the results of an actuarial experience study for the period July 1, 2015 - June 30, 2017.

Discount rate

The discount rate used to measure the total OPEB liability was 6.0 percent. 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, 2021 and 2020 were as follows:

| | 2021 | 2020 |
|--|----------------------|----------------------|
| Total OPEB Liability | \$ 136,127,024 | \$ 134,595,723 |
| Plan Fiduciary Net Position | <u>(48,876,609)</u> | <u>(36,699,493)</u> |
| Net OPEB Liability | <u>\$ 87,250,415</u> | <u>\$ 97,896,230</u> |
| Plan Fiduciary Net Position as a percent of Total OPEB Liability | 35.91% | 27.27% |

Components of and Changes in the Net OPEB Liability

| | Increase (Decrease) | | |
|--|--------------------------------|---------------------------------------|------------------------------------|
| | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB Liability (a) - (b) |
| Balances as of June 30, 2020 | <u>\$ 134,595,723</u> | <u>\$ 36,699,493</u> | <u>\$ 97,896,230</u> |
| Changes for the year | | | |
| Service cost | 1,385,361 | - | 1,385,361 |
| Interest | 7,961,730 | - | 7,961,730 |
| Differences between expected and actual experience | (1,147,487) | 8,668,277 | (9,815,764) |
| Contributions - employer subsidy | - | 7,975,172 | (7,975,172) |
| Expected Investment Income | - | 2,201,970 | (2,201,970) |
| Changes in assumptions | - | - | - |
| Benefit payments | (6,412,319) | (6,412,319) | - |
| Administrative expense | (255,984) | (255,984) | - |
| Net changes | <u>1,531,301</u> | <u>12,177,116</u> | <u>(10,645,815)</u> |
| Balance at June 30, 2021 | <u>\$ 136,127,024</u> | <u>\$ 48,876,609</u> | <u>\$ 87,250,415</u> |

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(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 (5.0 percent) or 1-percentage-point higher (7.0 percent) than the current discount rate:

| | 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 |

| | 1% Decrease (5.00%) | Discount Rate (6.00%) | 1% Increase (7.00%) |
|--|------------------------|--------------------------|------------------------|
| Net OPEB Liability as of June 30, 2020 | \$ 116,510,062 | \$ 97,896,230 | \$ 82,780,131 |

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 (6.5 percent decreasing to 3.5 percent) or 1-percentage-point higher (8.5 percent decreasing to 5.5 percent) than the current healthcare cost trend rates:

| | 1% Decrease (6.50% 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 |

| | 1% Decrease (7.0% Decreasing to 4.00%) | Healthcare Cost Trend Rates (8.00% Decreasing to 5.00%) | 1% Increase (9.00% Decreasing to 6.00%) |
|--|--|--|---|
| Net OPEB Liability as of June 30, 2020 | \$ 83,025,131 | \$ 97,896,230 | \$ 116,123,830 |

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(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, 2021, the District recognized OPEB expenses of \$3,387,718. At June 30, 2021, 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 | \$ - | \$ 5,738,589 |
| Changes in assumptions | 2,777,576 | 1,290,752 |
| Net difference between projected and actual earnings on OPEB plan investments | - | 6,908,082 |
| | - | 6,908,082 |
| Total | \$ 2,777,576 | \$ 13,937,423 |

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 | | |
|---------------------------|-------|------------------------|
| | 2022 | \$ (3,757,399) |
| | 2023 | (2,967,731) |
| | 2024 | (2,494,513) |
| | 2025 | (1,940,204) |
| | Total | \$ (11,159,847) |

(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, 2021 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, 2022 and 2021

(10) Capital Assets

Following are the changes in the District's capital assets for the year ended June 30, 2022 and 2021:

| | Balance at July 1, 2021 | Additions | Disposals and Adjustments | Balance at June 30, 2022 |
|---|-------------------------------|---------------|------------------------------|--------------------------------|
| 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 |
| | | | | |
| Total capital assets not being depreciated | 14,402,317 | 6,094,171 | 6,255,181 | 14,241,307 |
| | | | | |
| 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 | 287,450,222 | 23,908,896 | 17,715,011 | 293,644,107 |
| | | | | |
| Total capital assets being depreciated | 647,755,694 | 43,688,049 | 24,164,599 | 667,279,144 |
| | | | | |
| Less accumulated depreciation: | | | | |
| Land improvements | 21,155,760 | 1,908,315 | 2,392,683 | 20,671,392 |
| Buildings and improvements | 168,493,581 | 12,016,534 | 3,942,322 | 176,567,793 |
| Equipment | 226,493,868 | 22,301,263 | 17,502,607 | 231,292,524 |
| | | | | |
| Total accumulated depreciation | 416,143,209 | 36,226,112 | 23,837,612 | 428,531,709 |
| | | | | |
| Net capital assets being depreciated | 231,612,485 | 7,461,937 | 326,987 | 238,747,435 |
| | | | | |
| Net capital assets | 246,014,802 | \$ 13,556,108 | \$ 6,582,168 | 252,988,742 |
| | | | | |
| Less: related general obligation debt | (44,604,662) | | | (45,232,850) |
| | | | | |
| Net investment in capital assets | \$ 201,410,140 | | | \$ 207,755,893 |

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(10) Capital Assets (continued)

| | Balance at July 1, 2020 | Additions | Disposals and Adjustments | Balance at June 30, 2021 |
|---|-------------------------------|---------------------|------------------------------|--------------------------------|
| Capital assets, not being depreciated: | | | | |
| Construction in Progress | \$ 5,806,853 | \$ 6,420,721 | \$ 5,806,853 | \$ 6,420,721 |
| Land | 7,981,596 | - | - | 7,981,596 |
| <hr/> | | | | |
| Total capital assets not being depreciated | 13,788,449 | 6,420,721 | 5,806,853 | 14,402,317 |
| <hr/> | | | | |
| Capital assets, being depreciated: | | | | |
| Land improvements | 39,056,954 | 283,542 | 40,812 | 39,299,684 |
| Building and improvements | 308,038,338 | 16,999,652 | 4,032,202 | 321,005,788 |
| Equipment | 272,720,786 | 18,170,016 | 3,440,580 | 287,450,222 |
| <hr/> | | | | |
| Total capital assets being depreciated | 619,816,078 | 35,453,210 | 7,513,594 | 647,755,694 |
| <hr/> | | | | |
| Less accumulated depreciation: | | | | |
| Land improvements | 19,248,475 | 1,948,097 | 40,812 | 21,155,760 |
| Buildings and improvements | 160,545,041 | 11,384,722 | 3,436,181 | 168,493,581 |
| Equipment | 207,877,055 | 22,048,561 | 3,431,748 | 226,493,868 |
| <hr/> | | | | |
| Total accumulated depreciation | 387,670,571 | 35,381,379 | 6,908,741 | 416,143,209 |
| <hr/> | | | | |
| Net capital assets being depreciated | 232,145,507 | 71,831 | 604,853 | 231,612,486 |
| <hr/> | | | | |
| Net capital assets | 245,933,956 | <u>\$ 6,492,552</u> | <u>\$ 6,411,706</u> | 246,014,803 |
| <hr/> | | | | |
| Less: related general obligation debt | <u>(49,822,946)</u> | | | <u>(44,604,662)</u> |
| <hr/> | | | | |
| Net investment in capital assets | <u>\$ 196,111,010</u> | | | <u>\$ 201,410,141</u> |

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(11) Expenses Classification

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

| | 2022 | 2021 |
|---------------------------------------|-----------------------|-----------------------|
| Salaries and wages | \$ 115,441,050 | \$ 124,710,269 |
| Fringe benefits | 44,502,610 | 27,787,280 |
| Travel, memberships and subscriptions | 97,814 | 47,585 |
| Supplies and minor equipment | 10,484,295 | 13,564,661 |
| Contract services | 3,563,939 | 4,728,754 |
| Rentals | 1,012,309 | 1,065,602 |
| Repairs and maintenance | 1,302,444 | 1,306,201 |
| Insurance | 1,110,735 | 1,357,972 |
| Utilities | 3,663,706 | 4,030,562 |
| Depreciation | 36,226,112 | 35,381,379 |
| Student aid | 27,685,318 | 18,099,743 |
| Spectrum | 636,473 | 5,937,957 |
| Total Operating Expenses | <u>\$ 245,726,805</u> | <u>\$ 238,017,965</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.

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 FY2021-22, 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.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(12) Contingent Liabilities (Cont.)

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, 2022, the District issued \$1,500,000 Series 2022-23A 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 3.0% to 4.0%. Principal payments ranging from \$150,000 to \$500,000 are due beginning June 1, 2024 through June 1, 2027.

On August 11, 2022, the District issued \$1,500,000 Series 2022-23B 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, 2024 through June 1, 2027.

On September 14, 2022, the District issued \$22,500,000 Series 2022-23C 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 3.0% to 4.0%. Principal payments ranging from \$2,820,000 to \$6,885,000 are due beginning December 1, 2022 through June 1, 2027.

On October 12, 2022, the District issued \$1,500,000 Series 2022-23D 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 5.25% to 6.0%. Principal payments ranging from \$150,000 to \$500,000 are due beginning June 1, 2024 through June 1, 2027.

On November 10, 2022, the District issued \$1,500,000 Series 2022-23E 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, 2024 through June 1, 2027.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(14) Discretely Presented Component Unit

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Milwaukee Area Technical College Foundation, Inc. (the Foundation, us, we, our) 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.

Cash and Cash Equivalents

We consider all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted for long-term purposes and endowments that are perpetual in nature are excluded from this definition.

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

We record 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. We determine 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, 2022 and 2021.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(14) Discretely Presented Component Unit (continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

We record 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.

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 that 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.

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 substantially met. The Foundation had \$-0- conditional contributions as of June 30, 2022 and 2021.

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.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(14) Discretely Presented Component Unit (continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Income Taxes

Milwaukee Area Technical College Foundation, Inc. is organized as a Wisconsin nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under IRC Section 501(a), as an organization described in Internal Revenue Code (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 annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. We have 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.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amounts of 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, and those differences could be material.

Financial Instruments and Credit Risk

We manage deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, we have 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 our mission. Investments are made by diversified investment managers whose performance is monitored by us 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, we and the investment committee believe 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 contribution from one donor. No concentration existed for the year ended June 30, 2021.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(14) Discretely Presented Component Unit (continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting Standards Update

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, Not-For-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The new standard increases transparency and comparability among organizations through enhancements to presentation and disclosure requirements for contributed nonfinancial assets. The Organization adopted ASU 2020-07 on a retrospective basis as of July 1, 2020. No cumulative-effect adjustment in net assets was necessary with the adoption of ASU 2020- 07.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Subsequent Events

We have evaluated subsequent events through September 26, 2022 the date the financial statements were available to be issued.

NOTE 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>2022</u> | <u>2021</u> |
|---------------------------|---------------------|---------------------|
| Cash and Cash Equivalents | \$ 1,079,066 | \$ 1,382,862 |
| Investments | 1,697,405 | 1,473,577 |
| Total | <u>\$ 2,776,471</u> | <u>\$ 2,856,439</u> |

Our 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

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(14) Discretely Presented Component Unit (continued)

NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)

We report certain assets and liabilities at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

There has been no change in the methodology used as of June 30, 2022 and 2021. Following is a description of the valuation methodology used for the Foundation's assets measured at fair value:

Investments: A portion of our investment assets are classified within Level 1 because they comprise of fixed income and equity securities with readily determinable fair values based on daily redemption values.

Money Market Funds: We invest in money market funds classified within Level 2 because they are valued by the custodians of the securities using multiple sources of information that are corroborated by market data.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(14) Discretely Presented Component Unit (continued)

NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)

Limited Partnership and REIT: The limited partnership and REIT are valued at an amount equal to the ownership interest in the partners' capital, NAV, 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 measured at fair value on a recurring basis at June 30:

| ASSETS | Total | 2022 | | |
|------------------------------------|---------------|---------------|------------|-----------|
| | | (Level 1) | (Level 2) | (Level 3) |
| Investments: | | | | |
| Fixed Income Securities | \$ 12,309,240 | \$ 12,309,240 | \$ - | \$ - |
| Large Cap Equity Securities | 7,244,696 | 7,244,696 | - | - |
| Small/Mid Cap Equity Securities | 5,427,041 | 5,427,041 | - | - |
| International Equity Securities | 2,799,718 | 2,799,718 | - | - |
| Emerging Markets Equity Securities | 976,636 | 976,636 | - | - |
| Money Market Funds | 258,869 | - | 258,869 | - |
| Total | 29,016,200 | \$ 28,757,331 | \$ 258,869 | \$ - |

| | |
|-----------------------|----------------------|
| Assets Valued at NAV: | |
| REIT | 863,281 |
| Limited Partnership | 342,245 |
| Total Investments | <u>\$ 30,221,726</u> |

| ASSETS | Total | 2021 | | |
|------------------------------------|---------------|---------------|------------|-----------|
| | | (Level 1) | (Level 2) | (Level 3) |
| Investments: | | | | |
| Fixed Income Securities | \$ 9,876,351 | \$ 9,876,351 | \$ - | \$ - |
| Large Cap Equity Securities | 5,944,046 | 5,944,046 | - | - |
| Small/Mid Cap Equity Securities | 5,462,979 | 5,462,979 | - | - |
| International Equity Securities | 2,102,036 | 2,102,036 | - | - |
| Emerging Markets Equity Securities | 1,332,175 | 1,332,175 | - | - |
| Money Market Funds | 424,370 | - | 424,370 | - |
| Total | \$ 25,141,957 | \$ 24,717,587 | \$ 424,370 | \$ - |

| | |
|-----------------------|----------------------|
| Assets Valued at NAV: | |
| REIT | 271,434 |
| Limited Partnership | 266,979 |
| Total Investments | <u>\$ 25,680,370</u> |

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(14) Discretely Presented Component Unit (continued)

NOTE 4 PROMISES TO GIVE

Unconditional promises to give are estimated to be collected as follows at June 30, 2022 and 2021:

| | 2022 | 2021 |
|-------------------------------------|--------------|--------------|
| Within One Year | \$ 1,033,036 | \$ 953,996 |
| In One to Five Years | 488,651 | 701,083 |
| Thereafter | 40,000 | - |
| Total | 1,561,687 | 1,655,079 |
| Less: Discount to Net Present Value | (28,880) | (28,746) |
| Total | \$ 1,532,807 | \$ 1,626,333 |

At June 30, 2022 and 2021, three donors accounted for 51% and two donors accounted for 59% of total promises to give, respectively.

NOTE 5 ENDOWMENT

Our endowment (the Endowment) consists of approximately 78 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.

Our 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, 2022 and 2021, there were no such donor stipulations. As a result of this interpretation, we retain 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 us in a manner consistent with the standard of prudence prescribed by UPMIFA. We consider 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, 2022 and 2021

(14) Discretely Presented Component Unit (continued)

NOTE 5 ENDOWMENT (CONTINUED)

As of June 30, 2022 and 2021, we had the following endowment net asset composition by type of fund:

| June 30, 2022 | Without Donor Restriction | With Donor Restrictions | Total |
|--|------------------------------|----------------------------|---------------|
| MPBS Designated Endowment Funds | \$ - | \$ 11,625,527 | \$ 11,625,527 |
| 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 |
| Total | \$ - | \$ 15,761,236 | \$ 15,761,236 |
| <hr/> | | | |
| June 30, 2021 | | | |
| MPBS Designated Endowment Funds | \$ - | \$ 12,316,455 | \$ 12,316,455 |
| Donor-Restricted Endowment Funds: | | | |
| Original Donor-Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by Donor | - | 4,437,713 | 4,437,713 |
| Total | \$ - | \$ 16,754,168 | \$ 16,754,168 |

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). We have interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required by law. As of June 30, 2022 and 2021, we had no underwater endowments.

Investment and Spending Policies

We have 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.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(14) Discretely Presented Component Unit (continued)

NOTE 5 ENDOWMENT (CONTINUED)

We use an endowment spending-rate formula 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.

Changes in Endowment net assets for the years ended June 30 are as follows:

| <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 Return, 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 | (1,663,999) | (113,189) | (1,777,188) |
| Administrative Fees | (30,989) | (55,334) | (86,323) |
| Endowment Net Assets - End of Year | <u>\$ 11,625,527</u> | <u>\$ 4,135,709</u> | <u>\$ 15,761,236</u> |
| <u>June 30, 2021</u> | | | |
| Endowment Net Assets - Beginning of Year | \$ 9,378,532 | \$ 3,954,143 | \$ 13,332,675 |
| Investment Return, Net | 2,768,870 | 1,175,732 | 3,944,602 |
| Contributions | 1,668,397 | 164,314 | 1,832,711 |
| Appropriation of Endowment Assets Pursuant to Spending-Rate Policy | (1,472,640) | (802,240) | (2,274,880) |
| Administrative Fees | (26,704) | (54,236) | (80,940) |
| Endowment Net Assets - End of Year | <u>\$ 12,316,455</u> | <u>\$ 4,437,713</u> | <u>\$ 16,754,168</u> |

NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS

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

| | <u>2022</u> | <u>2021</u> |
|---|----------------------|----------------------|
| Subject to Expenditure for Specified Purpose: | | |
| For the Benefit of MPBS | \$ 11,853,624 | \$ 13,042,908 |
| Programs and Scholarships | 16,007,800 | 9,030,516 |
| Total | <u>27,861,424</u> | <u>22,073,424</u> |
| Endowment: | | |
| Portion of Perpetual Endowment Funds that is required to be Retained Permanently Either by Explicit Donor Stipulations or by UPMIFA | 4,135,709 | 4,437,713 |
| Total Net Assets with Donor Restrictions | <u>\$ 31,997,133</u> | <u>\$ 26,511,137</u> |

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(14) Discretely Presented Component Unit (continued)

NOTE 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:

| | 2022 | 2021 |
|---|--------------|--------------|
| Satisfaction of Purpose Restrictions: | | |
| For the Benefit of MPBS | \$ 6,344,067 | \$ 5,956,615 |
| Programs and Scholarships | 955,901 | 6,065 |
| Total | 7,299,968 | 5,962,680 |
| Restricted-Purpose Spending-Rate | | |
| Distributions and Appropriations: | | |
| Endowment | 1,777,188 | 2,274,880 |
| Administrative Fees | 55,334 | 54,236 |
| Total | 1,832,522 | 2,329,116 |
| Total Net Assets Released from Donor Restrictions | \$ 9,132,490 | \$ 8,291,796 |

NOTE 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, 2022 and 2021 \$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, 2022 and 2021 totaled \$306,522 and \$1,626,149, respectively. As of June 30, 2022 and 2021, there were no amounts receivable from MATC.

NOTE 8 CONTRIBUTED NONFINANCIAL ASSETS

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

| | 2022 | 2021 |
|---------------------------------------|------------|------------|
| Contributed by MATC | | |
| Professional Services | \$ 465,862 | \$ 498,838 |
| Other Direct Expenses | 21,048 | 2,760 |
| Total | 486,910 | 501,598 |
| Instructional Equipment and Supplies | 74,527 | 58,101 |
| Total Contributed Nonfinancial Assets | \$ 561,437 | \$ 559,699 |

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

(14) Discretely Presented Component Unit (continued)

NOTE 8 CONTRIBUTED NONFINANCIAL ASSETS (CONTINUED)

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 services are recognized as in-kind revenues at their estimated fair value if they create or enhance nonfinancial assets or they require specialized skills that would need to be purchased if they were not donated. We record donated professional services at the respective fair values of the services received.

Volunteers contribute significant amounts of time to our 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 accounting principles generally accepted in the United States of America.

Contributed instructional equipment and supplies are disbursed to Milwaukee Area Technical College for use in their student course programs.

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.

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Notes to Financial Statements

As of and for the Year Ended June 30, 2022 and 2021

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

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

- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 99, *Omnibus 2022*
- 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.

THIS PAGE INTENTIONALLY LEFT BLANK.

REQUIRED SUPPLEMENTARY INFORMATION

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

SCHEDULES OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) AND CONTRIBUTIONS
As of and for the years ended June 30, 2022 and 2021

| Schedule of Proportionate Share of the Net Pension Liability (Asset) - Wisconsin Retirement System | | | | | | | | |
|---|-----------------|-----------------|-----------------|----------------|-----------------|----------------|----------------|-----------------|
| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
| Proportion of the net pension liability (asset) | 0.69233372% | 0.70690828% | 0.72543216% | 0.75098758% | 0.77117292% | 0.78316003% | 0.81721999% | 0.855349490% |
| Proportionate share of the net pension liability (asset) | \$ (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 | \$ 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 | 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 | 106.02% | 105.26% | 102.96% | 96.45% | 102.93% | 99.12% | 98.20% | 102.74% |
| | | | | | | | | |
| Schedule of Contributions - Wisconsin Retirement System | | | | | | | | |
| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
| Contractually required contributions | \$ 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 | \$ (7,851,092) | \$ (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 | \$ 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 | 6.81% | 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, 2022 and 2021

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Total OPEB Liability | | | | | | |
| Service cost | \$ 1,468,483 | \$ 1,385,361 | \$ 1,358,197 | \$ 1,574,694 | \$ 1,321,231 | \$ 1,258,315 |
| Interest | 8,036,642 | 7,961,730 | 7,927,836 | 6,692,663 | 6,473,329 | 6,392,187 |
| Differences between expected and actual experience | (22,335,376) | (1,147,487) | (7,573,816) | (275,064) | (389,473) | (57,500) |
| Changes of assumptions and other inputs | (19,283,410) | - | 4,598,940 | (3,838,289) | - | - |
| Benefit payments | (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 | (38,174,848) | 1,531,301 | 1,515,820 | (2,470,530) | 1,372,010 | 590,461 |
| Total OPEB Liability - Beginning | 136,127,024 | 134,595,723 | 133,079,903 | 135,550,433 | 134,178,423 | 133,587,962 |
| Total OPEB Liability - Ending (a) | \$ 97,952,176 | \$ 136,127,024 | \$ 134,595,723 | \$ 133,079,903 | \$ 135,550,433 | \$ 134,178,423 |
| Plan Fiduciary Net Position | | | | | | |
| Contributions | \$ 7,401,177 | \$ 7,975,172 | \$ 6,822,193 | \$ 8,268,691 | \$ 7,580,617 | \$ 9,380,577 |
| Net investment income | (6,104,487) | 10,870,247 | 1,366,070 | 1,561,197 | 3,010,870 | 3,143,569 |
| Benefit payments | (6,061,187) | (6,412,319) | (4,572,479) | (6,412,060) | (6,033,077) | (9,406,516) |
| Administrative expenses | (103,710) | (255,984) | (222,858) | (212,474) | (511,650) | (253,681) |
| Net Change in Plan Fiduciary Net Position | (4,868,207) | 12,177,116 | 3,392,926 | 3,205,354 | 4,046,760 | 2,863,949 |
| Plan Fiduciary Net Position - Beginning | 48,876,613 | 36,699,497 | 33,306,571 | 30,101,217 | 26,054,457 | 23,190,508 |
| Plan Fiduciary Net Position - Ending (b) | \$ 44,008,406 | \$ 48,876,613 | \$ 36,699,497 | \$ 33,306,571 | \$ 30,101,217 | \$ 26,054,457 |
| Net OPEB Liability - Ending (a) - (b) | \$ 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 | 44.93% | 35.91% | 27.27% | 25.03% | 22.21% | 19.42% |
| Covered-employee payroll | \$ 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 | 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, 2022 and 2021

| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--|---------------------|---------------------|-------------------|-----------------------|---------------------|---------------------|
| Actuarially determined contribution | \$ 10,478,603 | \$ 7,529,733 | \$ 7,495,382 | \$ 6,896,186 | \$ 9,528,358 | \$ 9,732,734 |
| Contributions in relation to the actuarially determined contribution | <u>7,401,177</u> | <u>7,975,172</u> | <u>6,822,193</u> | <u>8,268,691</u> | <u>7,580,617</u> | <u>6,906,771</u> |
| Contribution deficiency (excess) | <u>\$ 3,077,424</u> | <u>\$ (445,439)</u> | <u>\$ 673,189</u> | <u>\$ (1,372,505)</u> | <u>\$ 1,947,741</u> | <u>\$ 2,825,963</u> |
| Covered-employee payroll | \$ 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 | 11.02% | 9.32% | 8.13% | 8.99% | 8.40% | 7.81% |

Valuation date: June 30, 2022

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 | 6.62 percent |
| Average assumed retirement age | |
| 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.

See independent auditors' report and notes to required supplementary information.

Milwaukee Area Technical College

SCHEDULE OF INVESTMENT RETURNS
As of and for the years ended June 30, 2022 and 2021

| | <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 | -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, 2022 and 2021

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 6.0% to 6.62%
- *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-2021 to reflect the Society of Actuaries' recent mortality study

See independent auditors' report.

THIS PAGE INTENTIONALLY LEFT BLANK.

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, 2022

| | 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, 2021 | June 30, 2022 | | |
| | | | | | | | |
| Revenues: | | | | | | | |
| Local government – property tax | \$ 54,185,532 | \$ 49,534,492 | \$ 49,884,994 | \$ - | \$ - | \$ 49,884,994 | \$ 350,502 |
| Intergovernmental revenues: | | | | | | | |
| State | 77,428,900 | 81,817,863 | 81,663,253 | - | - | 81,663,253 | (154,610) |
| Federal | 4,091,000 | 4,091,000 | 6,537,716 | - | - | 6,537,716 | 2,446,716 |
| Institutional: | | | | | | | |
| Statutory program fees | 36,804,900 | 36,804,900 | 31,486,659 | - | - | 31,486,659 | (5,318,241) |
| Material fees | 1,313,300 | 1,313,300 | 1,209,337 | - | - | 1,209,337 | (103,963) |
| Other student fees | 1,259,500 | 1,259,500 | 1,413,614 | - | - | 1,413,614 | 154,114 |
| Other institutional | 2,539,955 | 2,539,955 | 2,768,123 | - | - | 2,768,123 | 228,168 |
| Total revenues | <u>177,623,087</u> | <u>177,361,010</u> | <u>174,963,696</u> | <u>-</u> | <u>-</u> | <u>174,963,696</u> | <u>(2,397,314)</u> |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| Instruction | 108,642,662 | 106,349,385 | 103,340,739 | (377,171) | 216,755 | 103,180,322 | 3,169,062 |
| Instructional resources | 5,055,334 | 4,658,959 | 4,560,818 | (16,091) | 9,247 | 4,553,975 | 104,984 |
| Student services | 23,569,482 | 22,026,781 | 19,825,188 | (63,134) | 36,282 | 19,798,336 | 2,228,445 |
| General institutional | 20,954,525 | 25,685,745 | 25,291,853 | (74,969) | 43,084 | 25,259,967 | 425,778 |
| Physical plant | 19,401,084 | 18,640,140 | 18,663,369 | (65,582) | 37,689 | 18,635,476 | 4,664 |
| Total expenditures | <u>177,623,087</u> | <u>177,361,010</u> | <u>171,681,967</u> | <u>(596,947)</u> | <u>343,058</u> | <u>171,428,076</u> | <u>5,932,935</u> |
| Revenues over (under) expenditures | - | - | 3,281,729 | 596,947 | (343,058) | 3,535,620 | <u>\$ 3,535,620</u> |
| Fund balance, beginning of year | - | - | 40,594,029 | - | - | 40,331,810 | |
| Fund balance, end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 43,875,758</u> | <u>\$ 596,947</u> | <u>\$ (343,058)</u> | <u>\$ 43,867,430</u> | |

THIS PAGE INTENTIONALLY LEFT BLANK.

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, 2022

| | 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, 2021 | June 30, 2022 | | |
| Revenues: | | | | | | | |
| Intergovernmental revenues: | | | | | | | |
| State | \$ 1,324,659 | \$ 1,324,659 | \$ 923,087 | \$ - | \$ 7,667 | \$ 930,754 | \$ (393,905) |
| Federal | 11,323,532 | 15,023,532 | 10,591,974 | (15,650) | 218,537 | 10,794,861 | (4,228,671) |
| Institutional: | | | | | | | |
| Other institutional | 2,723,743 | 3,223,743 | 1,245,530 | - | 14,200 | 1,259,730 | (1,964,013) |
| Total revenues | <u>15,371,934</u> | <u>19,571,934</u> | <u>12,760,590</u> | <u>(15,650)</u> | <u>240,404</u> | <u>12,985,344</u> | <u>(6,586,589)</u> |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| Instruction | 5,878,155 | 5,378,155 | 3,408,826 | (15,650) | 17,413 | 3,410,589 | 1,967,566 |
| Student services | 5,295,546 | 10,995,546 | 7,615,309 | - | 173,826 | 7,789,135 | 3,206,411 |
| General institutional | 1,698,233 | 1,698,233 | 747,144 | - | 1,000 | 748,144 | 950,089 |
| Physical Plant | 2,500,000 | 1,500,000 | 954,179 | - | 48,165 | 1,002,344 | 497,656 |
| Total expenditures | <u>15,371,934</u> | <u>19,571,934</u> | <u>12,725,458</u> | <u>(15,650)</u> | <u>240,404</u> | <u>12,950,212</u> | <u>6,621,723</u> |
| Revenues over expenditures | <u>\$ -</u> | <u>\$ -</u> | 35,132 | - | - | 35,132 | <u>\$ 35,134</u> |
| Fund balance, beginning of year | | | 508,937 | - | - | 508,937 | |
| Fund balance, end of year | | | <u>\$ 544,069</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 544,069</u> | |

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, 2022

| | <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 | \$ 4,335,000 | \$ 4,335,000 | \$ 4,531,753 | \$ - | \$ 4,531,753 | \$ 196,753 |
| Federal | 22,879,000 | 37,279,000 | 35,114,208 | - | 35,114,208 | (2,164,792) |
| Institutional - other | 2,364,000 | 2,364,000 | 2,126,986 | - | 2,126,986 | (237,014) |
| Total revenues | <u>29,578,000</u> | <u>43,978,000</u> | <u>41,772,947</u> | <u>-</u> | <u>41,772,947</u> | <u>(2,205,053)</u> |
| Expenditures: | | | | | | |
| Current | | | | | | |
| Student services | 29,578,000 | 43,978,000 | 45,101,457 | - | 45,101,457 | (1,123,457) |
| Revenues over (under) expenditures | <u>\$ -</u> | <u>\$ -</u> | (3,328,510) | - | (3,328,510) | <u>\$ (3,328,510)</u> |
| Fund balance, beginning of year | | | 790,107 | - | 790,107 | |
| Fund balance, end of year | | | <u>\$ (2,538,403)</u> | <u>\$ -</u> | <u>\$ (2,538,403)</u> | |

CAPITAL PROJECTS FUND

The Capital Projects 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, 2022

| | 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, 2021 | June 30, 2022 | | |
| Revenues: | | | | | | | |
| Federal | \$ 4,000,000 | \$ 4,000,000 | \$ 1,069,908 | \$ - | \$ - | \$ 1,069,908 | \$ (2,930,092) |
| Institutional - other | 1,586,063 | 1,586,063 | 1,340,775 | - | - | 1,340,775 | (245,288) |
| Total revenues | <u>5,586,063</u> | <u>5,586,063</u> | <u>2,410,683</u> | <u>-</u> | <u>-</u> | <u>2,410,683</u> | <u>(3,175,380)</u> |
| Expenditures: | | | | | | | |
| Physical Plant | 49,372,318 | 50,514,471 | 40,288,594 | (16,337,138) | 16,680,154 | 40,631,610 | 9,882,861 |
| Total expenditures | <u>49,372,318</u> | <u>50,514,471</u> | <u>40,288,594</u> | <u>(16,337,138)</u> | <u>16,680,154</u> | <u>40,631,610</u> | <u>9,882,861</u> |
| Revenues over (under) expenditures | (43,786,255) | (44,928,408) | (37,877,911) | 16,337,138 | (16,680,154) | (38,220,927) | 6,707,481 |
| Other financing sources (uses): | | | | | | | |
| Debt issued | 35,707,650 | 35,707,650 | 35,707,650 | - | - | 35,707,650 | - |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ (8,078,605)</u> | <u>\$ (9,220,758)</u> | (2,170,261) | 16,337,138 | (16,680,154) | (2,513,277) | <u>\$ 6,707,481</u> |
| Fund balance, beginning of year | | | 27,424,368 | (16,337,138) | - | 11,087,230 | |
| Fund balance, end of year | | | <u>\$ 25,254,107</u> | <u>\$ -</u> | <u>\$ (16,680,154)</u> | <u>\$ 8,573,953</u> | |

THIS PAGE INTENTIONALLY LEFT BLANK.

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, 2022

| | <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 | \$ 37,500,000 | \$ 37,500,000 | \$ 37,719,037 | \$ - | \$ 37,719,037 | \$ 219,037 |
| Intergovernmental revenues: | | | | | | |
| State | 614,000 | 614,000 | 607,072 | - | 607,072 | (6,928) |
| Institutional - other | 1,525,000 | 1,525,000 | 20,821 | - | 20,821 | (1,504,179) |
| Total revenues | <u>39,639,000</u> | <u>39,639,000</u> | <u>38,346,930</u> | <u>-</u> | <u>38,346,930</u> | <u>(1,292,070)</u> |
| Expenditures: | | | | | | |
| Current | | | | | | |
| Physical Plant | 39,639,000 | 39,639,000 | 40,479,373 | - | 40,479,373 | (840,373) |
| Total expenditures | <u>39,639,000</u> | <u>39,639,000</u> | <u>40,479,373</u> | <u>-</u> | <u>40,479,373</u> | <u>(840,373)</u> |
| Revenues (under) over expenditures | <u>-</u> | <u>-</u> | <u>(2,132,443)</u> | <u>-</u> | <u>(2,132,443)</u> | <u>(2,132,443)</u> |
| Other financing sources (uses): | | | | | | |
| Premium on issued debt | <u>-</u> | <u>-</u> | <u>1,369,997</u> | <u>-</u> | <u>1,369,997</u> | <u>1,369,997</u> |
| Revenues over/(under) expenditures | | | | | | |
| Revenues over (under) expenditures | <u>\$ -</u> | <u>-</u> | <u>(762,446)</u> | <u>-</u> | <u>(762,446)</u> | <u>\$ (762,446)</u> |
| Fund balance, beginning of year | | <u>-</u> | <u>18,898,938</u> | <u>-</u> | <u>24,110,361</u> | |
| Fund balance, end of year | | <u>\$ -</u> | <u>\$ 18,136,492</u> | <u>\$ -</u> | <u>\$ 23,347,915</u> | |

THIS PAGE INTENTIONALLY LEFT BLANK.

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, child care, 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, 2022

| | <u>Television Operations</u> | <u>Food Services</u> | <u>Bookstores</u> | <u>Child Care</u> | <u>Other</u> | <u>Total</u> |
|--|----------------------------------|--------------------------|----------------------|-----------------------|---------------------|----------------------|
| Assets | | | | | | |
| Current assets: | | | | | | |
| Cash and cash equivalents | \$ - | \$ 3,511 | \$ 6,600 | \$ - | \$ 1,440 | \$ 11,551 |
| Accounts receivable | 11,853,624 | 1,000,000 | 968,668 | - | 1,017,405 | 14,839,697 |
| Due from other funds | 2,700,114 | 3,235,628 | 22,175,856 | 4,706,790 | 3,930,772 | 36,749,160 |
| Inventory | - | 26,712 | 620,617 | - | 39,274 | 686,603 |
| | <u>-</u> | <u>26,712</u> | <u>620,617</u> | <u>-</u> | <u>39,274</u> | <u>686,603</u> |
| Total assets | <u>14,553,738</u> | <u>4,265,851</u> | <u>23,771,741</u> | <u>4,706,790</u> | <u>4,988,891</u> | <u>52,287,011</u> |
| Liabilities, Deferred Inflows of Resources and Net Position | | | | | | |
| Current liabilities: | | | | | | |
| Vouchers payable | - | - | - | - | 16,062 | 16,062 |
| Accrued salaries | 104,972 | 16,442 | 9,855 | 16,251 | - | 147,520 |
| Encumbrances | 505,930 | - | 14,299 | - | 13,787 | 534,016 |
| Deferred program and material fees | - | - | 18,519 | - | 6,947 | 25,466 |
| Due to other funds | 3,945,524 | 4,249,409 | 17,105,137 | 4,690,539 | 4,952,095 | 34,942,704 |
| | <u>3,945,524</u> | <u>4,249,409</u> | <u>17,105,137</u> | <u>4,690,539</u> | <u>4,952,095</u> | <u>34,942,704</u> |
| Total liabilities | <u>4,556,426</u> | <u>4,265,851</u> | <u>17,147,810</u> | <u>4,706,790</u> | <u>4,988,891</u> | <u>35,665,768</u> |
| Deferred Inflows of Resources: | | | | | | |
| Unearned grant | 1,912,427 | - | - | - | - | 1,912,427 |
| | <u>1,912,427</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,912,427</u> |
| Net Position: | | | | | | |
| Unrestricted | 8,084,885 | - | 6,623,931 | - | - | 14,708,816 |
| | <u>8,084,885</u> | <u>-</u> | <u>6,623,931</u> | <u>-</u> | <u>-</u> | <u>14,708,816</u> |
| Total liabilities, deferred inflows of resources and net position | <u>\$ 14,553,738</u> | <u>\$ 4,265,851</u> | <u>\$ 23,771,741</u> | <u>\$ 4,706,790</u> | <u>\$ 4,988,891</u> | <u>\$ 52,287,011</u> |

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, 2022

| | Television Operations | Food Services | Bookstores | Child Care | Other | Total |
|--|--------------------------|------------------|---------------------|------------------|------------------|----------------------|
| Revenues – | | | | | | |
| Intergovernmental revenues: | | | | | | |
| Federal | \$ - | \$ 1,000,000 | \$ 1,710,000 | \$ 43,264 | \$ 290,000 | \$ 3,043,264 |
| Auxiliary enterprise revenue: | | | | | | |
| Departmental Revenue | 341,052 | 801,069 | 4,706,419 | 1,292,779 | 1,856,397 | 8,997,716 |
| TV-Federal | 2,181,411 | - | - | - | - | 2,181,411 |
| Total auxiliary enterprise revenue | <u>2,522,463</u> | <u>801,069</u> | <u>4,706,419</u> | <u>1,292,779</u> | <u>1,856,397</u> | <u>11,179,127</u> |
| Total revenues | <u>2,522,463</u> | <u>1,801,069</u> | <u>6,416,419</u> | <u>1,336,043</u> | <u>2,146,397</u> | <u>14,222,391</u> |
| Operating expenses: | | | | | | |
| Cost of materials: | | | | | | |
| Food | - | 333,659 | - | - | 83,674 | 417,333 |
| Books and supplies | - | - | 3,684,976 | - | - | 3,684,976 |
| Other | - | - | 206,821 | - | 996,189 | 1,203,010 |
| Total cost of materials | <u>-</u> | <u>333,659</u> | <u>3,891,797</u> | <u>-</u> | <u>1,079,863</u> | <u>5,305,319</u> |
| Personal services | 5,920,061 | 1,453,282 | 921,384 | 2,080,853 | 217,348 | 10,592,928 |
| Contractual services | 798,761 | - | - | 101,619 | - | 900,380 |
| Program acquisition and production | 550,436 | - | - | - | - | 550,436 |
| Supplies | 986,770 | 113,883 | - | 17,161 | - | 1,117,814 |
| Utilities | 121,243 | - | - | - | - | 121,243 |
| Repairs | 411,831 | - | - | - | - | 411,831 |
| Public information | - | - | - | - | - | - |
| Other | 289,838 | - | - | - | - | 289,838 |
| Principal and interest charges | 4,118,872 | - | - | - | - | 4,118,872 |
| Capital Outlay | 3,724,231 | - | - | - | - | 3,724,231 |
| Total operating expenses | <u>16,922,043</u> | <u>1,900,824</u> | <u>4,813,181</u> | <u>2,199,633</u> | <u>1,297,211</u> | <u>27,132,892</u> |
| Operating income (loss) | <u>(14,399,580)</u> | <u>(99,755)</u> | <u>1,603,238</u> | <u>(863,590)</u> | <u>849,186</u> | <u>(12,910,501)</u> |
| Nonoperating revenues (expenses) | | | | | | |
| Property tax revenue | 4,118,871 | - | - | - | - | 4,118,871 |
| Gain (loss) on investment | (23,790) | - | - | - | - | (23,790) |
| Net unrealized gain (loss) | (2,204,727) | - | - | - | - | (2,204,727) |
| Interest income | 489,542 | - | - | - | - | 489,542 |
| Debt Issued | 3,292,350 | - | - | - | - | 3,292,350 |
| Other grants: | | | | | | |
| MPTV Foundation | 7,005,855 | - | - | - | - | 7,005,855 |
| Transfer in (out) | - | 99,755 | (114,159) | 863,590 | (849,186) | - |
| Total non-operating revenues (expenses) | <u>12,678,101</u> | <u>99,755</u> | <u>(114,159)</u> | <u>863,590</u> | <u>(849,186)</u> | <u>12,678,101</u> |
| Change in net position | <u>(1,721,479)</u> | <u>-</u> | <u>1,489,079</u> | <u>-</u> | <u>-</u> | <u>(232,400)</u> |
| Beginning net position (reserved for operations) | 8,861,503 | - | 5,134,854 | - | - | 13,996,357 |
| Beginning net position (reserved for capital) | 944,859 | - | - | - | - | 944,859 |
| Net position, beginning of year | <u>9,806,362</u> | <u>-</u> | <u>5,134,854</u> | <u>-</u> | <u>-</u> | <u>14,941,216</u> |
| Ending net position (reserved for operations) | 7,417,072 | - | 6,623,933 | - | - | 14,041,005 |
| Ending net position (reserved for capital) | 667,811 | - | - | - | - | 667,811 |
| Net position, end of year | <u>\$ 8,084,883</u> | <u>\$ -</u> | <u>\$ 6,623,933</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 14,708,816</u> |

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

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

For the year ended June 30, 2022

| | Television Operations | Food Services | Bookstores | Child Care | Other | Total |
|---|------------------------------|----------------------------|--------------------------|----------------------------|--------------------------|------------------------------|
| Cash flows from operating activities: | | | | | | |
| Cash received for services | \$ 3,386,708 | \$ 2,076,069 | \$ 7,971,886 | \$ 1,336,043 | \$ 1,851,134 | \$ 16,621,840 |
| Cash received from other funds | 992,960 | (273,433) | (11,430,305) | (1,942) | (560,636) | (11,273,356) |
| Cash payments for materials and services | (3,324,071) | (453,274) | (3,724,211) | (118,780) | (1,073,150) | (8,693,486) |
| Cash payments to employees | (5,890,597) | (1,450,817) | (918,859) | (2,078,911) | (217,348) | (10,556,532) |
| Cash payments to other funds | - | - | 8,215,648 | - | 849,186 | 9,064,834 |
| Net cash provided by (used in) operating activities | (4,835,000) | (101,455) | 114,159 | (863,590) | 849,186 | (4,836,700) |
| Cash flows from noncapital financing activities: | | | | | | |
| Local government - property tax | 4,118,871 | - | - | - | - | 4,118,871 |
| Transfers in (out) | - | 99,755 | (114,159) | 863,590 | (849,186) | - |
| Other grants | 7,005,855 | - | - | - | - | 7,005,855 |
| Net cash provided by (used in) noncapital financing activities | 11,124,726 | 99,755 | (114,159) | 863,590 | (849,186) | 11,124,726 |
| Cash flows from capital and related financing activities: | | | | | | |
| Debt issued | 3,292,350 | - | - | - | - | 3,292,350 |
| Capital outlay | (3,724,231) | - | - | - | - | (3,724,231) |
| Debt retired | (3,894,150) | - | - | - | - | (3,894,150) |
| Interest paid | (224,722) | - | - | - | - | (224,722) |
| Net cash provided by (used in) capital and related financing activities | (4,550,753) | - | - | - | - | (4,550,753) |
| Cash flows from investing activities: | | | | | | |
| Proceeds from sales and maturities of investments | (23,790) | - | - | - | - | (23,790) |
| Purchase of investments net unrealized gain (loss) | (2,204,727) | - | - | - | - | (2,204,727) |
| Interest and dividends received | 489,542 | - | - | - | - | 489,542 |
| Net cash provided by (used in) investing activities | (1,738,975) | - | - | - | - | (1,738,975) |
| Net increase (decrease) in cash and cash equivalents | | | | | | |
| | - | (1,700) | - | - | - | (1,700) |
| Cash and cash equivalents: | | | | | | |
| Beginning of year | - | 5,211 | 6,600 | - | 1,440 | 13,251 |
| End of year | <u>\$ -</u> | <u>\$ 3,511</u> | <u>\$ 6,600</u> | <u>\$ -</u> | <u>\$ 1,440</u> | <u>\$ 11,551</u> |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | | | | | |
| Operating income (loss) | \$ (14,399,580) | (99,755) | 1,603,238 | (863,590) | 849,186 | \$ (12,910,501) |
| Capital outlay payment included in operating activities | 3,724,231 | - | - | - | - | 3,724,231 |
| Debt service payment included in operating expense | 4,118,872 | - | - | - | - | 4,118,872 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | | | |
| Changes in assets and liabilities: | | | | | | |
| Accounts receivable | 1,189,284 | 275,000 | 1,565,558 | - | (290,000) | 2,739,842 |
| Due from other funds | 992,960 | (273,433) | (11,430,305) | (1,942) | (560,636) | (11,273,356) |
| Inventory | - | (5,732) | 160,507 | - | (2,742) | 152,033 |
| Vouchers payable | (165,192) | - | 7,079 | - | 9,455 | (148,658) |
| Accrued liability | 29,464 | 2,465 | 2,525 | 1,942 | - | 36,396 |
| Due to other funds | - | - | 8,215,648 | - | 849,186 | 9,064,834 |
| Unearned revenue | (325,039) | - | (10,091) | - | (5,263) | (340,393) |
| Net cash provided by (used in) operating activities | <u>\$ (4,835,000)</u> | <u>\$ (101,455)</u> | <u>\$ 114,159</u> | <u>\$ (863,590)</u> | <u>\$ 849,186</u> | <u>\$ (4,836,700)</u> |

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, 2022

| | 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, 2021 | June 30, 2022 | | |
| Revenues: | | | | | | | |
| Local government – property tax | \$ 4,085,336 | \$ 4,085,336 | \$ 4,118,871 | \$ - | \$ - | \$ 4,118,871 | \$ 33,535 |
| Intergovernmental Revenue | | | | | | | |
| Federal | 3,835,820 | 3,975,653 | 5,224,675 | - | - | 5,224,675 | 1,249,022 |
| Auxiliary revenue | 10,591,505 | 11,856,505 | 7,258,741 | - | - | 7,258,741 | (4,597,764) |
| Total revenues | <u>18,512,661</u> | <u>19,917,494</u> | <u>16,602,287</u> | <u>-</u> | <u>-</u> | <u>16,602,287</u> | <u>(3,315,207)</u> |
| Expenditures: | | | | | | | |
| Auxiliary services | 13,151,953 | 14,151,953 | 10,275,931 | (292,013) | 226,930 | 10,210,848 | 3,941,105 |
| Physical plant | 8,276,644 | 8,477,378 | 7,886,841 | (196,241) | 152,503 | 7,843,103 | 634,275 |
| Public service | 10,128,487 | 10,378,487 | 9,123,275 | (198,918) | 154,584 | 9,078,941 | 1,299,546 |
| Total expenditures | <u>31,557,084</u> | <u>33,007,818</u> | <u>27,286,047</u> | <u>(687,172)</u> | <u>534,017</u> | <u>27,132,892</u> | <u>5,874,926</u> |
| Revenues over (under) expenditures | (13,044,423) | (13,090,324) | (10,683,760) | 687,172 | (534,017) | (10,530,605) | 2,559,719 |
| Other financing sources: | | | | | | | |
| Debt issued | 3,292,350 | 3,292,350 | 3,292,350 | - | - | 3,292,350 | - |
| Other Grants | 7,526,021 | 7,526,021 | 7,005,855 | - | - | 7,005,855 | (520,166) |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ (2,226,052)</u> | <u>\$ (2,271,953)</u> | (385,555) | 687,172 | (534,017) | (232,400) | <u>\$ 2,039,553</u> |
| Net position, beginning of year | | | <u>15,628,388</u> | <u>(687,172)</u> | <u>-</u> | <u>14,941,216</u> | |
| Net position, end of year | | | <u>\$ 15,242,833</u> | <u>\$ -</u> | <u>\$ (534,017)</u> | <u>\$ 14,708,816</u> | |

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, 2022

| | <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 | \$ 33,500,000 | \$ 33,500,000 | \$ 35,905,958 | \$ - | \$ 35,905,958 | \$ 2,405,958 |
| Expenditures: | | | | | | |
| Auxiliary services | 33,500,000 | 33,500,000 | 35,905,958 | - | 35,905,958 | (2,405,958) |
| Change in net position | <u>\$ -</u> | <u>\$ -</u> | - | - | - | <u>\$ -</u> |
| Net position, beginning of year | | | <u>5,572,445</u> | - | <u>5,572,445</u> | |
| Net position, end of year | | | <u>\$ 5,572,445</u> | <u>\$ -</u> | <u>\$ 5,572,445</u> | |

THIS PAGE INTENTIONALLY LEFT BLANK.

**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, 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 | 576,324 | - | - | - | - | 4,342,693 | - | 4,919,017 | - | 4,919,019 |
| Net pension asset | - | - | - | - | - | - | - | - | 55,803,371 | 55,803,371 |
| Land, buildings and equipment, net | - | - | - | - | - | - | - | - | 252,988,742 | 252,988,742 |
| Total assets | 75,953,230 | 92,617,055 | 29,332,555 | 23,357,915 | 52,287,011 | 11,739,399 | 117,018,605 | 402,305,772 | 152,520,409 | 554,826,182 |
| 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 | \$ 92,617,055 | \$ 29,332,555 | \$ 23,357,915 | \$ 52,287,011 | \$ 11,739,399 | \$ 117,018,605 | \$ 402,305,772 | \$ 261,417,335 | \$ 663,723,108 |
| 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 |
| 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 | (38,281,628) | 166,579,731 |
| 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 | - | - | - | - | - | - | - | - | 207,755,893 | 207,755,893 |
| 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 | - | - | - | - | 8,573,953 | (8,573,953) | - |
| Student financial assistance | - | 790,108 | - | - | - | - | - | 790,108 | - | 790,108 |
| Unrestricted | 43,291,106 | (2,784,440) | - | - | 14,708,816 | 5,572,445 | 101,455,760 | 162,243,687 | (123,346,083) | 38,897,604 |
| Total fund balance/net position | 43,867,430 | (1,994,334) | 8,573,953 | 23,347,915 | 14,708,816 | 5,572,445 | 101,455,760 | 195,531,987 | 130,906,876 | 326,438,863 |
| Total liabilities, deferred inflows and net position | \$ 75,953,230 | \$ 92,617,055 | \$ 29,332,555 | \$ 23,357,915 | \$ 52,287,011 | \$ 11,739,399 | \$ 117,018,605 | \$ 402,305,772 | \$ 261,417,335 | \$ 663,723,108 |

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 (1) |
| Federal | 6,537,716 | 45,909,069 | 1,069,908 | - | 5,224,675 | - | - | 58,741,368 | - | 58,741,368 (2) |
| 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) (3) |
| Auxiliary enterprise revenue | - | - | - | - | 7,258,741 | 35,905,958 | - | 43,164,699 | (40,704,985) | 2,459,714 |
| Total revenues | 174,963,696 | 54,758,291 | 2,410,683 | 38,346,930 | 16,602,287 | 35,905,958 | (10,078,896) | 312,908,950 | (53,138,751) | 259,770,200 (6) |
| 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 (4) |
| 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 | (1,124,741) | 18,513,079 |
| 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) | 923,665 |
| Depreciation | - | - | - | - | - | - | - | - | 36,226,112 | 36,226,112 |
| 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 | (127,615,581) | 246,650,470 |
| Revenues over (under) expenditures | 3,535,620 | (3,293,378) | (38,220,927) | (2,132,443) | (10,530,605) | - | (10,715,369) | (61,357,101) | 74,476,830 | 13,119,730 |
| 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 |
| Revenues, other financing sources and special item over (under) expenditures and other financing uses | 3,535,620 | (3,293,378) | (2,513,277) | (762,446) | (232,400) | - | (10,715,369) | (13,981,249) | 33,779,846 | 19,798,597 |
| Fund balance/net position, beginning of year | 40,331,810 | 1,299,044 | 11,087,230 | 24,110,361 | 14,941,216 | 5,572,445 | 112,171,129 | 209,513,236 | 97,127,030 | 306,640,266 |
| Fund balance/net position, end of year | \$ 43,867,430 | \$ (1,994,334) | \$ 8,573,953 | \$ 23,347,915 | \$ 14,708,816 | \$ 5,572,445 | \$ 101,455,760 | \$ 195,531,987 | \$ 130,906,876 | \$ 326,438,863 (5) |

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> |
|-----------|----------------------|

- (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 | 681,520,451 |
| Accumulated depreciation on general capital assets | (428,531,709) |
| 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) |
| Accrued interest on long-term debt | (156,028) |
| Summer school tuition and fees | 1,935,244 |
| Net pension asset | 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 | (37,269,512) |
| Net position per basic financial statements | <u>\$ 326,438,863</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, 2021

| | 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 | \$ 45,175,323 | \$ 2,740,028 | \$ 31,750,742 | \$ 17,197,299 | \$ 13,251 | \$ - | \$ 110,670,382 | \$ 207,547,025 | \$ - | \$ 207,547,025 |
| Property taxes receivable | 7,717,405 | - | - | 6,305,671 | - | - | - | 14,023,076 | - | 14,023,076 |
| Accounts and other receivables, net | 10,891,719 | 1,721,213 | - | 617,391 | 17,579,539 | - | 1,512,004 | 32,321,866 | (1,509,751) | 30,812,115 |
| Due from other funds | 9,620,219 | 92,139,922 | - | - | 25,475,806 | 4,536,125 | 15,567,398 | 147,339,470 | (147,339,470) | - |
| Inventory | - | - | - | - | 838,636 | - | - | 838,636 | - | 838,636 |
| Prepaid | 1,276,211 | - | - | - | - | 6,696,263 | - | 7,972,474 | - | 7,972,474 |
| Net pension asset | - | - | - | - | - | - | - | - | 44,133,264 | 44,133,264 |
| Land, buildings and equipment, net | - | - | - | - | - | - | - | - | 246,014,802 | 246,014,802 |
| Total assets | 74,680,877 | 96,601,163 | 31,750,742 | 24,120,361 | 43,907,232 | 11,232,388 | 127,749,784 | 410,042,547 | 141,298,845 | 551,341,392 |
| Deferred outflows of resources: | | | | | | | | | | |
| Deferred outflows related to OPEB | - | - | - | - | - | - | - | - | 2,777,576 | 2,777,576 |
| Deferred outflows related to pensions | - | - | - | - | - | - | - | - | 68,985,001 | 68,985,001 |
| Total assets and deferred outflows of resources | \$ 74,680,877 | \$ 96,601,163 | \$ 31,750,742 | \$ 24,120,361 | \$ 43,907,232 | \$ 11,232,388 | \$ 127,749,784 | \$ 410,042,547 | \$ 213,061,422 | \$ 623,103,969 |
| Liabilities, deferred inflows of resources and net position | | | | | | | | | | |
| Liabilities: | | | | | | | | | | |
| Accounts payable | 3,219,272 | 425,920 | 2,968,025 | 10,000 | 11,563 | - | - | 6,634,780 | (1,509,751) | 5,125,029 |
| Accrued liabilities | 10,868,715 | 54,225 | 445,750 | - | 111,125 | 5,659,943 | 207,338 | 17,347,096 | - | 17,347,096 |
| Encumbrances | 596,948 | 14,865 | 16,337,138 | - | 687,173 | - | 83,679 | 17,719,803 | (17,719,803) | - |
| Accrued interest payable | - | - | - | - | - | - | - | - | 177,913 | 177,913 |
| Due to other funds | 17,232,669 | 92,841,302 | 132,599 | - | 25,877,869 | - | 11,255,029 | 147,339,468 | (147,339,470) | - |
| Deferred program and material fees | 2,431,463 | 1,488,964 | 780,000 | - | 40,820 | - | 936,682 | 5,677,929 | (1,873,369) | 3,804,558 |
| Due to student and other groups | - | 476,843 | - | - | - | - | 3,095,927 | 3,572,770 | - | 3,572,770 |
| General obligation notes payable | - | - | - | - | - | - | - | - | 77,360,000 | 77,360,000 |
| Premium on notes payable | - | - | - | - | - | - | - | - | 2,235,737 | 2,235,737 |
| Compensated absences | - | - | - | - | - | - | - | - | 6,517,805 | 6,517,805 |
| Post employment benefits | - | - | - | - | - | - | - | - | 87,250,415 | 87,250,415 |
| Total liabilities | 34,349,067 | 95,302,119 | 20,663,512 | 10,000 | 26,728,550 | 5,659,943 | 15,578,655 | 198,291,846 | 5,099,477 | 203,391,323 |
| Deferred inflows of resources: | | | | | | | | | | |
| Deferred inflows related to pensions | - | - | - | - | - | - | - | - | 96,897,491 | 96,897,491 |
| Deferred inflows related to OPEB | - | - | - | - | - | - | - | - | 13,937,423 | 13,937,423 |
| Unearned television grant | - | - | - | - | 2,237,466 | - | - | 2,237,466 | - | 2,237,466 |
| Total deferred inflows and resources | - | - | - | - | 2,237,466 | - | - | 2,237,466 | 110,834,914 | 113,072,380 |
| Fund Balance/Net Position: | | | | | | | | | | |
| Net investment in capital assets | - | - | - | - | - | - | - | - | 201,410,140 | 201,410,140 |
| Restricted: | | | | | | | | | | |
| Prepaid | 1,276,211 | - | - | - | - | - | - | 1,276,211 | (1,276,211) | - |
| Pension | - | - | - | - | - | - | - | - | 44,133,264 | 44,133,264 |
| Debt service | - | - | - | 24,110,361 | - | - | - | 24,110,361 | (177,913) | 23,932,448 |
| Capital projects | - | - | 11,087,230 | - | - | - | - | 11,087,230 | (11,087,230) | - |
| Student financial assistance | - | 790,108 | - | - | - | - | - | 790,108 | - | 790,108 |
| Unrestricted | 39,055,599 | 508,936 | - | - | 14,941,216 | 5,572,445 | 112,171,129 | 172,249,325 | (135,875,019) | 36,374,306 |
| Total fund balance/net position | 40,331,810 | 1,299,044 | 11,087,230 | 24,110,361 | 14,941,216 | 5,572,445 | 112,171,129 | 209,513,235 | 97,127,031 | 306,640,266 |
| Total liabilities, deferred inflows and net position | \$ 74,680,877 | \$ 96,601,163 | \$ 31,750,742 | \$ 24,120,361 | \$ 43,907,232 | \$ 11,232,388 | \$ 127,749,784 | \$ 410,042,547 | \$ 213,061,422 | \$ 623,103,969 |

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, 2021

| | 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 | \$ 52,579,075 | \$ - | \$ - | \$ 38,874,674 | \$ 4,085,336 | \$ - | \$ - | \$ 95,539,085 | \$ - | \$ 95,539,085 |
| Intergovernmental revenues: | | | | | | | | | | |
| State | 77,613,280 | 5,942,239 | - | 606,132 | 120,694 | - | - | 84,282,345 | - | 84,282,345 (1) |
| Federal | - | 36,189,000 | 195,000 | - | 7,020,988 | - | - | 43,404,988 | - | 43,404,988 (2) |
| Institutional: | | | | | | | | | | |
| Statutory program fees | 33,227,998 | - | - | - | - | - | - | 33,227,998 | (14,498,409) | 18,729,589 |
| Material fees | 1,188,034 | - | - | - | - | - | - | 1,188,034 | 114,938 | 1,302,972 |
| Other student fees | 2,831,152 | - | - | - | - | - | - | 2,831,152 | 27,819 | 2,858,971 |
| Other institutional | 2,572,667 | 2,445,447 | 1,248,142 | 14,050 | - | - | 26,015,324 | 32,295,630 | 14,958 | 32,310,588 (3) |
| Auxiliary enterprise revenue | - | - | - | - | 9,794,203 | 33,097,687 | - | 42,891,890 | (37,826,822) | 5,065,068 |
| Total revenues | 170,012,206 | 44,576,686 | 1,443,142 | 39,494,856 | 21,021,221 | 33,097,687 | 26,015,324 | 335,661,122 | (52,167,516) | 283,493,606 (6) |
| Expenditures: | | | | | | | | | | |
| Current: | | | | | | | | | | |
| Instruction | 103,352,782 | 3,641,252 | - | - | - | - | - | 106,994,034 | (10,651,516) | 96,342,518 |
| Instructional resources | 4,354,528 | - | - | - | - | - | - | 4,354,528 | (469,192) | 3,885,336 |
| Student services | 17,561,462 | 39,947,529 | - | - | - | - | - | 57,508,991 | (20,109,312) | 37,399,679 (4) |
| General institutional | 25,284,926 | 361,048 | - | 272,830 | - | - | - | 25,918,804 | (1,422,282) | 24,496,522 |
| Physical plant | 18,723,261 | 989,162 | - | - | - | - | - | 19,712,423 | (639,372) | 19,073,051 |
| Capital outlay | - | - | 36,255,982 | - | 3,743,879 | - | - | 39,999,861 | (39,999,861) | - |
| Debt service: | | | | | | | | | | |
| Principal retirement | - | - | - | 35,908,292 | 3,821,708 | - | - | 39,730,000 | (39,730,000) | - |
| Interest and fiscal charges | - | - | - | 2,604,910 | 263,628 | - | - | 2,868,538 | (1,219,299) | 1,649,239 |
| Depreciation | - | - | - | - | - | - | - | - | 35,381,379 | 35,381,379 |
| Auxiliary enterprise services | - | - | - | - | 17,975,489 | 33,097,687 | 5,937,957 | 57,011,133 | (35,571,653) | 21,439,480 |
| Total expenditures | 169,276,959 | 44,938,991 | 36,255,982 | 38,786,032 | 25,804,704 | 33,097,687 | 5,937,957 | 354,098,312 | (114,431,108) | 239,667,204 |
| Revenues over (under) expenditures | 735,247 | (362,305) | (34,812,840) | 708,824 | (4,783,483) | - | 20,077,367 | (18,437,190) | 62,263,592 | 43,826,402 |
| Other financing sources (uses): | | | | | | | | | | |
| Debt issued | - | - | 35,307,175 | - | 3,692,825 | - | - | 39,000,000 | (39,000,000) | - |
| Proceeds of refunding debt issued | - | - | - | 6,345,000 | - | - | - | 6,345,000 | (6,345,000) | - |
| Refunding debt payments | - | - | - | (6,340,181) | - | - | - | (6,340,181) | 6,340,181 | - |
| Premium on issued debt | - | - | - | 1,540,198 | - | - | - | 1,540,198 | (1,540,198) | - |
| Other grants (Foundation) | - | - | - | - | 6,812,511 | - | - | 6,812,511 | - | 6,812,511 |
| Loss on disposal | - | - | - | - | - | - | - | - | (604,853) | (604,853) |
| Total other financing sources (uses) | - | - | 35,307,175 | 1,545,017 | 10,505,336 | - | - | 47,357,528 | (41,149,870) | 6,207,658 |
| Revenues, other financing sources and special item over (under) expenditures and other financing uses | 735,247 | (362,305) | 494,335 | 2,253,841 | 5,721,853 | - | 20,077,367 | 28,920,338 | 21,113,722 | 50,034,060 |
| Fund balance/net position, beginning of year | 39,596,563 | 1,661,349 | 10,592,895 | 21,856,520 | 9,219,363 | 5,572,445 | 92,093,762 | 180,592,897 | 76,013,309 | 256,606,206 |
| Fund balance/net position, end of year | \$ 40,331,810 | \$ 1,299,044 | \$ 11,087,230 | \$ 24,110,361 | \$ 14,941,216 | \$ 5,572,445 | \$ 112,171,129 | \$ 209,513,235 | \$ 97,127,031 | \$ 306,640,266 (5) |

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, 2021

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

| | |
|--------------|----------------------|
| Operating | \$ 6,062,933 |
| Nonoperating | <u>78,219,412</u> |
| Total | <u>\$ 84,282,345</u> |

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

| | |
|-----------|----------------------|
| Operating | <u>\$ 43,404,988</u> |
|-----------|----------------------|

- (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 | \$ 940,605 |
| Miscellaneous revenue | 5,283,550 |
| Investment income | <u>26,086,433</u> |
| | <u>\$ 32,310,588</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 | \$ 19,299,936 |
| Student Aid | <u>18,099,743</u> |
| | <u>\$ 37,399,679</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 | \$ 209,513,235 |
| General capital assets capitalized - cost | 662,158,011 |
| Accumulated depreciation on general capital assets | (416,143,209) |
| General obligation debt | (77,360,000) |
| Premium on notes payable | (2,235,737) |
| Encumbrances | 17,719,803 |
| Compensated absence liability | (6,517,805) |
| Net OPEB liability | (87,250,415) |
| Accrued interest on long-term debt | (177,913) |
| Summer school tuition and fees | 1,873,369 |
| Net pension asset | 44,133,264 |
| Deferred outflow of resources related to pensions | 68,985,001 |
| Deferred inflow of resources related to pensions | (96,897,491) |
| Deferred outflow of resources related to OPEB | 2,777,576 |
| Deferred inflow of resources related to OPEB | (13,937,423) |
| Net position per basic financial statements | <u>\$ 306,640,266</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 2013-2022
(accrual basis of accounting)

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|-----------------------|
| Net investment in capital assets | \$ 207,755,893 | \$ 201,410,140 | \$ 196,111,010 | \$ 187,975,254 | \$ 182,147,317 | \$ 177,139,895 | \$ 169,196,679 | \$ 154,996,508 | \$ 140,438,827 | \$ 129,214,971 |
| Restricted | 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 | 23,480,257 |
| Unrestricted (deficit) | <u>38,897,604</u> | <u>36,374,306</u> | <u>14,303,579</u> | <u>27,556,567</u> | <u>8,230,148</u> | <u>(34,200,931)</u> | <u>(32,452,152)</u> | <u>(61,556,643)</u> | <u>(62,038,769)</u> | <u>(47,752,501)</u> |
| Total Net Position | <u>\$ 326,438,863</u> | <u>\$ 306,640,266</u> | <u>\$ 256,606,206</u> | <u>\$ 236,777,812</u> | <u>\$ 231,774,701</u> | <u>\$ 159,747,735</u> | <u>\$ 152,227,288</u> | <u>\$ 151,914,361</u> | <u>\$ 99,875,251</u> | <u>\$ 104,942,727</u> |

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT
Statements of Revenues, Expenses and Changes in Net Position
For Fiscal Years 2013-2022

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|-----------------------|
| Operating revenues | | | | | | | | | | |
| Student tuition and program fees, net of scholarship allowances | \$ 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 | \$ 27,423,582 |
| Federal grants | 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 | 43,266,261 |
| State grants | 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 | 6,439,290 |
| Contract revenue | 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 | 1,472,873 |
| Auxiliary enterprise revenues, net of scholarship allowances | 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 | 14,983,842 |
| Miscellaneous | 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 | 5,555,420 |
| Total operating revenues | 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 | 99,141,268 |
| Operating expenses | | | | | | | | | | |
| Instruction | 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 | 127,559,383 |
| Instructional resources | 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 | 4,464,389 |
| Student services | 20,913,837 | 19,299,936 | 18,381,437 | 20,309,334 | 19,511,231 | 19,735,658 | 21,113,453 | 19,682,419 | 21,819,795 | 19,179,367 |
| General institutional | 24,183,542 | 24,496,522 | 23,451,251 | 25,386,314 | 22,005,604 | 19,011,293 | 21,498,822 | 23,765,214 | 20,218,891 | 17,345,885 |
| Physical plant | 18,513,079 | 19,073,051 | 18,625,369 | 20,564,484 | 20,022,585 | 20,566,300 | 19,299,179 | 19,077,054 | 17,462,432 | 17,798,816 |
| Student aid | 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 | 16,145,215 |
| Auxiliary enterprise services | 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 | 32,733,745 |
| Depreciation | 36,226,112 | 35,381,379 | 33,646,560 | 33,824,057 | 33,673,844 | 32,703,502 | 30,764,430 | 30,121,915 | 29,225,535 | 25,365,993 |
| Total operating expenses | 245,726,805 | 238,017,965 | 249,357,766 | 259,593,077 | 243,461,752 | 242,700,862 | 251,676,951 | 252,079,564 | 265,772,278 | 260,592,793 |
| Operating loss | (150,000,826) | (154,369,289) | (164,576,891) | (175,422,899) | (164,455,509) | (163,652,553) | (168,305,841) | (161,200,801) | (170,279,466) | (161,451,525) |
| Nonoperating revenues (expenses) | | | | | | | | | | |
| Local property taxes | 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 | 145,069,844 |
| State appropriations | 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 | 19,456,581 |
| Build america bond interest subsidy | - | - | - | - | - | - | - | 49,456 | 112,462 | 138,833 |
| Other grants | 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 | 5,128,659 |
| Investment income (expense) | (9,949,006) | 26,086,433 | 6,035,565 | 6,431,302 | 4,062,760 | 107,200 | 33,951 | 29,473 | 80,244 | 281,200 |
| Loss on Disposal | (326,987) | (604,853) | (139,482) | (61,026) | (842,806) | (149,961) | (344,364) | (118,853) | (13,607) | (3,937,568) |
| Interest expense | (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) | (2,128,072) |
| Total nonoperating revenues (expenses) | 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 | 164,009,477 |
| Special item | - | - | - | - | 84,931,314 | - | - | - | - | - |
| Change in net position | 19,798,597 | 50,034,060 | 19,828,394 | 5,003,110 | 95,544,501 | 7,520,447 | 312,926 | 9,480,307 | (5,067,476) | 2,557,952 |
| Net position - beginning of the year, as restated | 306,840,266 | 256,806,206 | 236,777,812 | 231,774,701 | 136,230,199 | 152,227,287 | 151,914,361 | 142,434,054 | 104,942,727 | 102,384,775 |
| Net position - end of the year | \$ 326,438,863 | \$ 306,640,266 | \$ 256,606,206 | \$ 236,777,811 | \$ 231,774,700 | \$ 159,747,734 | \$ 152,227,287 | \$ 151,914,361 | \$ 99,875,251 | \$ 104,942,727 |

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Revenues By Source and Debt Proceeds

Historical Comparisons
Fiscal Years 2013-2022
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 | | | | | |
| 2013 | \$ 102,727 | \$ 42,343 | \$ 25,896 | \$ 43,405 | \$ 27,423 | \$ 12,157 | \$ 14,984 | \$ 281 | \$ 269,216 |
| 2014 | 109,161 | 34,452 | 26,672 | 42,379 | 28,254 | 12,297 | 9,440 | 80 | 262,735 |
| 2015 | 44,030 | 43,590 | 84,558 | 41,937 | 27,130 | 13,188 | 8,786 | 29 | 263,248 |
| 2016 | 45,363 | 42,879 | 83,744 | 35,690 | 26,709 | 10,912 | 8,315 | 34 | 253,646 |
| 2017 | 46,623 | 43,521 | 82,981 | 33,158 | 25,863 | 11,240 | 8,153 | 107 | 251,646 |
| 2018 | 48,118 | 43,488 | 81,362 | 32,406 | 25,658 | 12,511 | 8,850 | 4,063 | 256,456 |
| 2019 | 49,262 | 43,514 | 83,962 | 32,941 | 28,689 | 13,206 | 8,469 | 6,431 | 266,474 |
| 2020 | 51,025 | 43,050 | 85,871 | 35,850 | 27,878 | 16,012 | 5,371 | 6,036 | 271,093 |
| 2021 | 52,579 | 42,960 | 84,282 | 43,405 | 22,892 | 13,037 | 5,065 | 26,086 | 290,306 |
| 2022 | 49,885 | 41,838 | 87,733 | 58,741 | 21,701 | 14,367 | 2,460 | (9,949) | 266,776 |

⁽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 2013-2022
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 |
|-----------------------|-------------|----------------------------|---------------------|------------------------|-----------------------|---------------------|----------------|--------------|-----------------------|---------------------|------------|
| 2013 | \$ 127,559 | \$ 4,464 | \$ 19,179 | \$ 17,346 | \$ 17,799 | \$ 2,128 | \$ 16,145 | \$ 25,366 | \$ 32,734 | \$ 3,938 | \$ 266,658 |
| 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 | 97,736 | 4,148 | 20,767 | 24,388 | 18,513 | 924 | 28,771 | 36,226 | 15,178 | 327 | 246,978 |

⁽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 2013-2022
Figures all in thousands

| Year | Residential | Commercial | Manufacturing | Agricultural | Undeveloped | Forest | Personal Property | Total |
|-------------|--------------------|-------------------|----------------------|---------------------|--------------------|---------------|--------------------------|---------------|
| 2013 | \$ 49,385,850 | \$ 21,149,389 | \$ 2,110,801 | \$ 21,635 | \$ 38,859 | \$ 19,312 | \$ 2,176,780 | \$ 74,902,626 |
| 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 | 81,374,648 |
| 2017 | 55,169,206 | 23,659,743 | 2,264,480 | 22,618 | 39,933 | 22,306 | 2,183,632 | 83,361,918 |
| 2018 | 57,343,217 | 25,649,950 | 2,290,714 | 23,092 | 45,061 | 23,766 | 1,643,498 | 87,019,298 |
| 2019 | 60,954,749 | 26,299,212 | 2,344,989 | 23,570 | 43,753 | 25,448 | 1,714,444 | 91,406,165 |
| 2020 | 62,968,139 | 28,794,312 | 2,419,185 | 24,464 | 43,147 | 24,276 | 1,812,604 | 96,086,127 |
| 2021 | 69,059,137 | 30,448,460 | 2,502,993 | 25,222 | 40,683 | 24,673 | 1,809,346 | 103,910,514 |
| 2022 | 77,917,603 | 34,486,647 | 2,613,607 | 53,380 | 40,366 | 24,558 | 1,803,388 | 116,939,549 |

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 2021-22

| | TAXABLE EQUALIZED VALUATION ⁽¹⁾ | PERCENT OF TOTAL | TOTAL TAX LEVY |
|---------------------------|--|---------------------|----------------------|
| <u>Milwaukee County:</u> | | | |
| Village of Bayside | \$ 677,364,800 | 0.750032% | \$ 683,735 |
| Brown Deer | 1,059,006,500 | 1.172616% | 1,068,966 |
| Fox Point | 1,268,599,700 | 1.404694% | 1,280,531 |
| Greendale | 1,523,231,300 | 1.686642% | 1,537,557 |
| Hales Corners | 726,642,200 | 0.804596% | 733,476 |
| River Hills | 469,805,500 | 0.520206% | 474,224 |
| Shorewood | 1,700,134,099 | 1.882523% | 1,716,124 |
| West Milwaukee | 379,343,600 | 0.420039% | 382,911 |
| Whitefish Bay | 2,519,736,700 | 2.790052% | 2,543,435 |
| City of Cudahy | 1,337,822,300 | 1.481343% | 1,350,404 |
| Franklin | 4,660,476,700 | 5.160449% | 4,704,308 |
| Glendale | 2,002,250,000 | 2.217050% | 2,021,081 |
| Greenfield | 3,351,144,000 | 3.710652% | 3,382,661 |
| Milwaukee | 33,077,578,200 | 36.626116% | 33,388,670 |
| Oak Creek | 3,957,952,800 | 4.382559% | 3,995,177 |
| St. Francis | 645,469,700 | 0.714715% | 651,540 |
| South Milwaukee | 1,376,356,100 | 1.524011% | 1,389,301 |
| Wauwatosa | 7,139,586,600 | 7.905516% | 7,206,734 |
| West Allis | 4,510,670,100 | 4.994571% | 4,553,093 |
| <u>Ozaukee County:</u> | | | |
| Town of Belgium | 129,105,128 | 0.142955% | 130,319 |
| Cedarburg | 1,087,682,400 | 1.204368% | 1,097,912 |
| Fredonia | 128,435,840 | 0.142214% | 129,644 |
| Grafton | 743,781,000 | 0.823573% | 750,776 |
| Port Washington | 255,376,800 | 0.282773% | 257,779 |
| Saukville | 259,726,300 | 0.287590% | 262,169 |
| Village of Bayside | 28,883,700 | 0.031982% | 29,155 |
| Fredonia | 206,597,900 | 0.228762% | 208,541 |
| Grafton | 1,424,741,100 | 1.577586% | 1,438,141 |
| Newburg | 7,265,300 | 0.008045% | 7,334 |
| Saukville | 515,994,900 | 0.571350% | 520,848 |
| Thiensville | 409,868,800 | 0.453839% | 413,724 |
| City of Cedarburg | 1,667,607,600 | 1.846507% | 1,683,291 |
| Mequon | 5,234,737,900 | 5.796317% | 5,283,970 |
| Port Washington | 1,261,639,900 | 1.396988% | 1,273,506 |
| <u>Washington County:</u> | | | |
| Town of Germantown | 30,842,800 | 0.034152% | 31,133 |
| Jackson | 182,906,560 | 0.202529% | 184,627 |
| Polk | 81,328,698 | 0.090054% | 82,094 |
| Richfield | 772,070,665 | 0.854898% | 3,048,852 |
| Village of Germantown | 3,020,445,200 | 3.344476% | 78,829 |
| Jackson | 78,094,846 | 0.086473% | 779,332 |
| City of Milwaukee | 8,440,500 | 0.009346% | 8,520 |
| <u>Waukesha County:</u> | | | |
| City of Milwaukee | 14,123,000 | 0.015638% | 14,256 |
| New Berlin | 378,587,794 | 0.419202% | 382,148 |
| | <u>\$ 90,311,455,530</u> | <u>100%</u> | <u>\$ 91,160,828</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 2013-2022

| 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 |
| 2013 | \$ 144,421,375 | 3.0% | \$ 68,517,150,577 | -4.9% | 2.11 | 8.32% |
| 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% |

⁽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 2013-2022

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

| Year | Non-Residential | Residential | Exemptions | Total |
|-------------|------------------------|--------------------|-------------------|---------------|
| 2013 | \$ 19,665,846 | \$ 35,671,139 | \$ 1,790,540 | \$ 53,546,445 |
| 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 | 59,676,557 |
| 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 | 75,804,811 |
| 2022 | 31,322,535 | 54,233,597 | 1,477,581 | 65,556,132 |

* 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, 2021

| <u>Company</u> | <u>Full Market Value \$ in (1,000)</u> | <u>Percent of MATC Total Equalized Valuation</u> |
|--|--|--|
| Northwestern Mutual Life Insurance Company | \$ 659,522 | 0.85% |
| Froedert Health | 412,980 | 0.53% |
| Mayfair Mall | 396,237 | 0.51% |
| Mandel Group | 367,606 | 0.48% |
| Irgen | 271,094 | 0.35% |
| Weidner Investments | 268,413 | 0.35% |
| Berrada Properties | 262,596 | 0.34% |
| US Bankcorp | 218,563 | 0.28% |
| Aurora Health | 187,213 | 0.24% |
| Children's Hospital of Wisconsin | 155,757 | 0.20% |
| Commerce 94 Project LLC, A Swlaware LLC | 154,808 | 0.20% |

⁽¹⁾ Milwaukee County accounts for 82% of the District's valuation.

Source - Milwaukee County Comprehensive Annual Financial Report, December 2021

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Student Enrollment Unduplicated Equivalent ⁽¹⁾
 Student Enrollment Statistics⁽³⁾
 Historical Comparisons
 Fiscal years 2012-2021

| <u>Year</u> | <u>Unduplicated Total</u> | <u>Minority %</u> | | <u>College Parallel</u> | <u>Associate Degree</u> | <u>Technical Diploma</u> | <u>Vocational Adult</u> | <u>Community Service</u> | <u>Non-Postsecondary</u> |
|-------------|---------------------------|-------------------|------------|-------------------------|-------------------------|--------------------------|-------------------------|--------------------------|--------------------------|
| 2013 | 40,280 | 58% | | 12,662 | 20,250 | 3,054 | 6,224 | 17 | 17,975 |
| | | | % of Total | 31% | 50% | 8% | 15% | 0% | 45% |
| 2014 | 38,049 | 58% | | 11,880 | 19,171 | 2,883 | 5,618 | 24 | 11,174 |
| | | | % of Total | 31% | 50% | 8% | 15% | 0% | 29% |
| 2015 | 35,859 | 53% | | 10,744 | 17,704 | 3,059 | 5,188 | 56 | 14,637 |
| | | | % of Total | 30% | 49% | 9% | 14% | 0% | 41% |
| 2016 | 33,851 | 53% | | 9,551 | 16,157 | 2,884 | 4,776 | 63 | 13,649 |
| | | | % of Total | 28% | 48% | 9% | 14% | 0% | 40% |
| 2017 | 32,188 | 54% | | 9,047 | 15,340 | 2,665 | 4,810 | 48 | 13,729 |
| | | | % of Total | 28% | 48% | 8% | 15% | 0% | 43% |
| 2018 | 31,489 | 55% | | 8,977 | 14,963 | 2,794 | 5,072 | 52 | 12,671 |
| | | | % of Total | 29% | 48% | 9% | 16% | 0% | 40% |
| 2019 | 31,635 | 56% | | 9,617 | 15,390 | 3,147 | 4,647 | 53 | 10,777 |
| | | | % of Total | 30% | 49% | 10% | 15% | 0% | 34% |
| 2020 | 29,733 | 59% | | 9,233 | 14,947 | 3,104 | 3,906 | 49 | 10,904 |
| | | | % of Total | 31% | 50% | 10% | 13% | 0% | 37% |
| 2021 | 23,458 | 55% | | 7,507 | 12,869 | 2,399 | 2,821 | — | 3,880 |
| | | | % of Total | 32% | 55% | 10% | 12% | 0% | 17% |
| 2022 | 25,052 | 60% | | 6,440 | 12,778 | 2,734 | 3,582 | 103 | 5,423 |
| | | | % of Total | 27% | 54% | 12% | 15% | 0% | 23% |

⁽¹⁾ Unduplicated student count by column per year. Students may be represented in multiple 'tracks' (ie 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 CL1620A

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

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

Historical Comparisons
Fiscal Years 2013-2022

| Year | College Parallel | Associate Degree | Vocational | | Community Service | Non-Postsecondary | Total |
|------------|------------------|------------------|------------|-------|-------------------|-------------------|--------|
| | | | Diploma | Adult | | | |
| 2013 | 3,415 | 7,149 | 915 | 192 | 1 | 1,484 | 13,156 |
| % of Total | 26% | 54% | 7% | 1% | 0% | 11% | 100% |
| 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% |

⁽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 2013 - 2022**

| Year | College Parallel | Percent Change | Associate Degree, Adult, and Vocational Programs | Percent Change | Avocational Programs | Percent Change |
|------|------------------|----------------|--|----------------|----------------------|----------------|
| 2013 | \$ 158.25 | 5.5% | \$ 116.90 | 4.5% | \$ 291.00 | 0.0% |
| 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% |

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 2013-2022

| Year ended June 30 | Population | Figures are in thousands | | | Net Debt | | |
|-----------------------|----------------|--------------------------|-------------------|---------------|------------|--------------------------------|----------------|
| | | Equalized Valuation | Gross Debt Amount | Sinking Funds | Net Amount | Percent of Equalized Valuation | Per Capita |
| 2013 | 1,044,424 | \$ 68,517,151 | \$ 101,170 | \$ 22,320 | \$ 78,850 | 0.1% | \$ 75 |
| 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⁾ |

⁽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 | | \$ 90,311,456 |
| | | x 5% |
| Debt limit – 5% of total equalized value | | 4,515,573 |
| Gross indebtedness applicable to debt limit | \$ 74,475 | |
| Less sinking funds | <u>17,006</u> | |
| Total amount of debt applicable to debt limit | | <u>57,469</u> |
| Legal debt margin | | <u>\$ 4,458,104</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 2013-2022

| <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> |
|-------------|------------------|---|---------------|---|--|
| 2013 | \$ 45,579,593 | \$ 2,602,990 | \$ 48,182,583 | \$ 260,592,793 | 18.5% |
| 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 | 248,399,817 | 17.8% |

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Statement of Direct and Overlapping Debt ⁽¹⁾
 As of June 30, 2022
 (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> |
|--|---------------|-------------------------------------|--|--|---|
| 2022 Equalized Valuation | \$ 90,311,456 | | | | |
| 2022 Estimated Population | 1,093,655 | | | | |
| | | | | | |
| DIRECT DEBT OF DISTRICT | | \$ 74,475 | \$ 74,475 | 0.0825% | \$ 68 |
| | | | | | |
| INDIRECT DEBT APPLICABLE TO DISTRICT | | | | | |
| Total County Debt Outstanding | | 129,866 | | | |
| Portion of County Debt Applicable to District | | | 30,460 | 0.0337% | 28 |
| | | | | | |
| Total City Debt Outstanding | | 1,806,522 | | | |
| Portion of City Debt Applicable to District | | | 1,758,099 | 1.9467% | 1,608 |
| | | | | | |
| Total Village Debt Outstanding | | 317,567 | | | |
| Portion of Village Debt Applicable to District | | | 316,900 | 0.3509% | 290 |
| | | | | | |
| Total Town Debt Outstanding | | 6,089 | | | |
| Portion of Town Debt Applicable to District | | | 5,698 | 0.0063% | - |
| | | | | | |
| Total School District Debt Outstanding | | 944,211 | | | |
| Portion of School District Debt Applicable to District | | | 944,211 | 1.0455% | 863 |
| | | | | | |
| Total Milwaukee Metropolitan Sewerage District (MMSD) Debt | | 731,457 | | | |
| Portion of MMSD Debt Applicable to District | | | <u>590,432</u> | <u>0.6538%</u> | <u>540</u> |
| | | | | | |
| Total Indirect Debt Applicable to District | | | <u>\$ 3,645,800</u> | <u>4.0369%</u> | <u>\$ 3,334</u> |
| | | | | | |
| SUMMARY | | | | | |
| Total Direct and Indirect Debt | | | <u>\$ 3,720,275</u> | <u>4.1194%</u> | <u>\$ 3,402</u> |

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT
Demographic Statistics for Milwaukee and Ozaukee Counties

Historical Data 2011-2021

| 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 |
|------|-------------------------|-----------------------------------|---|--|--|--|--|---------------------------------------|
| 2012 | 1,041,714 | 417,656 | \$46,534 | 33.8 | 43 | 194,344 | 9,083 | 8.4% |
| 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 | ¹⁰ | ¹⁰ | ¹⁰ | ¹⁰ | 184,016 | 10,503 | 5.2% |

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, municipios, 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

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

PRINCIPAL EMPLOYERS

Fiscal year 2022 ⁽¹⁾

| <u>Name of Business</u> | <u>Type of Business</u> | <u>Employees</u> |
|---|-------------------------|------------------|
| 1 Advocate Aurora Health | Health Care | 29,945 |
| 2 Froedtert Health Inc | Health Care | 13,798 |
| 3 Ascension Wisconsin | Health Care | 10,449 |
| 4 Roundy's Supermarkets Inc. | Retail Supermarkets | 7,800 |
| 5 Medical College of Wisconsin | Medical School | 6,139 |
| 6 GE Healthcare | Health Care | 6,000 |
| 7 Quad | Insurance | 6,000 |
| 8 Rockwell Automation, Inc. | Industrial Automation | 55,000 |
| 9 Children's Hospital and Health System | Health Care | 5,391 |
| 10 Kohl's Corp | Retailer | 5,350 |

⁽¹⁾ Data reflects full time equivalent employees

Source - Milwaukee County Comprehensive Annual Financial Report, December 2021

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT
Employment Trends by Equal Employment Opportunity Categories
2013-2022

| Category | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|-------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Administrative/Managerial | 100 | 97 | 104 | 102 | 104 | 105 | 112 | 124 | 130 | 118 |
| Percent Female | 50% | 50% | 54% | 56% | 52% | 51% | 53% | 53% | 56% | 59% |
| Percent Minority | 46% | 45% | 44% | 43% | 49% | 49% | 46% | 44% | 47% | 46% |
| Faculty | 517 | 502 | 544 | 532 | 521 | 521 | 512 | 472 | 471 | 473 |
| Percent Female | 48% | 52% | 53% | 53% | 52% | 52% | 52% | 52% | 52% | 54% |
| Percent Minority | 29% | 29% | 29% | 30% | 30% | 30% | 31% | 32% | 33% | 32% |
| Professional/Noninstructional | 151 | 149 | 157 | 157 | 157 | 160 | 160 | 186 | 216 | 220 |
| Percent Female | 61% | 61% | 63% | 62% | 63% | 61% | 61% | 58% | 62% | 63% |
| Percent Minority | 43% | 40% | 41% | 39% | 43% | 39% | 43% | 48% | 48% | 53% |
| Secretarial/Clerical | 195 | 193 | 192 | 192 | 188 | 181 | 169 | 155 | 160 | 146 |
| Percent Female | 98% | 99% | 97% | 96% | 95% | 95% | 93% | 92% | 89% | 88% |
| Percent Minority | 45% | 45% | 44% | 44% | 48% | 51% | 51% | 55% | 52% | 53% |
| Technical/Paraprofessional | 160 | 146 | 154 | 152 | 149 | 145 | 142 | 134 | 129 | 133 |
| Percent Female | 53% | 53% | 56% | 55% | 52% | 53% | 54% | 54% | 56% | 58% |
| Percent Minority | 31% | 31% | 31% | 31% | 31% | 35% | 32% | 31% | 36% | 37% |
| Skilled Trades | 10 | 10 | 8 | 10 | 10 | 10 | 10 | 10 | 10 | 9 |
| Percent Female | 10% | 10% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Percent Minority | 10% | 10% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Service/Maintenance | 112 | 108 | 117 | 112 | 112 | 110 | 109 | 102 | 92 | 95 |
| Percent Female | 46% | 46% | 45% | 44% | 42% | 43% | 43% | 42% | 38% | 35% |
| Percent Minority | 56% | 57% | 59% | 62% | 62% | 60% | 60% | 63% | 62% | 62% |
| Total | 1,245 | 1,205 | 1,276 | 1,257 | 1,241 | 1,232 | 1,214 | 1,183 | 1,208 | 1,194 |
| Percent Female | 58% | 60% | 60% | 60% | 59% | 58% | 58% | 57% | 58% | 59% |
| Percent Minority | 37% | 37% | 37% | 37% | 38% | 39% | 39% | 41% | 42% | 37% |

Figures as of July of each year.

Ratio of Operational Expenditures Per
Full-time Equivalent Student (FTE)

Historical Comparisons
Fiscal Years 2013-2022

| 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 |
| 2013 | \$ 187,935,953 | 1.3% | 13,156 | -6.0% | 14,285 | 7.8% |
| 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% |

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT

Student and Campus Statistics

District Students

The median age of our students is 27 years, and they represent a variety of backgrounds. Our graduates have about 86 percent employment rate, and approximately 63 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)

| <u>Campus</u> | <u>Location</u> | <u>Under Roof Square Footage</u> |
|----------------------|--|--|
| 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>2020-21</u> | <u>2021-22</u> |
|---|----------------|----------------|
| Executive/Administrative/Managerial | 130 | 133 |
| Faculty | 518 | 518 |
| Professional/Non-Instructional | 131 | 142 |
| Secretarial/Clerical | 163 | 157 |
| Technical/Paraprofessional | 248 | 256 |
| Skilled Trades | 12 | 12 |
| Service/Maintenance | <u>105</u> | <u>120</u> |
| Subtotal Full-Time | <u>1,307</u> | <u>1,338</u> |
| <u>Part-Time (Expressed in Full-Time Equivalents)</u> | | |
| Faculty | 183 | 282 |
| Students | 28 | 49 |
| Part-Time – All Other | <u>100</u> | <u>100</u> |
| Subtotal Part-Time | <u>311</u> | <u>431</u> |
| TOTAL | <u>1,618</u> | <u>1,769</u> |

MILWAUKEE AREA TECHNICAL COLLEGE
Program Graduate Follow-Up Statistics ⁽¹⁾

Historical Comparisons
Fiscal Years 2012-2021

| 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 |
|------|---------------------|---------------------------------|---------------------------------------|---------------------------------|--|------------------------------|
| 2012 | 3,010 | 1,574 | 1,327 | 84.3% | 69.3% | 79.4% |
| 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% |

⁽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.

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)
- Marketing – Online Accelerated (A),
- Marketing (A)
- Medical Administrative Specialist (A)
- Medical Billing (T)

Academic & Career Pathways (Cont.)

- Office Technology Assistant (T)
- Property Management (C)
- 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.

matc.edu/course-catalog/community-human-services

- Aesthetician (T)
- 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)
- Paralegal (A)
- Paralegal Studies (T)
- Preschool (C)
- 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.

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

Academic & Career Pathways (Cont.)

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

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

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)
- 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.

matc.edu/course-catalog/healthcare-services

- Anesthesia Technology (A)
- Cardiovascular Technology – Echocardiography (A)
- Cardiovascular Technology – Invasive (A)
- Central Service Technician (T)
- 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)
- Medical Assistant (T)
- Medical Coding Specialist (T)
- Medical Interpreter (T)
- Medical Laboratory Technician (A),
- Nursing Assistant (T)

Academic & Career Pathways (Cont.)

- Nutrition and Dietetic Technician *formerly Dietetic Technician* (A)
- Occupational Therapy Assistant (A)
- Pharmacy Technician (T)
- Phlebotomy (T)
- Physical Therapist Assistant (A)
- Practical Nursing (T)
- Practical Nursing LPN-RN Educational Progression (A)
- 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.

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)
- Dental Technician (T)
- Diesel and Powertrain Servicing (T)

Academic & Career Pathways (Cont.)

- Electrical Power Distribution/Line Mechanic (T)
- Electricity (T)
- Landscape Horticulture (A)
- 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.

matc.edu/course-catalog/stem

- Architectural Technology (A)
- Biomedical Electronics Technology (A)
- Civil Engineering Technology (A)
- Computer Electronics Technology (A)
- Electronic Engineering Technology (A)
- Electronic Technology – Automation (A)
- Electronics Technician Fundamentals (T)
- 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)

Academic & Career Pathways (Cont.)

- 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)
- 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)
- Chemical Processing Technician (T)
- Chemical Technician (A)

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 | 7/1/2023 | 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 | 7/1/2023 | Limits: Actual Cash Value with a \$5,000 deductible. | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Auto Liability | DMI-C0722-08-19 | District Mutual Insurance | 7/1/2023 | \$5,000 deductible per claim. | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Educators Legal Liability | DMI-C0722-08-19 | Districts Mutual Insurance | 7/1/2023 | 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 | 7/1/2023 | 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 | 7/1/2023 | Limits: \$500,000,000 per occurrence with a \$25,000 deductible per occurrence. | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Boiler and Equipment Breakdown | DMI-E0722-08-19 | Districts Mutual Insurance | 7/1/2023 | 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) | 7/1/2023 | <table border="1"> <thead> <tr> <th>Type of Coverage</th> <th>Limit</th> </tr> </thead> <tbody> <tr> <td>Employee Dishonesty including ERISA</td> <td>\$ 750,000</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, Debit or Charge Card Forgery</td> <td>750,000</td> </tr> <tr> <td>Costs, Fees or other Expenses for Employee Theft</td> <td>25,000</td> </tr> <tr> <td>Costs, Fees or other Expenses for Computer Fraud</td> <td>25,000</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 | \$ 750,000 | 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, Debit or Charge Card Forgery | 750,000 | Costs, Fees or other Expenses for Employee Theft | 25,000 | Costs, Fees or other Expenses for Computer Fraud | 25,000 | Impersonation Fraud Coverage | 100,000 |
| Type of Coverage | Limit | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Employee Dishonesty including ERISA | \$ 750,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 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, Debit or Charge Card Forgery | 750,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Costs, Fees or other Expenses for Employee Theft | 25,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Costs, Fees or other Expenses for Computer Fraud | 25,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Impersonation Fraud Coverage | 100,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Worker Compensation | 1000002853 | Districts Mutual Insurance/United Heartland A | 7/1/2023 | 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 | 7/1/2023 | \$100,000,000 any one occurrence | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cyber Risk Insurance | DMI-N0722-08-9 | Districts Mutual Insurance | 7/1/2023 | Limit: \$5,000,000 Retention \$25,000 Limit: per privacy breach \$500,000 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Storage Tank Liability | STP415210 | Crum & Forester Specialty Insurance | 9/30/2023 | Limit: \$1,000,000 per claim/\$2,000,000 aggregate Deductible: \$5,000 per claim | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Motorcycle Training Bond | 106142253 | Travelers | 9/11/2023 | Amount of bond: \$20,000 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Special Privilege Bond for Banner Poles w/ City of Milwaukee | 6166942 | SafeCo | TBD (pending renewal) | \$5,000 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Maintain Backup Driveway and Loading Beam - S. 9th Street & National Ave. | 6197593 | SafeCo | TBD (pending renewal) | \$2,000 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Deadly Weapon | DMI-A0722-08-5 | Districts Mutual Insurance | 7/1/2023 | \$1,000,000 each & every Deadly Weapon Event including Claim Expenses, \$1,000,000 Aggregate | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aviation (Drone) | 1000238365-04 | Starr Indemnity & Liability Company | 2/28/2023 | \$5,000,000 each occurrence, \$5,0000 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 | TBD (pending renewal) | Limit: \$100,000 per injury Deductible: \$0 | | | | | | | | | | | | | | | | | | | | | | | | | | |