

MILWAUKEE PUBLIC SCHOOLS

MILWAUKEE, WISCONSIN

2021

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE YEAR ENDED JUNE 30, 2021

162ND EDITION

162nd EDITION

ANNUAL COMPREHENSIVE FINANCIAL REPORT

of the

BOARD OF SCHOOL DIRECTORS

MILWAUKEE PUBLIC SCHOOLS

5225 West Vliet Street

Milwaukee, Wisconsin

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

BOB PETERSON, President

DR. KEITH P. POSLEY, Superintendent

Prepared by:

The Office of the Chief Financial Officer

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MILWAUKEE PUBLIC SCHOOLS

Annual Comprehensive Financial Report

Year Ended June 30, 2021

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MILWAUKEE PUBLIC SCHOOLS

Annual Comprehensive Financial Report

Year Ended June 30, 2021

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INTRODUCTORY SECTION



Office of the Superintendent
Central Services Building
5225 West Vliet Street
P.O. Box 2181
Milwaukee, Wisconsin 53201-2181

December 20, 2021

Milwaukee Board of School Directors:

We submit to you the Annual Comprehensive Financial Report of the Milwaukee Public Schools (MPS, or District), Milwaukee, Wisconsin, for the fiscal year ended June 30, 2021. The Annual Comprehensive Financial Report is management's financial report to taxpayers, governing board, oversight bodies, voters, employees, and intergovernmental grantors. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the information presented is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of MPS. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

Governmental Accounting Standards Board (GASB) Statement No. 34 requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with that document. The MD&A can be found immediately following the report of the independent auditors.

REPORTING ENTITY

MPS operates within the City of Milwaukee, Wisconsin (City). The purpose and responsibility of the District is to provide an efficient and effective educational system for the children enrolled in the public schools, whereby each child has access to programs and services that are appropriate to their educational needs. In addition to the regular educational programs, the District offers comprehensive programs in the areas of special education, early childhood education, and bilingual education. Through its specialty school programs, the District offers advanced educational programs in such areas as language, fine arts, Montessori, International Baccalaureate, STEAM (science, technology, engineering, arts and mathematics), business, and technical trades. In addition, the District provides community recreation and education services through its parks and centers for the elderly.

Milwaukee is located 70 miles north of the city of Chicago, in the southeastern part of the state, on the western shores of Lake Michigan. It is the 31st largest city in the United States, with an estimated population of 577,222 based on 2020 U.S. Census Bureau data. Milwaukee is the only city of the First Class within the State of Wisconsin, making MPS the only First Class City School District in Wisconsin.

MPS was established on February 3, 1846. MPS operates in accordance with the Wisconsin Statutes, Chapter 119 and other applicable statutes governing Cities of the First Class. In accordance with these provisions, the Milwaukee Board of School Directors is empowered to establish rules for its own governance. The District, governed by a nine-member Board, provides education services through grade 12 to residents of the City of Milwaukee and its participating suburban transfer students. The Superintendent, appointed by the Board, is the senior official representing MPS. The District operates 159 schools, has approximately 74,000 students, and employs over 9,600 full-time equivalent (FTE) educator, administrator, and staff positions.

The reporting entity for the District is based upon criteria set forth by GASB Statement No. 14, "The Financial Reporting Entity." Under this pronouncement, the financial reporting entity consists of (a) the primary government, which is controlled by a separately elected governing body that is legally separate and is fiscally independent, and (b) organizations for which the primary government is financially accountable. All of the accounts of the District comprise the primary government. The financial statements of the District are excluded from the City financial statements because the District operates with a separate governing board that is not under the control of the City.

LOCAL ECONOMIC ANALYSIS

Milwaukee is the state's largest urban and economic center. The City is a premiere center for advanced manufacturing, fresh water research and development, clean and green technology, health care, biomedical technology and financial services. While the area is not dominated by large employers, Milwaukee is home to four Fortune 500 companies and four Fortune 1000 manufacturers. MPS is one of the largest employers in the city.

The unemployment rate was significantly impacted by the COVID-19 pandemic, reaching highs of 15.1%, 14.8% and 14.8% in April 2020 for the city of Milwaukee, state of Wisconsin and United States, respectively. Since that time, the rate has steadily decreased to pre-pandemic levels; as of November 2021, the seasonally unadjusted unemployment rate for the Milwaukee metro area was 2.2%; this compares to 3.0% for the state of Wisconsin and 4.2% for the United States.

The City continues to maintain a high investment grade rating of AA- from Fitch and grade A from Standard & Poor's for the City's most recent 2021 General Obligation Bonds.

COVID-19

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. Wisconsin Governor Tony Evers declared a public health emergency in response on March 12, 2020, announced a closure of all Wisconsin schools on March 13, 2020 and issued a Safer at Home order on March 24, 2020. MPS remained virtual for the remainder of that school year. Students began the 2020-21 school year with remote instruction; full in-person learning returned April 12, 2021, with the option to remain virtual for the remainder of the school year.

The District continued to provide essential services following the closures. Remote learning opportunities were provided to students starting mid-April 2020, with instructional material pickups at the meal sites, establishment of an Online Learning Resources page and distribution of Chromebooks to all students. In addition, MPS immediately began providing meal distribution to students at multiple pick-up sites.

While MPS enrollment has been declining slightly over the past ten years, dropping from 86,949 to 73,657, with average decreases of 1.7% each year, the decreases for the 2020-21 and 2021-22 school years that were affected by the pandemic were more significant. Total enrollment for these years decreased an average of 4.3%. This is consistent with decreases experienced in other districts across the nation. The majority of the decrease for MPS during the pandemic period was in K5 students; total elementary school enrollment decreased an average of 8.6% over this period.

The District has been awarded significant state and federal relief funds through the federal Elementary and Secondary School Emergency Relief (ESSER) Funds and the state Governor's Emergency Education Relief (GEER) grant program. These funds have been used to provide supplies and equipment for remote learning as well as items required for successful return to physical work and instruction (personal protective equipment, sanitation supplies, physical distancing barriers, air purifiers, etc.); additional funds will be used to further support and enhance student health and learning.

MAJOR INITIATIVES

Fiscal year 2020-21 brought unprecedented challenges and changes to MPS. For the first time ever, MPS began the school year providing district-wide virtual learning for all students to help mitigate COVID-19 transmissions. MPS put forth great effort to ensure students maintained access to high-quality learning. Educators took part in professional development to facilitate online learning and shared creative ideas to keep students engaged.

In addition, fiscal year 2020-21 was also the first year of funding and implementation of strategies related to a recurring referendum that was overwhelmingly approved in April 2020. The total amount of this referendum is $87 million, phased in over a four-year period: $57 million in 2020-21 (FY21), $20 million in FY22, $7 million in FY23 and $3 million in FY24. The referendum will provide some much-needed permanent relief from a revenue limit formula that has constrained opportunities for students. The revenue limit per-pupil allocation has remained relatively flat since the 2010–11 school year.

While MPS did not imagine implementing the referendum strategies while individuals worked and learned remotely, the funding came at a perfect time to provide extra support for students by:

- Providing social-emotional learning and supportive services
- Engaging students with library media, art, music, and physical education
- Providing high quality early childhood education
- Expanding advanced academic opportunities, including ethnic studies and the gifted and talented program
- Enhancing career and technical education opportunities
- Attracting and retaining staff

While the federal government has allocated significant funding to help school districts through the pandemic, the funding will be short-lived. The temporary nature of this federal relief funding makes it more difficult to achieve a sustained impact. MPS has made strategic decisions with the use of community input to use this federal funding to support students and staff during the pandemic and beyond. Funds are planned to be used for accelerating learning, health and wellness, facilities, technology and extracurricular engagement.

The district is committed to the success of every child through the Five Priorities for Success:

1) Increase Academic Achievement and Accountability

   The *Ambitious Instruction Plan* was developed to ensure a strong focus on increasing academic achievement for all students in reading, writing and mathematics. The plan, along with the corresponding work plan and professional development roadmap, continued to drive this important work on behalf of MPS students.

2) Improve District and School Culture

   Milwaukee Public Schools is working to enhance the climate and culture in our schools so every student feels that they have a home to learn and achieve. Our students and families appreciate an atmosphere that is positive, staff members who are committed, and a culture in which every child is treated as if they are the most important student in the school. Preparing our students for college, career, and life begins with providing a stable, supportive educational home.

3) Develop our Staff

   Developing staff is a critical factor in successfully educating all students. Recruitment and development was especially challenging 2020-21 due to the COVID-19 pandemic. Efforts in both areas were continued, but new methods were developed and utilized. Ongoing professional development was provided for staff, including continuing and emerging school leaders.

4) Ensure Fiscal Responsibility and Transparency

   The Office of Accountability and Efficiency under the Milwaukee Board of School Directors (Board) works collaboratively with district administration to ensure fiscal responsibility and transparency. This office works

with the Department of Finance to develop a five-year financial forecast, which is presented to the Board as part of the annual budget process. In addition, Audit Services conducts performance and financial audits to help ensure that the District fully accounts for and performs their activities in a compliant and efficient manner. All audit reports are posted on the MPS website.

The annual budget development is a year-long process that offers many opportunities for community input. The proposed budget is posted on the MPS website to allow for public review and comment. The Five Priorities for Success provide focus for allocation of resources to maximize learning for all students. The budget emphasizes student-centered alignment of resources and an organizational structure that supports schools and classrooms. Funding continues to be intentionally shifted to the school level to support teaching practices and student success.

5) Strengthen Communication and Collaboration

The district remains committed to increasing meaningful family and community engagement through a variety of avenues. The Office of Communications and School Performance has been instrumental in accomplishing this goal. Resources were created to support family involvement, including parent guides in reading, writing and mathematics; a Parent's Guide to Assessments; and MPS Reads monthly reading lists. Participation has increased in MPS Alumni events and opportunities and involvement in parent engagement including District Advisory Council (DAC) membership.

Actions taken under these Priorities helped the district realize the following achievements, which align with and help the district move towards meeting the three overarching goals in the areas of academic achievement, student, family and community engagement and effective and efficient operations:

<u>Goal 1: Academic Achievement</u>

Despite remote learning through most of 2020-21, MPS remained committed to academic achievement for our students:

- Delivered virtual Summer Academy learning programs.
- Offered Head Start program summer activities, including supporting children learn through Google Classroom.
- Continued implementation of the MPS Montessori Strategic Plan and the Bilingual Strategic Plan.
- Offered a new Seal of Biliteracy for high school students who demonstrate proficiency in English and a second language.
- Impacted students through TeachRock, which uses lessons to integrate arts throughout social studies, language arts, science, math and general music. MPS is the first district in the Midwest to utilize this program.
- Added IB Diploma Programme and IB Career-Related Programme to Casimir Pulaski High School's second year of International Baccalaureate (IB) Middle Years Programme.
- Provided virtual winter camp to students over their winter break as an extended learning opportunity through the support of community partners.

<u>Goal 2: Family and Community Engagement</u>

MPS worked with families and the community to engage students during the virtual instruction period and to collect feedback regarding the district's reopening plan:

- Kept families informed through district updates, helplines and a dedicated school reopening website.
- Hosted virtual family engagement sessions to help parents and guardians throughout the school year.
- Provided innovative and upgraded recreational opportunities:
    - Hosted drop-in mobile recreation programs that provided 20-30 minutes of structured play opportunities, along with the opportunity to take equipment for home use.
    - Distributed over 4,000 toys and games via the Mobile Recreation program.
    - Reopened four renovated recreation sites as part of Milwaukee Recreation's citywide playfield revitalization project (Columbia, Custer, Southgate and Clovernook).
    - Provided childcare programs in approximately 50 locations for grades K5-12 that supported virtual learning.
- Enhanced bilingual learning opportunities through providing online books and other learning activities in English and Spanish and by creating a Bilingual Task Force and developing pathways towards a Wisconsin teaching license and bilingual certification to fill MPS's need for additional bilingual educators.

- Accelerated digital learning at five MPS middle schools through the Verizon Learning Program which provided curriculum, devices and support, including technology coaches at each school for both students and staff.
- Utilized Frog Street for Young Learners, an award-winning at-home curriculum program, to keep families engaged and updated during virtual instruction of younger students.
- Provided produce bags, recipes and online videos featuring cooking instructions and information about the foods provided each week through the Fresh Fruit and Vegetable Program.
- Delivered 310 care packages of enrichment and sports activities to adaptive athletics participants.
- Provided a paid summer internship in arts-related positions for high-school students through the Arts Internship Program. The program and host organizations created a hybrid curriculum that combined virtual and in-person work during the pandemic.

Goal 3: Effective and Efficient Operations

While the 2020-21 school year began with virtual learning, MPS continued to work towards improving operational effectiveness:

- Launched the new school year with virtual professional development for the Annual New Educator Institute.
- Provided extensive professional development for educators to facilitate online learning and sharing of creative ideas to keep students engaged.
- Expanded onboarding protocols and professional learning opportunities to help retain new staff.
- Expanded times and added meal sites for the Stop, Grab & Go program and offered weekend meal bundles for children.
- Provided Chromebooks to students and wireless hotspots if needed for students' home use for online learning.
- Used a drive-through model to limit in-person contact for early childhood and summer learning instructional materials, staff recruitment, flu vaccinations, distribution of personal protective equipment and sanitization supplies to Milwaukee day care centers and packet pick-up for the virtual Run Back to School event.
- Installed high-efficiency particulate air (HEPA) fan/filtration systems in all classrooms and shared spaces.
- Replaced eight aquatic controllers throughout the district to improve efficiency of chemical use and communication regarding swimming pool operations.
- Implemented a paperless, online student–athlete eligibility registration system, replacing the need for 10 paper forms per athlete.
- Earned the Certificate of Achievement in Excellence in Financial Reporting from the Government Finance Officers Association and the Meritorious Budget Award from the Association of School Business Officials International.

LONG-TERM FINANCIAL PLANNING

The district is focused on improving its core business of educating Milwaukee's children. By determined focus on its core mission, the district intends to earn the support of the Milwaukee community and key stakeholders who will join us in ensuring that students in Milwaukee Public Schools receive excellent preparation for their futures. Specific strategies to guard the district's financial viability are as follows:

1. By providing a variety of quality educational environments, sensitive to the demand that families are demonstrating in their choices, MPS intends to maintain or grow its enrollment in order to have the most positive effect on the city's children.
2. By continuing to build business and other community partnerships, MPS is leveraging talents and donations (financial and "in-kind") that are available from people who demonstrate care for the city's children.
3. As a school district, our success is entirely dependent on the day-to-day work of staff. Careful recruitment and hiring, well-researched professional development, and competitive compensation will enable talents to be deployed at all levels.
4. Disciplined budgeting and spending will continue to ensure that the district's fund balance is preserved, and that debt is at a manageable level for the amount of revenues received by MPS. Forecasts are developed to adequately prepare for predictable ebbs and flows of resources, and expenditures are authorized to the level of available revenues. Expenditure monitoring and adjustment is part of the culture of MPS, with school and Central Service leaders accountable for managing the resources in their scope of responsibility. An internal audit division is in place to guard against fraud or waste of the funds entrusted to MPS's care.

5. Through its commitment to fully funding other post retirement benefits (OPEB) liabilities by 2037, the District is fulfilling its long-term obligations in a strategic and efficient manner.
6. By expanding deferred maintenance funding through use of the Long Term Capital Improvement Trust Fund, the District is ensuring that its facilities remain safe and effective teaching and learning environments.
7. A proactive and enterprise–wide risk management strategy is in place to limit financial exposures for the district.
8. The district has a formal process of setting priorities for lobbying. Since public school districts are funded primarily through governmental funds, the Board, superintendent, and others work in concert to make sure legislators are aware of the special challenges of providing education in a high-poverty urban setting.
9. The administration is actively seeking ways to improve the efficiency and effectiveness of operations. MPS looks to other school districts and other industries for best-practice methodologies that will allow for meeting the needs of students with available resources.

Strong efforts in community engagement and communications are planned to ensure that parents and other stakeholders are fully participating with MPS schools to meet the challenges of guaranteeing access, equity and opportunity for Milwaukee's children. The administration will continue to budget conservatively so as to have resources available when unexpected costs are incurred.

ACCOUNTING SYSTEM

The diverse nature of governmental operations and the necessity of assuring legal compliance preclude recording and summarizing all governmental financial transactions in a single accounting entity. Therefore, from a financial management viewpoint, a governmental unit is a combination of several distinctly different accounting entities, each having a separate set of accounts and functioning independently of each other. Each accounting entity is accounted for in a separate fund. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The District's financial records are reported on a modified accrual basis of accounting except for pension and other post employment benefit (OPEB) trust funds. Revenues are recognized when measurable and available, expenditures when goods or services are received, liabilities when incurred, and receivables when a legal right to receive exists.

Management of the District is responsible for establishing and maintaining internal controls designed to ensure the assets of the District are protected from loss, theft, or misuse and to ensure that reliable and adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Internal accounting controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

BUDGETARY CONTROL

Annual appropriated budgets are adopted for the general, special revenue and debt service funds by June 30th each year. Budgets are adopted for the capital projects fund on a project-length basis. Budgets are considered a management control and planning tool and, as such, are incorporated into the accounting system of the District.

In accordance with the Wisconsin Department of Public Instruction's reporting requirements, the Board exercises control over budgeted amounts at the responsibility center level within the general, special revenue, and debt service funds. The capital projects fund is controlled at the project level. Additional budgetary control is maintained through the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Purchase orders that exceed available budgetary balances are not released until additional funds are transferred to cover the purchase orders.

Board policy requires that all annual appropriations lapse at year-end except for the following: excess budgetary authority for capital projects funds lapse into the capital projects fund when a specific project is completed; schools, with Board approval, are allowed to carry over appropriations into the following year up to a maximum of 1% of the total revised school budget; deficits incurred by schools automatically reduce subsequent year's budget appropriations; and, with Board approval, appropriations for special projects or planned purchases can be carried into the subsequent year. Additionally, at year-end, both encumbrance and budgetary authority necessary to offset the encumbrance may be automatically carried over to the next year. Annual Board approval for carryover of encumbrances is not required.

AUDIT SERVICES

To strengthen internal control, and provide for independent and objective reporting, the Board of School Directors maintains the audit function. The Office of Board Governance - Audit Services reports directly to the Board of School Directors. During the course of the year, the Office of Board Governance - Audit Services conducts fiscal and performance audits on individual funds, offices, divisions, programs, functions, and schools throughout the District. Reports are issued on an ongoing basis.

FINANCIAL POLICIES

The Board and administration have adopted policies and procedures that ensure effective and efficient use of the district's financial resources.

The following are key policies that ensure sound fiscal management:

MPS Administrative Policy 3.01 (1)
(a) The superintendent of schools shall prepare an annual operating budget for the Milwaukee Public Schools consistent with state statutes, Department of Public Instruction regulations, and district policies and goals.
(b) The purpose of the annual operating budget is to identify adequate financial resources for the educational programs and to provide a basis for accountability in fiscal management.

MPS Administrative Policy 3.01 (2) (a)
The following deadlines have been established by law:

1. Annually before adopting its budget for the next fiscal year and at least five days before transmitting its completed budget, the board shall hold a public hearing on the proposed budget.
2. At least one week before the public hearing, the board will publish a notice of the public hearing.
3. The board shall transmit its completed budget to the Common Council on or before the first Monday in August of each year on forms furnished by the auditing officer of the City of Milwaukee.

MPS Administrative Policy 3.03 (2)
Use of the unassigned fund balance shall require a two-thirds majority vote of the board and shall not impair interim financing (cash-flow borrowing) arrangements. Fund balance is a critical factor in the district's financial planning and budget process. The board will strive to maintain a fiscally responsible fund balance. A sufficient fund balance shall be maintained in order to:

- avoid excessive borrowing;
- accumulate sufficient assets to make designated purchases or cover unforeseen expenditure needs; and
- demonstrate financial stability and therefore preserve or enhance the district's bond rating, thereby lowering debt issuance costs.

DEBT ADMINISTRATION

The City school bonds, notes and capital lease obligations outstanding at June 30, 2021 totaled $348,390,333. Of this total, $421,080 represents school bonds and notes that will be repaid by the City using the City's property tax levy. As the District does not have an obligation to repay these bonds and notes from its own property tax levy, the debt is not reflected in the District's long-term obligations. The remaining balance of $347,969,253 represents bonds, promissory notes and capital leases, the debt service of which is being reimbursed by the District from the District's property tax levy and pledged revenues. Since the District does have an obligation to repay this debt under intergovernmental cooperation agreements with the City, this debt is reflected in the District's long-term obligations.

INDEPENDENT AUDIT

The financial records of the Milwaukee Board of School Directors have been audited by Baker Tilly US, LLP, independent auditors. The auditors' opinion is unmodified. Such an opinion states the basic financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2021, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America. The auditors' report on the basic financial statements and schedules is included in the financial section of this report.

In addition to a financial audit, Baker Tilly US, LLP performed an audit designed to meet the requirements of the Uniform Guidance and the state single audit guidelines. Information related to federal and state single audits are disclosed in separate reports.

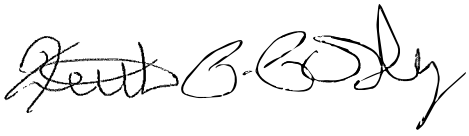
REPORTING ACHIEVEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Milwaukee Public Schools for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. We believe that our current report conforms to the Certificate program requirements. Accordingly, we are submitting it to GFOA to determine its eligibility for certification.

ACKNOWLEDGMENTS

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated service of the entire staffs of the Office of Chief Financial Officer, the Office of Board Governance - Audit Services and the Office of Accountability and Efficiency. We would like to express our appreciation to all members of these offices who assisted and contributed to its preparation.

Respectfully submitted,



DR. KEITH P. POSLEY
SUPERINTENDENT OF SCHOOLS



MARTHA KREITZMAN
CHIEF FINANCIAL OFFICER

BOARD OF SCHOOL DIRECTORS

DISTRICT	NAME	TERM EXPIRES
1	Marva Herndon	April, 2023
2	Erika Siemsen	April, 2023
3	Sequanna Taylor	April, 2023
4	Aisha Carr	April, 2025
5	Jilly Gokalgandhi	April, 2025
6	Marcela (Xela) Garcia	April, 2025
7	Henry Leonard	April, 2025
8	Megan O'Halloran	April, 2023
At-Large	Bob Peterson	April, 2023

President – Bob Peterson
Vice President – Sequanna Taylor
Superintendent of Schools – Dr. Keith P. Posley
Chief, Office of Board Governance/Board Clerk – Jacqueline M. Mann, Ph.D.

STANDING COMMITTEES

STUDENT ACHIEVEMENT AND SCHOOL INNOVATION COMMITTEE
Directors Siemsen (Chair), Garcia (Vice-chair), Carr, Gokalgandhi, Leonard

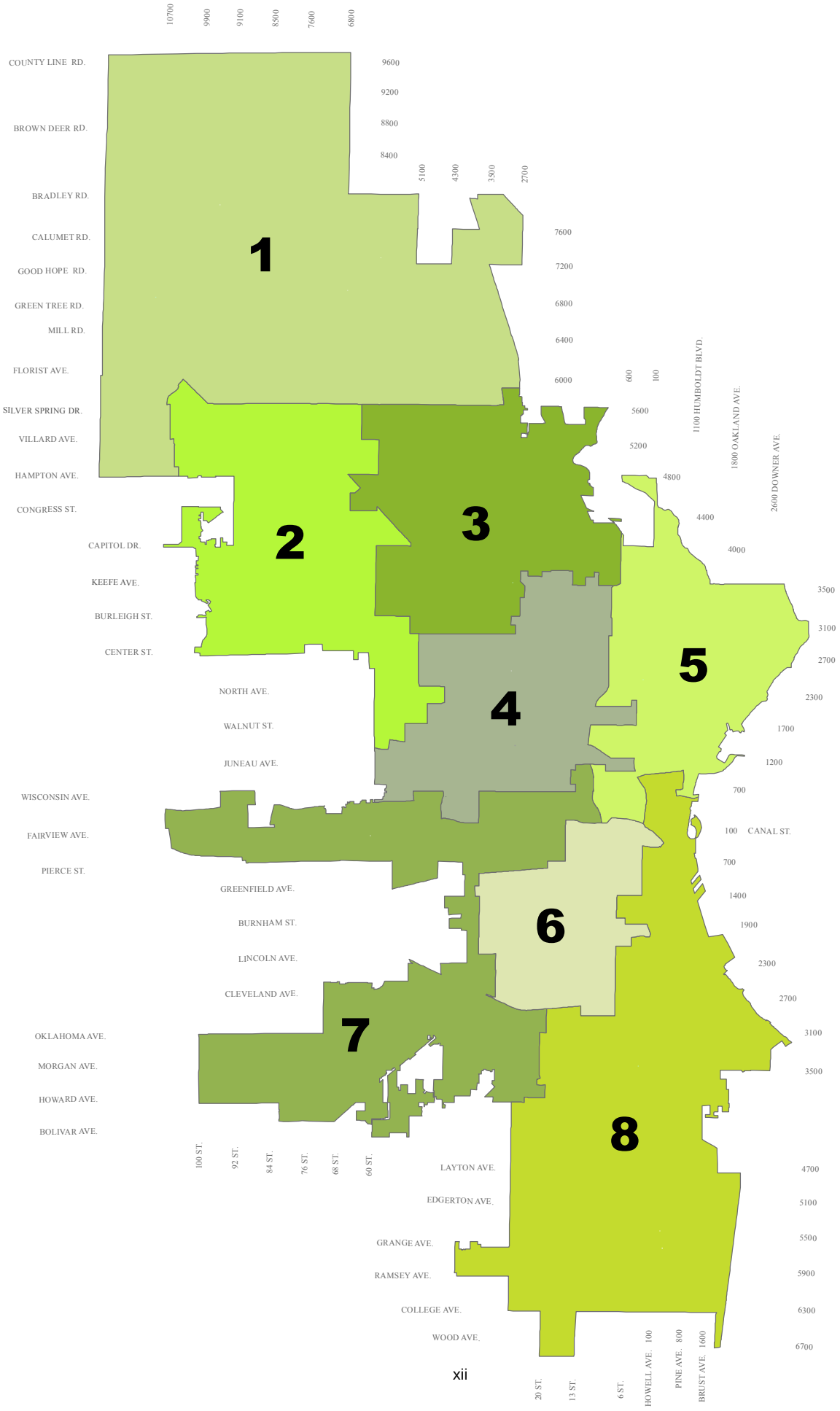
LEGISLATION, RULES AND POLICIES COMMITTEE
Directors Peterson (Chair), Gokalgandhi (Vice-Chair), Leonard, Siemsen, Taylor

ACCOUNTABILITY, FINANCE AND PERSONNEL COMMITTEE
Directors Herndon (Chair), Carr (Vice-chair), O'Halloran, Peterson, Taylor

STRATEGIC PLANNING AND BUDGET COMMITTEE
Directors O'Halloran (Chair), Leonard (Vice-chair), Carr, Garcia, Gokalgandhi, Herndon, Peterson, Siemsen, Taylor

PARENT AND COMMUNITY ENGAGEMENT COMMITTEE
Directors Taylor (Chair), O'Halloran (Vice-chair), Carr, Leonard, Siemsen

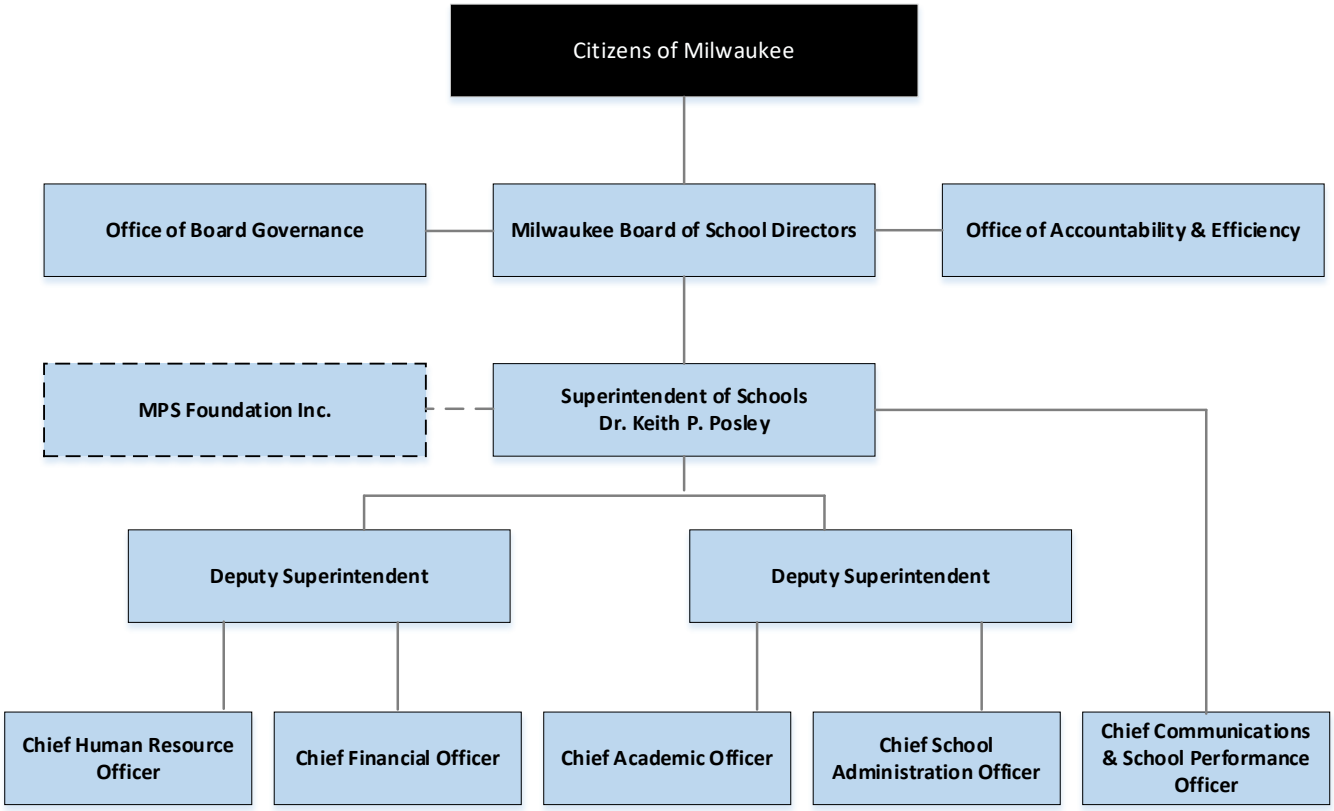
MILWAUKEE SCHOOL BOARD DISTRICTS



MILWAUKEE PUBLIC SCHOOLS

ADMINISTRATIVE OFFICERS

SUPERINTENDENT OF SCHOOLS	Mr. Keith P. Posley, Ed.D.
Deputy Superintendent	Mr. Calvin Fermin
Deputy Superintendent	Vacant
Chief Academic Officer	Ms. Jennifer Mims-Howell
Chief Human Resources Officer	Ms. Adria Maddaleni, J.D.
Chief Financial Officer	Ms. Martha Kreitzman
Chief School Administration Officer	Ms. Katrice Cotton, Ed.D.
Chief Communications & School Performance Officer	Ms. Marla Bronaugh


Citizens of Milwaukee
Office of Board Governance
Milwaukee Board of School Directors
Office of Accountability & Efficiency
MPS Foundation Inc.
Superintendent of Schools
Dr. Keith P. Posley
Deputy Superintendent
Deputy Superintendent
Chief Human Resource Officer
Chief Financial Officer
Chief Academic Officer
Chief School Administration Officer
Chief Communications & School Performance Officer

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Milwaukee Public Schools for the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Milwaukee Public Schools
Wisconsin

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Milwaukee Public Schools
Milwaukee, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Milwaukee Public Schools, Wisconsin, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Milwaukee Public Schools' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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To the Board of Directors
Milwaukee Public Schools

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Milwaukee Public Schools, Wisconsin, as of June 30, 2021 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, Milwaukee Public Schools adopted the provisions of GASB Statement No. 84, *Fiduciary Activities,* effective July 1, 2020. As discussed in Note 14, beginning net position and fund balance were restated for the implementation of the standard. Our opinions are not modified with respect to this matter.

Other Matters

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, 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 Milwaukee Public Schools' 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.

To the Board of Directors
Milwaukee Public Schools

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Milwaukee Public Schools' basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will issue a report on our consideration of Milwaukee Public Schools' 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 Milwaukee Public Schools' 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 Milwaukee Public Schools' internal control over financial reporting and compliance.

Baker Tilly US, LLP

Milwaukee, Wisconsin
December 20, 2021

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INTRODUCTION

This discussion and analysis of the financial performance of Milwaukee Public Schools (MPS or the District) provides an overview of the District's financial activities for the fiscal year ended June 30, 2021. The intent of the management discussion and analysis is to look at the financial performance of MPS as a whole. It should be read in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

The District's government-wide financial statements reflect the following:

- Total net position of MPS increased by $195.3 million, $7.1 million of which is related to the implementation of GASB 84, *Fiduciary Activities*. The remaining increase was due primarily to a $39.9 million increase in cash related to tax levy and aid increases, and changes in pension and other postemployment benefit balances, accounting for $31.7 and $101.9 million increases, respectively.
- Total revenues increased to $1.304 billion in fiscal year 2021 (FY21), up from $1.208 billion in fiscal year 2020, an increase of approximately 7.9% or $95.9 million. Property taxes increased by $45.1 million related to a 2020 referendum and equalization aid increased $15.8 million. Operating grants and contributions also increased by $35.3 million, due primarily to Coronavirus relief funding, offset by a decrease in nutrition funding due to the impact of the COVID-19 pandemic.
- Total expenses decreased to $1.116 billion in fiscal year 2021, down from $1.268 billion in fiscal year 2020, a decrease of 12.0% or $152.3 million. This decrease is due primarily to changes in valuation of pension and OPEB balances, with pension and OPEB net liabilities/inflows increasing by $31.7 million and $101.9 million, respectively. Professional services contract expenses decreased due to COVID-19 related facility and program closures; this was offset by increased employee benefit and medical insurance costs and increased purchases of distance learning-related technology.

The District's governmental fund financial statements reflect the following:

- Total fund balances of the District's governmental funds increased $33.8 million in fiscal year 2021. This increase included a $30.0 million increase in the General Fund, a $19.5 million increase in the Construction Fund, and a $15.7 million decrease in the School Nutrition Fund.
- The $30.0 million increase in the General Fund balance, which includes a $7.1 million increase related to the GASB 84 implementation, is due to an increase in property tax revenues of $42.3 million and state and federal aid revenues of $92.9 million, along with transportation and other expenditure decreases due to COVID-19 related shut-downs, offset by increases in employee salary and benefit costs, distance learning supplies and funding of construction and OPEB trusts.
- The $19.5 million increase in the Construction fund balance is due to a $30 million contribution from the general fund to the construction trust fund, offset by $15.6 million of construction project costs.
- The $15.7 million decrease in the School Nutrition fund balance is primarily attributable to a significant decline in the number of meals served and related federal reimbursement amounts due to COVID-19 related school closures.
- Total fund balances for all governmental funds at June 30, 2021 were $128.2 million. Of this amount, $6.9 million was nonspendable, $32.7 million was restricted for self-insurance, debt service, long term capital investment and capital projects, common school funds and scholarship and other trust funds, $37.2 million was committed for construction, $5.6 million was assigned, and $45.8 million remains unassigned.

OVERVIEW OF THE FINANCIAL STATEMENTS

Below is an outline of the remaining sections of this annual report in the order in which they are presented. Following the outline is a brief description of each section.

1. **Management's Discussion and Analysis (this section)**

2. **Basic Financial Statements**

   - Government-wide Financial Statements
     - Statement of Net Position (Deficit)
     - Statement of Activities
   - Fund Financial Statements
   - Notes to Basic Financial Statements

3. **Required Supplementary Information (RSI)**

   - Budget-to-Actual Comparison
   - Schedule of Proportionate Share of Net Pension Liability/(Asset)
   - Schedule of Pension Employer Contributions
   - Statement of Changes in Net Pension Liability and related ratios
   - Statement of Changes in Net OPEB Liability and related ratios
   - OPEB Schedule of Employer Contributions
   - Schedule of Investment Returns
   - Notes to Required Supplementary Information

Management's Discussion and Analysis section discusses the financial performance of MPS during the year ending June 30, 2021. It includes an overview of the financial statements of the District and a report on the budgetary highlights.

The **Basic Financial Statements** section includes both *Government-wide* and *Fund Financial Statements*. *Government-wide financial statements* report information about MPS as a whole, using accounting methods similar to those used by private sector companies. Two government-wide statements are presented. The **Statement of Net Position** includes all of the District's assets, deferred outflows, liabilities and deferred inflows of the governmental funds. The District does not have any proprietary funds and the fiduciary funds are not included in the statement of net position. The **Statement of Activities** includes all revenues and expenses of the District, irrespective of when cash is actually received or paid out. The intent of these government-wide statements is to present a snapshot of the District's *net position,* and to provide an explanation of material changes that occurred since the prior year. Net position—the difference between assets, deferred outflows, deferred inflows, and liabilities—is one way to measure the District's financial strength.

The *fund financial statements* provide detailed information about the District's significant *funds*, rather than MPS as a whole. A *fund* is an accounting entity with a self-balancing set of accounts for recording assets, deferred outflows, deferred inflows, liabilities, revenues, and expenditures. Funds are created to carry on specific activities or attain certain objectives in accordance with special regulations or limitations. There are three types of funds: governmental, proprietary, and fiduciary. MPS does not have any proprietary funds. Table 1 summarizes various features of each of these funds.

Table 1

Major Features of MPS' Government-wide and Fund Financial Statements

	Government-Wide Statements	Fund Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire MPS entity (not including fiduciary funds)	Activities that are not proprietary or fiduciary; e.g. school operations, capital projects, and debt service	Activities where MPS acts as trustee or agent for another; e.g. employee retirement plans
Required financial statements	- Statement of Net Position - Statement of Activities	- Balance Sheet - Statement of Revenues, Expenditures, and Changes in Fund Balance	- Statement of Fiduciary Net Position - Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resource focus	Modified accrual accounting and current financial resource focus	Accrual accounting and economic resource focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets consumed and liabilities due in the current year, or soon after; no capital assets	All assets and liabilities, both financial and capital, short-term and long-term
Type of inflow/outflow information	All revenues and expenses occurring during the year, regardless when cash is received or paid	Revenues when cash is received by year-end, or soon after; expenditures when goods and services have been received and payment is due by year-end, or soon after	All revenues and expenses occurring during the year, regardless of when cash is received or paid

Governmental Funds — Most of the District's basic services are included in governmental funds, which focus on (1) cash and other financial assets that can readily be converted to cash flow and (2) the balances remaining at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or less financial resources to finance MPS programs in the near future.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information for governmental funds with similar information presented for governmental activities in the government-wide statements. By doing so, the reader can better understand the long-term impact of the District's near-term decisions. To facilitate this comparison, reconciliations are provided for both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances.

Fiduciary Funds — MPS is the trustee, or fiduciary, for its employees' pension plans. The District is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. MPS is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position.

Required supplementary information (RSI) includes a budget-to-actual comparison that provides readers with information about the accuracy with which management was able to project the District's revenue and expenditure categories. In addition, RSI includes information concerning MPS' employee pension plan costs and other post-employment benefits (OPEB) costs. Schedules are included. Schedules show the District's progress toward funding its *past* service liability, employer contributions that focuses on payment of *current* pension fund and OPEB costs, Statement of Changes in the Net Pension and OPEB Liabilities with their respective ratios and Schedule of Investment Returns.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Position (Deficit)

Total net position increased from the prior year by $195.3 million. This increase is due primarily to decreased expenses of $203.1 million related to changes in valuation of pension and OPEB assets, liabilities, deferred inflows and deferred outflows under *GASB Statement No. 68, Accounting for Pensions and GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, and a decrease in transportation costs due to COVID-19 pandemic related facility and program shut-downs, offset by an increase in employee benefit and medical insurance costs.

MPS ended its fiscal year with a net position (deficit) of ($380.0) million, of which $518.2 million was net investment in capital assets, $145.9 million was restricted for pensions, $13.2 million was restricted for self-insurance, debt service, long term capital investment, common school fund and trust funds, and ($1.06) billion was unrestricted deficit. The unrestricted deficit is primarily the result of pension and OPEB balances: $631.7 million net liability and $83.7 million net deferred inflows for OPEB and $647.6 million net liability and $111.0 million net deferred inflows for pension. In November 2003, the MPS Board of School Directors took action to refinance the pension liability, which at that time was owed to the Wisconsin Retirement System. The District issued pension bonds, net of discount, in the amount of $168.1 million to fully fund future employee pension benefits granted through collective bargaining. At June 30, 2021 the balance of the outstanding pension debt is $187.4 million due to principal payments offset by capital appreciation securities which accrete over time.

Table 2

Condensed Statement of Net Position (Deficit)
(in thousands)

	Governmental Activities		
	2021	**2020**	**Difference**
Capital assets, net	$ 664,030	$ 663,482	$ 548
Noncapital assets	436,146	278,222	157,924
Intangible assets	2,671	3,646	(975)
Total assets	1,102,847	945,350	157,497
Deferred outflows of resources	328,259	319,637	8,622
Total assets and deferred outflows of resources	1,431,106	1,264,987	166,119
Current liabilities	156,047	109,342	46,705
Noncurrent liabilities	1,126,889	1,303,887	(176,998)
Total liabilities	1,282,936	1,413,229	(130,293)
Deferred inflows of resources	528,213	427,086	101,127
Total liabilities and deferred inflows of resources	1,811,149	1,840,315	(29,166)
Net position (deficit):			
Net investment in capital assets	518,220	514,612	3,608
Restricted	159,107	91,032	68,075
Unrestricted (deficit)	(1,057,370)	(1,180,972)	123,602
Total net position (deficit)	$ (380,043)	$ (575,328)	$ 195,285

Capital Assets increased by $.5 million. The increase is the net result of Construction in Progress increasing by $.9 million, Buildings increasing by $21.3 million, and Furniture and Equipment increasing by $3.6 million, offset by Accumulated Depreciation increasing by $25.1 million.

The increase in Noncapital Assets of $157.9 million is primarily the result of *GASB Statement No. 68, Accounting for Pensions*. In fiscal year 2021, there is an asset of $145.9 million related to the WRS and ASC Supplemental plans. This represents an increase of $69.4 million from 2020, with the WRS asset increasing from $76.5 million to $141.1 million and the ASC Supplemental asset going from a $4.7 million liability to a $4.8 million asset. The change is also related to an increase in cash of $39.9 million due in large part to property tax referendum funds and an increase in receivables related to grants of $50.0 million due to new coronavirus relief funds and timing of grant expenditures and related revenue claims.

Deferred outflows increased by $8.6 million. This increase is a result of *GASB Statement No. 75, Accounting for Pensions* which accounted for an increase of $39.1 million, offset by decreases of $14.2 million related to GASB *Statement No. 75*, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, and $16.2 million related to deferred cash flow hedges.

Current liabilities increased $46.7 million in the current year. This is due primarily to an increase in accounts payable and other current liabilities of $44.8 million, as well as an increase of $1.9 million in the current portion of long-term liabilities. The increase in accounts payable is due primarily to the $30 million construction trust fund contribution payable from the general to the construction fund. The increase in the current portion of long-term liabilities is related to higher regular debt principal payments.

Noncurrent liabilities decreased $177.0 million. $130.6 million of this decrease is related to *GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* $25.5 million of this decrease is due to *GASB Statement No. 68, Accounting for Pensions.* The remaining decrease is due to regular debt service activity.

Deferred inflows increased by $101.1 million. The increase is due primarily an increase of $102.3 related to *GASB Statement No. 68, Accounting for Pensions*. This was offset by an increase of $14.5 million related to *GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and a decrease of $16.2 million related to derivative instruments.

Statement of Activities

Table 3 shows that on a government-wide basis, the District ended fiscal year 2021 with an increase in net position of $195.2 million, compared to a decrease of $60.1 million in fiscal year 2020.

Table 3

Schedule of Revenues and Expenses
(in thousands)

	Governmental Activities		
	2021	**2020**	**Difference**
Program revenues:			
Charges for services	$ 28,613	$ 29,553	$ (940)
Operating grants and contributions	358,530	323,190	35,340
Capital grants and contributions	9,759	10,410	(651)
Total program revenues	396,902	363,153	33,749
General revenues:			
Property taxes	307,976	262,888	45,088
Other taxes	43	52	(9)
Federal and state aid	597,509	578,780	18,729
Interest and investment earnings	232	883	(651)
Miscellaneous	1,445	2,418	(973)
Total general revenues	907,205	845,021	62,184
Total revenues	1,304,107	1,208,174	95,933
Expenses:			
Instruction	577,232	697,882	(120,650)
Community services	24,073	31,999	(7,926)
Pupil and staff services	211,927	166,272	45,655
General administration	108,924	121,070	(12,146)
Business services	145,039	179,206	(34,167)
School nutrition	31,292	53,891	(22,599)
Interest on long-term debt	17,478	17,947	(469)
Total expenses	1,115,965	1,268,267	(152,302)
Increase (decrease) in net position	188,142	(60,093)	248,235
Net Position (Deficit)-Beginning of Year, restated	(568,185)	(515,235)	(52,950)
Net Position (Deficit)-End of Year	$ (380,043)	$ (575,328)	$ 195,285

The net position for MPS was ($380.0 million) at June 30, 2021, as compared to ($575.3 million) at June 30, 2020, a net increase of approximately $195.3 million, or 33.9%. Changes in balances related to *GASB Statement No. 68*, *Accounting for Pensions* and *GASB Statement No. 75*, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* accounted for an increase of $133.6 million. An additional $20 million of the increase is related to additional property tax revenues related to year two of the April 2020 referendum.

Total revenues increased $95.9 million or 7.9% over the prior year. The most significant changes came in the areas of Property taxes, State Aid, Operating grants and Nutrition. Property tax revenues increased by $45.1 million, due to higher property values and tax rates, along with an increase of $20 million for year two of the new voter-approved referendum. State Equalization Aid increased $15.8 million. Operating grants related to instruction increased $69.7 million, largely due to $51.8 million of coronavirus relief funding. Nutrition operating grants decreased by $28.6 million due primarily to a decrease in federal meal reimbursements related to COVID-19 facility closures.

Total expenses decreased by $152.3 million, or 12.0%. This decrease is attributable to changes in Pension and OPEB balances, leading to a net decrease of Pension and OPEB-related expenses of $203.1 million. This decrease was offset by increased expenses related to employee benefits and medical insurance costs, along with significant purchases of educational technology items for distance learning purposes.

Capital Assets

Table 4 shows that at June 30, 2021 MPS had $1.390 billion in capital and intangible assets including Land, Construction in Progress, Buildings, Leasehold Improvements, Furniture and Equipment, and Software. This amount represents a net increase of $26.5 million from the previous year. This increase is due primarily to building activities, including Buildings and Construction in Progress, which increased by a net amount of $22.2 million.

More detailed information can be found in Note 5 and Note 5A to the District's financial statements.

Table 4

Change in Capital and Intangible Assets
(in thousands)

	Beginning balance	Increases	Decreases	Ending balance
Governmental activities:				
Capital and intangible assets:				
Land	$ 30,450	$ —	$ 98	$ 30,352
Construction in progress	2,694	25,022	24,143	3,573
Buildings	1,207,343	24,143	2,815	1,228,671
Leasehold improvements	12,219	—	—	12,219
Furniture and equipment	60,531	3,823	261	64,093
Software	50,728	2,127	1,274	51,581
Total capital and intangible assets	1,363,965	55,115	28,591	1,390,489
Accumulated depreciation and amortization	(696,837)	(29,084)	(2,133)	(723,788)
Total Capital and intangible assets, net	$ 667,128	$ 26,031	$ 26,458	$ 666,701

Long-term Debt

Long-term debt, net of premiums and discounts at June 30, 2021 was $348.0 million with debt retirements and premium/discount amortization totaling $18.0 million.

Table 5

Change in Long-term Debt and Capital Lease Obligations
(in thousands)

	July 1, 2020	Issuances	Retirements	June 30, 2021
Governmental activities:				
Neighborhood School Initiative bonds	$ 30,567	$ —	$ 9,240	$ 21,327
Qualified School Construction Bonds	24,634	—	3,347	21,287
Pension refinancing debt	187,969	—	580	187,389
Capital leases	117,760	—	3,781	113,979
Other intergovernmental debt	5,033	—	1,046	3,987
Total debt	$ 365,963	$ —	$ 17,994	$ 347,969

The Neighborhood School Initiative (NSI) debt is part of a state of Wisconsin-sponsored program intended to increase the capacity and improve the quality of Milwaukee's neighborhood schools. The outstanding debt is in the form of revenue bonds issued by the Redevelopment Authority of the City of Milwaukee on behalf of MPS, and is secured through bond insurance and a moral obligation pledge by the state of Wisconsin. A total of $112,040,000 of NSI debt was issued, with the first tranche issued in February 2002 (Series 2002A) in the amount of $33,300,000, and the second tranche sold on November 5, 2003 (Series 2003A) in the amount of $78,740,000. On February 1, 2007 MPS completed an advance refunding of $29,260,000 of the second tranche (Series 2003A) and also retired $5.1 million of bonds from that same tranche. On May 6, 2013, the District, through RACM, issued $45,570,000 of Refunding Revenue Bonds for a current refunding of Series 2002 and Series 2003 bonds callable on August 1, 2013. This resulted in a $6.4 million gain for the district over the life of the refunded debt. On June 29, 2017, the District, through RACM, issued $29,095,000 of Refunding Revenue Bonds for a current refunding of $31,865,000 of Series 2007 bonds callable on August 1, 2017. This resulted in a $3.0 million gain for the district over the life of the refunded debt. Approximately $9.2 million of NSI debt was retired in fiscal year 2021.

In December 2003, the city of Milwaukee, in connection with an intergovernmental cooperation agreement, issued $168,051,136 in bonds on behalf of the District to refund pension-related debt for the Wisconsin Retirement System totaling $165,505,293. In June 2006, MPS spent $5.9 million to retire $8.5 million of face value pension-related capital appreciation notes. The fiscal year 2021 ending balance is greater than the beginning balance given a portion of the District's pension debt is in the form of capital appreciation securities which appreciate each year.

On June 30, 2015, the District entered into $38,000,000 of new capital lease obligations to fund major modifications/improvements at various school facilities, the complete demolition and construction of a new athletic facility at South Stadium, and the complete modernization of the athletic facility at Custer Stadium.

The financing vehicle for the capital lease was lease revenue bonds, designated as Qualified School Construction Bonds (QSCB), issued through the Redevelopment Authority of the City of Milwaukee (RACM). Of note, under current law, the interest on the $38.0 million of capital leases is partially reimbursed to the District by the federal government.

In fiscal year 2017 (December 1, 2016 and June 29, 2017) the District entered into $56,185,000 of new capital lease obligations to fund Energy Efficiency improvements, Culinary Academies, and Art Academies at various school facilities. The financing vehicle for the capital lease was lease revenue bonds issued through the Redevelopment Authority of the City of Milwaukee (RACM). $1,470,000 of the new leases were designated as Qualified Zone Academy Bonds (QZAB), tax credit bonds with interest on the debt paid by the IRS via tax credits to the lender, $6,275,000 of the new leases were designated as Qualified Energy Conservation Bonds (QECB), with interest partially reimbursed to the District by the federal government under current law.

On December 28, 2017, the District entered into $34,933,000 of new capital lease obligations to fund major modifications/improvements at various school facilities. The financing vehicle for the capital leases were two tranches of lease revenue bonds issued through the Redevelopment Authority of the City of Milwaukee (RACM). One tranche was $10,000,000 of the new leases that were designated Qualified School Construction Bonds (QSCB), tax credit bonds with interest on the debt paid by the IRS via tax credits to the lender. The second tranche was $24,933,000 of the new leases that were also designated Qualified School Construction Bonds (QSCB), tax credit bonds with interest on the debt partially paid by the IRS via tax credits to the lender.

Additional information is provided in Table 5 on the previous page, and in note 7 to the District's financial statements.

FUND FINANCIAL STATEMENTS

Milwaukee Public Schools has three major funds reported on the governmental fund statements. The major funds are the General Fund, School Nutrition Services Fund, and the Capital Projects Construction Fund.

- The year-end General fund balance increased $30.0 million from the prior year. The increase is due in large part to higher property tax revenues of $42.7 million related to the new referendum as well as increases in tax rates and property values and increased federal aid of $59.4 million due primarily to coronavirus relief funding. These revenue increases were offset by expenditure increases for employee benefit and medical insurance costs.
- The $19.5 million increase in the Construction fund balance is the result of $30.0 million funding of the construction trust fund offset by construction project expenses.
- The $15.7 million decrease in the School Nutrition fund balance is primarily attributable to decrease in federal meal reimbursements due to the closure of District schools and suspension of in-person meal service due to the COVID-19 pandemic. The District continued to provide food and meal distribution during this time; however, the number of meals served declined significantly.

NOTES TO BASIC FINANCIAL STATEMENTS

The notes to the basic financial statements supplement the basic financial statements by providing detailed descriptions of the District's significant accounting policies and presenting data that identifies changes that occurred throughout the year.

BUDGETARY HIGHLIGHTS

Annual budgets are prepared on a basis consistent with accounting principles generally accepted in the United States of America for the general, construction, and other non-major governmental funds. Annual unencumbered appropriations lapse at fiscal year-end.

In May 2020, the MPS Board of School Directors (the Board) adopted the District's fiscal 2021 budget (July 1, 2020 – June 30, 2021). By necessity, the adopted budget used a *projection* of the fiscal 2021 student enrollment. In October 2020, the Board amended the budget to take into account the *actual* student enrollment as measured on the third Friday in September 2020, as required by Wisconsin State Statute. The October amendment process is important to MPS in that its two principal revenue sources, state general aids and property taxes, are predicated on actual MPS enrollment.

The October adjustment process also incorporates all other changes in revenue and expenditure projections that result from having current information. The adopted budget, as amended, becomes the District's final budget.

In October 2020, the Board approved a revised fiscal year 2021 (FY21) General Fund expenditure budget in the amount of $1,603,738,198. This amount included prior year encumbrances and carryover authority.

Actual General Fund expenditures for fiscal year 2021 were 72.6% of the year's revised General Fund budget.

Current Economic Facts and Next Year's Budget

In October 2021, the MPS Board approved a revised FY22 General Fund budget of $2,097,707,582. The FY22 budget includes prior year encumbrances and carryover appropriation authority and is up 55.2% from the FY21 General Fund Budget.

The District's revenue limit for FY21 is $889,732,340, a $33.2 million or 3.9% increase over FY21. The FY22 revenue limit is based on prior year revenues, three-year enrollment trends and other factors determined by the biennial state budget process. The increase is due primarily to a new multi-year operational referendum passed on April 7, 2020, with an impact to the FY22 operating budget of $20 million and $25.6 million for declining enrollment.

State general aids, primarily equalization aid, increased 6.6% to $605,289,329. Equalization aid is based on the following: (1) expenditures and enrollment of the prior year, (2) district property values, which the State considers to be a measure of community wealth. The MPS aid required for Milwaukee Parental Choice Program (MPCP) in FY22 is $18.9million.

The MPS District-Wide FY22 Amended Adopted Budget totals $2,076,282,042 This is 54.6% more than the FY21 Amended Adopted Budget of $1,343,360,782. This increase is due primarily to $770 million of multi-year federal Elementary and Secondary School Emergency Relief funding, in addition to $20.0 million from year two of the operating referendum passed in April 2020.

Approximately 91 cents of every dollar budgeted in the School Operations Fund has been allocated for educating the City of Milwaukee children. Education is provided through MPS traditional schools, open enrollment or with MPS contracted (charter and partnership) schools. Six cents of every dollar budgeted has been allocated for non-school-based staff and services. The remaining three cents of every dollar are for costs that are necessary to run schools such as utilities, insurance, technology licenses and debt repayment.

District total enrollment, based on Third Friday September 2021 counts, is 73,657. This is down 4.9% from September 2020. Enrollment in the District's Traditional, Charter, and Non-Instrumentality Charter Schools enrollment is down 5.1% from FY21 to FY22.

The 2021-22 Budget reflects the district's ongoing commitment to fiscal responsibility and an emphasis on student achievement. Elementary and Secondary School Emergency Relief resources have been allocated to meet high need areas impacted by the COVID-19 pandemic, including accelerating learning, health and wellness, facilities, technology and extracurricular engagement.

REQUESTS FOR INFORMATION

This financial report is designed to provide citizens, taxpayers, parents, students, investors, and creditors with a general overview of MPS' finances and to demonstrate the District's accountability for the funds it receives. If you have questions about this report or need additional financial information, you can contact:

Milwaukee Public Schools
Office of Finance
5225 West Vliet Street
Milwaukee, WI 53208
Or visit our website at: www.milwaukee.k12.wi.us

MILWAUKEE PUBLIC SCHOOLS

Statement of Net Position (Deficit)

As of June 30, 2021

	Governmental Activities
Assets and Deferred Outflows of Resources	
Current Assets:	
Cash and investments (note 2)	$ 134,913,368
Accounts receivable, net (note 3)	10,924,892
Due from other governments (note 3)	110,497,011
Inventory and other assets (note 1(g))	1,622,075
Prepaid items (note 1(g))	26,852
Total current assets	257,984,198
Noncurrent assets:	
Restricted cash and investments (note 1(d), note 2)	29,917,207
Deposits for self-insurance (note 1(l))	2,353,871
Capital assets not being depreciated (note 5)	33,924,594
Capital assets being depreciated, net (note 5)	630,104,997
Intangible assets being amoritized, net (note 5A)	2,670,606
Restricted net pension assets WRS (note 9)	141,075,767
Restricted net pension assets ASC Supplemental (note 9)	4,815,085
Total noncurrent assets	844,862,127
Deferred outflows of resources:	
Deferred loss on refunding	162,914
Deferred cash flow hedges - unrealized loss on derivatives (note 7)	56,441,000
Related to pension - WRS (note 9)	222,322,107
Related to pension - ERS (note 9)	33,288,150
Related to pension - ASC & Teachers Supplementals (note 9)	680,651
Related to OPEB (note 10)	15,364,664
Total assets and deferred outflows of resources	1,431,105,811
Liabilities and Deferred Inflows of Resources	
Current liabilities:	
Accounts payable and other current liabilities	126,104,939
Accrued interest payable on long-term liabilities	493,481
Current portion of long-term obligations (note 7)	29,448,850
Total current liabilities	156,047,270
Noncurrent liabilities:	
Noncurrent portion of long-term obligations (note 7)	965,102,400
Net Pension Liability - ERS (note 9)	129,847,000
Net Pension Liability - Teachers Supplementals (note 9)	31,939,883
Total noncurrent liabilities	1,126,889,283
Deferred inflows of resources:	
Deferred gain on refunding	45,376
Deferred revenue	5,314,084
Derivative instruments liability (note 7)	56,441,000
Related to pension - WRS (note 9)	310,216,494
Related to pension - ERS (note 9)	23,405,000
Related to pension - ASC & Teachers Supplementals (note 9)	33,679,383
Related to OPEB (note 10)	99,111,730
Total liabilities and deferred inflows of resources	1,811,149,620
Net Position (Deficit)	
Net investment in capital assets (note 1(p))	518,219,631
Restricted for debt service	1,613,969
Restricted for pensions	145,890,852
Restricted for self-insurance deposits	2,353,871
Restricted for long term capital investment fund	8,854,994
Restricted for common school fund	295,666
Restricted for trust funds	97,635
Unrestricted (Deficit)	(1,057,370,427)
Total net position (deficit)	$ (380,043,809)

See accompanying notes to basic financial statements.

MILWAUKEE PUBLIC SCHOOLS

Statement of Activities

For the Year Ended June 30, 2021

Functions/programs	Expenses	Program revenues: Charges for services	Program revenues: Operating grants and contributions	Program revenues: Capital grants and contributions	Net (expenses) revenues and changes in net position
Governmental activities:					
Instruction	$ 577,232,278	23,107,751	312,546,496	9,758,721	(231,819,310)
Support services:					
Community services	24,073,540	665,023	2,632,991	—	(20,775,526)
Pupil and staff services	211,926,977	—	20,741,651	—	(191,185,326)
General, administration, and central services	108,924,396	—	—	—	(108,924,396)
Business services	145,038,456	4,800,263	7,762,360	—	(132,475,833)
School nutrition services	31,291,852	39,792	14,847,034	—	(16,405,026)
Interest on long-term debt	17,477,779	—	—	—	(17,477,779)
Total support services	538,733,000	5,505,078	45,984,036	—	(487,243,886)
Total school district	$ 1,115,965,278	28,612,829	358,530,532	9,758,721	(719,063,196)

General revenues:	
Taxes:	
Property taxes levied for general purposes	267,168,599
Property taxes levied for construction	4,636,466
Property taxes levied for debt service	8,945,336
Property taxes levied for community services	27,225,000
Other taxes	42,848
Federal and state aid not restricted to a specific purpose:	
General (equalization aid)	536,097,290
Other	61,412,045
Miscellaneous	1,445,247
Interest and investment earnings	231,802
Total general revenues	907,204,633
Change in net position	188,141,437
Net position—Beginning of Year (deficit), restated (note 14)	(568,185,246)
Net position—Ending of Year (deficit)	$ (380,043,809)

See accompanying notes to basic financial statements.

MILWAUKEE PUBLIC SCHOOLS

Balance Sheet

Governmental Funds

As of June 30, 2021

Assets	General	Capital Projects Construction	Special Revenue School Nutrition Services	Nonmajor governmental funds	Total governmental funds
Deposits with the City of Milwaukee and other cash (note 2)	$ 126,374,799	8,538,569	—	—	134,913,368
Receivables, net:					
Accounts (note 3)	10,724,779	200,113	—	—	10,924,892
Due from other governmental units (note 3)	102,288,408	—	626,841	7,581,762	110,497,011
Due from other funds (note 4)	8,959,042	30,947,452	—	—	39,906,494
Total receivables	121,972,229	31,147,565	626,841	7,581,762	161,328,397
Restricted cash and investments (note 1(d))	2,107,450	27,809,757	—	—	29,917,207
Inventories and other assets (note 1(g))	1,622,075	—	—	—	1,622,075
Prepaid items (note 1(g))	26,852	—	—	—	26,852
Deposits for self-insurance (note 1(l))	2,353,871	—	—	—	2,353,871
Total assets	$ 254,457,276	67,495,891	626,841	7,581,762	330,161,770
Liabilities, Deferred Inflows of Resources and Fund Balances/(Deficits)					
Liabilities:					
Accounts payable	$ 95,959,295	2,236,991	750,155	59,054	99,005,495
Accrued salaries and wages	5,593,724	—	—	—	5,593,724
Accrued claims for self-insurance (note 8)	17,661,031	—	—	—	17,661,031
Accrued pension payable (note 9)	3,601,998	—	234,991	—	3,836,989
Other accrued expenditures	7,700	—	—	—	7,700
Due to other funds (note 4)	29,699,381	—	4,489,339	5,717,774	39,906,494
Total liabilities	152,523,129	2,236,991	5,474,485	5,776,828	166,011,433
Deferred inflows of resources (note 1(o))					
Unavailable revenue	28,851,840	—	735	1,802,945	30,655,520
Unearned revenue	5,089,832	200,000	22,263	1,989	5,314,084
Total deferred inflow of resources	33,941,672	200,000	22,998	1,804,934	35,969,604
Fund balances/(deficits):					
Non-Spendable:					
Noncurrent Receivable	356,795	—	—	—	356,795
Inventories and other assets	1,622,075	—	—	—	1,622,075
Prepaid items	26,852	—	—	—	26,852
Nutrition	4,870,642	—	-	—	4,870,642
Restricted:					
Self-insurance deposits	2,353,871	—	—	—	2,353,871
Debt service	2,107,450	—	—	—	2,107,450
Restricted for capital projects	—	18,954,763	—	—	18,954,763
Long Term Capital Investment Fund	—	8,854,994	—	—	8,854,994
Common School Funds	295,666	—	—		295,666
Scholarship and Other Trust funds	97,635	—	—	—	97,635
Committed:					
Construction	—	37,249,143	—	—	37,249,143
Assigned for 2022 budget appropriation	5,614,247	—	—	—	5,614,247
Unassigned	50,647,242	—	(4,870,642)	—	45,776,600
Total fund balances/(deficits)	67,992,475	65,058,900	(4,870,642)	—	128,180,733
Total liabilities, deferred inflows of resources and fund balances/(deficits)	$ 254,457,276	67,495,891	626,841	7,581,762	330,161,770

See accompanying notes to basic financial statements.

MILWAUKEE PUBLIC SCHOOLS

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position (Deficit)

As of June 30, 2021

Total fund balances—governmental funds			$ 128,180,733
Amounts reported for governmental activities in the statement of net position are different because:			
Refunding of debt (gains)/loss are capitalized at the government-wide level and amortized over the shorter of the remaining life of the old debt or life of the new debt			117,538
Capital assets used in the governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds:			
Cost of capital assets	$ 1,338,908,007		
Accumulated depreciation	(674,878,416)		
Net capital assets			664,029,591
Intangible assets used in the governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds:			
Cost of intangible assets	$ 51,580,559		
Accumulated amortization	(48,909,953)		
Net intangible assets			2,670,606
Net Pension Assets used in the governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds			145,890,852
Deferred outflows of resources related to pensions do not relate to current financial resources and, therefore, are not reported in the funds			256,290,908
Deferred outflows of resources related to OPEB do not relate to current financial resources and, therefore, are not reported in the funds			15,364,664
Net Pension Liabilities used in the governmental activities are not financial uses and, therefore, are not reported as liabilities in the governmental funds			(161,786,883)
Grant and other receivables that are not collected within 90 days after year-end are not considered to be available to pay for the current period's expenditures and, therefore, are unearned in the funds			30,655,520
Amounts related to derivatives do not relate to current financial resources and, therefore are not reported in the funds			
Deferred inflows - cash flow hedges: unrealized loss on derivatives	56,441,000		
Deferred outflows - derivative instruments liability	(56,441,000)		—
Deferred inflows of resources related to pensions do not relate to current financial resources and, therefore, are not reported in the funds			(367,300,877)
Deferred inflows of resources related to OPEB do not relate to current financial resources and, therefore, are not reported in the funds			(99,111,730)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:			
Bonds and notes payable	(295,966,936)		
Bonds premium and discounts	(2,279,863)		
Discount on capital appreciation bonds	64,256,317		
Capital leases payable	(113,978,771)		
Accrued interest payable	(493,481)		
Compensated absences payable (vacation and sick leave)	(13,365,582)		
Net OPEB liability	(631,694,509)		
Workers' compensation claims payable	(436,370)		
Self-insurance claims payable	(300,485)		
Life insurance benefits and other long-term liabilities	(785,051)		
Total long-term debt liabilities			(995,044,731)
Total net position—government activities (deficit)			$ (380,043,809)

See accompanying notes to basic financial statements.

MILWAUKEE PUBLIC SCHOOLS

Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds

For the Year Ended June 30, 2021

	General	Capital Projects Construction	Special Revenue School Nutrition Services	Nonmajor governmental funds	Total governmental funds
Revenues:					
Property tax levy	$ 294,393,599	4,636,466	-	8,945,336	307,975,401
Other taxes	109,908	435	-	—	110,343
Lunchroom sales	—	—	39,792	—	39,792
Other local sources	31,399,726	1,892,388	6,000	—	33,298,114
State aid:					
Equalization aid	536,097,290	—	-	—	536,097,290
Special classes	56,570,576	—	-	—	56,570,576
Integration	30,451,254	—	-	—	30,451,254
Other state aid	109,135,033	706	838,844	—	109,974,583
Federal aid:					
Education Consolidation and Improvement Act	74,571,216	—	-	—	74,571,216
School nutrition services	—	—	12,242,996	—	12,242,996
Erate refunds	5,645,700	—	-	—	5,645,700
Other federal aid	99,469,005	—	1,758,459	20,888,469	122,115,933
Miscellaneous	1,036,734	—	44,973	—	1,081,707
Interest and investment earnings	4,236,477	70,746	-	—	4,307,223
Total revenues	1,243,116,518	6,600,741	14,931,064	29,833,805	1,294,482,128
Expenditures:					
Current:					
Instructional services:					
Undifferentiated curriculum	386,867,508	—	-	—	386,867,508
Regular and other curriculum	150,903,041	—	-	—	150,903,041
Special curriculum	168,080,926	—	-	6,295,161	174,376,087
Total instructional services	705,851,475	—	-	6,295,161	712,146,636
Community services	22,605,739	—	-	—	22,605,739
Pupil and staff services	183,825,215	—	-	14,309,941	198,135,156
General and school building administration	103,703,047	—	-	—	103,703,047
Business services	135,173,435	1,985,539	-	—	137,158,974
School nutrition services	—	—	29,539,314	—	29,539,314
Capital Outlay	12,955,186	15,631,246	1,110,642	—	29,697,074
Debt Service:					
Principal	—	—	-	17,641,998	17,641,998
Interest	—	—	-	17,748,204	17,748,204
Bond administrative fees	—	—	-	19,300	19,300
Total expenditures	1,164,114,097	17,616,785	30,649,956	56,014,604	1,268,395,442
Excess of revenues over (under) expenditures	79,002,421	(11,016,044)	(15,718,892)	(26,180,799)	26,086,686
Other financing sources (uses):					
Transfers In (Out)	(56,218,636)	30,000,000	37,837	26,180,799	—
Insurance proceeds	54,923	228,391	-	—	283,314
Proceeds from the sale of capital assets	10,100	325,000	-	—	335,100
Total other financing sources (uses)	(56,153,613)	30,553,391	37,837	26,180,799	618,414
Net change in fund balances	22,848,808	19,537,347	(15,681,055)	—	26,705,100
Fund balances:					
Beginning of year, restated (note 14)	45,143,667	45,521,553	10,810,413	—	101,475,633
End of year	$ 67,992,475	65,058,900	(4,870,642)	—	128,180,733

See accompanying notes to basic financial statements.

MILWAUKEE PUBLIC SCHOOLS

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

For the Year Ended June 30, 2021

Net change in fund balances—total governmental funds			$ 26,705,100
Amounts reported for governmental activities in the statement of activities are different because:			
Costs of issuance associated with refunding bonds are capitalized and amortized over the life of the bonds in the statement of net assets			
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:			
Capital outlay reported in governmental fund statements	$ 29,697,074		
Depreciation and amortization expense reported in the statement of activities	(29,083,819)		
Amount by which capital outlays are less than depreciation and amortization in the current period			613,255
The net effect of miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and disposals) is to decrease net position			(1,041,299)
Refunding of debt (gains)/loss amortized in the current period			(103,800)
Some revenues will not be collected for several months after the District's fiscal year-end, they are not considered "available" revenues and are deferred in the governmental funds			9,341,270
Some expenses reported in the statement of activities require the use of current financial uses and, therefore, are reported as expenditures in the government funds.			
Net pension assets			69,435,259
Net pension liabilities			25,470,121
Deferred outflows of resources related to pensions			39,112,023
Deferred inflows of resources related to pensions			(102,335,320)
Deferred outflows of resources related to OPEB			(14,192,129)
Deferred inflows of resources related to OPEB			(14,477,779)
Bond, note, and capital lease proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net position.			
Repayments:			
Bonds, notes and capital leases			20,413,850
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues.			
Net decrease in accrued interest payable	22,280		
Accretion of interest on capital appreciation bonds	(3,624,358)		
Amortization of bond premium, discount and refunding deferred	1,204,454		
Net increase in compensated absences payable (vacation and sick pay)	(28,782)		
Net decrease in workers' compensation claims payable	1,044,344		
Net increase in OPEB liability	130,582,603		
Net decrease in general insurance claims payable	345		
Net adjustment			129,200,886
Change in net position of governmental activities			$ 188,141,437

See accompanying notes to basic financial statements.

MILWAUKEE PUBLIC SCHOOLS

Statement of Fiduciary Net Position

As of June 30, 2021

		Pension and Other Post Employment Benefits trusts
Assets		
Investments (note 2)		
Money market accounts	$	15,921,090
Fixed Income		66,604,241
Equity Funds		149,403,985
Mortgage-backed securities		49
Nongovernmental obligations		7,129,759
Investment with the State of Wisconsin		240,558,129
Receivables-interest and contributions		59,801,010
Total assets		539,418,263
Liabilities		
Accounts payable and accrued expenses		6,248,501
Total liabilities		6,248,501
Net Position		
Net Position restricted for:		
Pensions and other post employment benefits trust		533,169,762
Total net position	$	533,169,762

See accompanying notes to basic financial statements.

MILWAUKEE PUBLIC SCHOOLS

Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2021

		Pension and Other Post Employment Benefits trusts
Additions:		
Employer contributions	$	110,842,695
Participants contributions		5,382,139
Investment income:		
Net investment from the State of Wisconsin:		
Core Retirement Investment Trust Fund		48,173,472
Variable Retirement Trust Fund		7,578,509
Unrealized Gains/(Loss) on Investments, net		23,941,125
Net investment income from other investments		19,086,853
Total investment income:		98,779,959
Investment expenses		(25,884)
Net investment income		98,754,075
Total additions		214,978,909
Deductions:		
Benefits paid to participant's or beneficiaries		73,834,091
Distribution of participant contribution accounts		27,939
Administrative expenses		544,655
Total deductions		74,406,685
Changes in net position		140,572,224
Net position—beginning of year		392,597,538
Net position—end of year	$	533,169,762

See accompanying notes to basic financial statements.

(1) Summary of Significant Accounting Policies

The financial statements of the Milwaukee Public Schools (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies used by the District are described below.

(a) Reporting Entity

The District was established on February 3, 1846, and operates under Chapter 119 of the Wisconsin State Statutes. The District is the largest school district in Wisconsin. The District, governed by a nine-member elected school board, provides elementary, secondary, vocational, and special education services through grade 12 to residents of the City of Milwaukee, Wisconsin (the City).

The District receives funding from local, state, and federal government sources and must comply with the concomitant requirements of these funding source entities.

The reporting entity for the District is based upon criteria set forth by GASB Statement No. 14, *The Financial Reporting Entity*. Under this pronouncement, the financial reporting entity consists of (a) the primary government, which is controlled by a separately elected governing body that is legally separate and is fiscally independent, and (b) organizations for which the primary government is financially accountable. All of the accounts of the District comprise the primary government.

The financial statements of the District are excluded from the City's financial statements because the District operates with a separate governing board that is not under the control of the City. The City, however, performs the following services for the District, as prescribed under Wisconsin State Statutes:

- Administers the property tax levy adopted by the school board and collects and remits the property taxes to the District
- Acts as the treasurer for the major portion of the District's cash
- Issues debt for the benefit of the District for the purchase of sites and buildings

This report includes all of the funds of the District. The reporting entity for the District consists of the primary government 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 or 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. This report does not contain any component units.

(b) Basis of Presentation

***Government-wide Statements*—**The statement of net position and the statement of activities present financial information about the District as a whole. They include all funds of the District except for fiduciary funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Interfund services provided and used are not eliminated.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods and services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes, equalized aid, and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than program revenues.

***Fund Financial Statements*—**The fund financial statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category—governmental and fiduciary—are presented. The emphasis of fund financial statements is on major governmental funds; each is displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The District reports the following major governmental funds:

General Fund: The general fund is the general operating fund of the District. It is comprised of two taxing entities that were established by Wisconsin State Statutes and is used to account for all financial revenues and expenditures of the District except those required to be accounted for in other funds or taxing entities.

Capital Project-Construction Fund: The construction fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the acquisition or construction of capital facilities and the additions to and remodeling of existing buildings. The District has only one activity unit within the construction fund for which property taxes are levied to finance various capital expenditures.

Special Revenue-School Nutrition Services Fund: This fund is used to account for the breakfast and lunch programs operated by the District for students. Revenues are provided through federal and state aids, as well as sales at schools.

The District reports the following nonmajor governmental funds:

Special Revenue Fund: used to account and report the proceeds of specific revenue sources (other than major capital projects) that are restricted or committed to expenditures for specified purposes.

Categorically Aided Programs

Debt Service Fund: used to account and report financial resources that are restricted, committed or assigned to expenditures for the payment of general long-term debt principal, interest and related costs.

Additionally, the District reports the following fund types:

Pension Trust Funds: The pension trust funds account for the accumulation of resources for pension benefit payments under two early retirement plans maintained by the District for qualified teachers and administrators.

Other Postemployment Employee Benefits Funds (OPEB): The OPEB trust fund account may hold or be used to account for assets used to pay post-employment benefits or fund accrued liability associated with such benefits.

(c) Measurement Focus and Basis of Accounting

The government-wide and fiduciary fund statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. For the pension trust funds, plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plans are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an

accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year except for property taxes, which must be collected within 60 days after year-end. Those revenues susceptible to accrual are property taxes, state aid, interest revenue, grants, and charges for services. Other revenue is recorded when received. Expenditures are recorded when the fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences that are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical funds, and general revenues. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant and categorical resources to such programs, followed by general revenues.

(d) Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. The excess of restricted assets over current liabilities payable from restricted assets will be used to finance project costs or the retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

(e) Receivables

General accounts receivable have been adjusted for all known uncollectible accounts. An allowance for uncollectible accounts is reported at year-end for $949,154.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

(f) Investments

The District has adopted an investment policy. Provisions of the policy are discussed in Note (2).

Investments, including investments of the pension trust funds, are reported at fair value based on quoted market prices. Short-term investments are reported at cost, which approximates fair value. Investments principally consist of money market mutual funds, fixed income funds, equity funds, and investments in the State of Wisconsin Fixed Retirement Investment Trust Fund (Trust Fund). The fair value of investments in the Trust Fund is the same as the value of the pooled shares. Although not subject to direct regulators' oversight, the Trust Fund is administered in accordance with the provisions

of Section 25.50 of the Wisconsin State Statutes. Purchases and sales of securities are recorded on a trade-date basis. Net investment income in the Trust Fund consists of realized and unrealized gains and losses and investment income.

(g) Inventories, Other Assets and Prepaid Items

Inventories are valued at average cost. Inventories in the governmental fund types are recorded as expenditures when consumed rather than when purchased. Donated United States Department of Agriculture (USDA) commodities are recorded as revenues and expenditures in school nutrition services at the fair value when originally donated by the USDA.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

(h) Capital Assets and Intangible Assets

Capital and intangible assets are reported at actual cost or estimated costs. Donated assets are reported at the estimated acquisition value at the time received. Capital and intangible assets are depreciated and amortized using the straight-line method over their estimated lives. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts) and estimated useful lives of capital and intangible assets reported in the government-wide statements are as follows:

	Capitalization threshold	Estimated useful life
Buildings	$ 5,000	50 years
Furniture and equipment	5,000	5 – 20 years
Vehicles	5,000	5 – 15 years
Computers and related equipment	5,000	5 years
Major computer	50,000	7 years
Intangible assets	50,000	7 years

(i) Property Taxes

The aggregate amount of property taxes to be levied for school purposes is determined according to provisions of Chapter 120 of the Wisconsin State Statutes. Property taxes for the District are adopted by the Board by early November and are certified to the City for levy and collection.

The District's property taxes are levied annually prior to December 31, are administered by the City for the District based on the assessed (taxable) values as of January 1 of that calendar year, and are recognized as District revenue in the fiscal year they are levied. The levy becomes a lien against property on January 1. The taxes are due January 31, but may be paid in 10 monthly installments to the City from January through October. All unpaid taxes as of June 30 are purchased by the City.

(j) 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/expenditure) until that future time.

The accumulated decrease in fair value of hedging derivatives represents the change in value of derivative instruments that are deemed to be effective hedge.

Gain/Loss on Refundings of Debt

In the government-wide financial statements, gains and losses from refundings of debt resulting in defeasance are deferred and amortized as a component of interest expense over the shorter of the remaining life of the old debt or the life of the new debt. The unamortized amount is reported as a deferred outflow of resources or deferred inflow of resources in the government-wide statements, depending on whether it is a gain or loss on the refunding.

(k) Compensated Absences

District employees are granted vacation, compensatory time, and sick leave benefits in varying amounts in accordance with the provisions of union contracts and District policies. In the event of retirement, death, or resignation of an employee, the District is obligated to pay for all unused vacation days. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Sick leave benefits are available for subsequent use and, in certain situations, a portion vests upon retirement. A liability for sick pay has been calculated using the vesting method in which leave amounts for both employees who currently are eligible to receive termination payments upon retirement and other employees who are expected to become eligible in the future to receive such payments are included.

(l) Insurance Deposits

The District has recorded deposits in the general fund for self-funded health insurance and current life insurance obligations and a restriction of fund balance aggregating $2,353,871 at June 30, 2021 to provide for payment of future claims.

(m) Bond Premiums and Discounts

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Discounts for capital appreciation bonds and notes (i.e., zero coupon debt) are netted against the face amount of the debt.

(n) Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards pronouncements are met. The liability and expenditure for claims and judgments is only reported in governmental funds if it has matured. Claims and judgments are recorded in the district-wide statements as expenses when the related liabilities are incurred.

(o) Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time. The deferred balances consist mainly of unavailable grant revenues of $28.8 million in the General Fund and $1.8 million in the special revenue funds, available grants of $5.1 million in the general fund, and a long-term receivable of $200,000 in the Construction Fund.

(p) Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in capital assets—This consists of capital assets including restricted capital assets, intangible assets, net of accumulated depreciation or amortization, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, plus unspent proceeds.

Net investment in capital assets reported on the government wide Statement of Net Position on June 30, 2021 includes the following:

	Governmental Activities
Net investment in capital assets	
Land	$ 30,351,457
Construction and work in progress	3,573,137
Other capital assets, net of accumulated depreciation/amortization	632,775,603
Less: unamortized debt premium/discount	(2,279,863)
Less: related long-term debt outstanding (net of unspent proceeds of debt)	(141,915,150)
Less: other related liabilities	(4,403,091)
Add: unamortized loss/gain on refunding	117,538
Total net investment in capital assets	$ 518,219,631

Restricted—This consists of net position with constraints placed on their use by 1) external groups such as creditors, grantors, contributors, or 2) law through constitutional provisions or enabling legislation.

Unrestricted—This consists of net position that do not meet the definition of "restricted" or "net investment in capital assets."

(q) Fund Balance

Governmental fund balances are displayed as follows:

- Nonspendable fund balance—Amounts that cannot be spent because they are either not in spendable form or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid amounts, assets held for sale, and long-term receivables.

- Restricted fund balance—Amounts for which external restrictions have been imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).
- Committed fund balance—Amounts that can only be used for specific purposes because of a formal action (resolution) by the government's highest level of decision-making authority. Fund balance amounts are committed through a formal action of the District. The formal action must occur prior to the end of the reporting period, but the amount of commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the District that originally created the commitment.
- Assigned fund balance—Amounts that are constrained by MPS' intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body, or by an official to whom that authority has been given. The District by resolution has given authority to the District's Chief Financial Officer. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances.
- Unassigned fund balance—This is the residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amounts had been restricted, committed or assigned.

The District considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Fiduciary fund equity is classified as held in trust for employee benefits.

(r) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses/expenditures for the reporting period. Actual results could differ from those estimates.

(s) Pension

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), Employees' Retirement System (ERS), Milwaukee Board of School Directors Early Retirement Supplement and Benefit Improvement Plan, and the Milwaukee Board of School Directors Supplemental Early Retirement Plan for Teachers and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds on employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(t) Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's OPEB Plan and additions to/deductions from the District's OPEB Plan's fiduciary net position have been determined on the same basis as reported by the District. For this purpose, the District's OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

(u) New Accounting Pronouncements

In January 2017, the GASB issued Statement No. 84 – *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. This standard was implemented July 1, 2020.

In April 2018, the GASB issued Statement No. 88 – *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements.* The primary objective of this statement is to improve the information that is disclosed in notes to governmental financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should included when disclosing information related to debt. This standard was implemented July 1, 2020.

(2) Deposits and Investments

District's Deposits and Investments, Exclusive of Pension Trusts

	Carrying Value	Bank Balance
Cash at the City	$ 122,758,126	$ 143,992,648
Demand Deposits	8,250,242	8,253,044
Commercial Paper	3,905,000	19,215,198
Money Market Funds	40,370,371	40,369,605
Fixed Income Funds	60,275,877	60,275,877
Equity Funds	149,403,985	149,403,985
Bond Funds	6,328,364	6,328,364
Total Cash and Investments	$ 391,291,965	$ 427,838,721
Reconciliation to financial statements		
Per statement of net position		
Unrestricted cash and investments	$ 134,913,368	
Restricted cash and investments	29,917,207	
Per combining statement of net position – Pension and Other post employment benefits Trust Funds -		
Other post employment benefits trust	226,461,390	
Total Cash and Investments	$ 391,291,965	

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. To limit credit risk, MPS restricts the commitment of funds to only those investments authorized by Wisconsin State Statute 66.0603 and Chapter 881 including the following:

- Time deposits with maturities of not more than 3 years.
- Bonds or securities issued or guaranteed as to principal and interest by the federal government or by a commission, board or other instrumentality of the federal government.
- The state of Wisconsin local government pooled investment fund.
- Bonds or securities of any county, city, drainage district, vocational or technical college, village, town or school district in Wisconsin, local exposition district, local professional baseball park district, local professional football stadium district, the University of Wisconsin Hospitals and Clinics Authority, local cultural arts district, or Wisconsin Aerospace Authority.
- Fully collateralized repurchase agreements.
- Any security that matures within 7 years and has a credit rating which is the highest or second highest rating assigned by Standard & Poor's corporation, Moody's investor service, or other similar nationally recognized rating agencies.

- No-load securities of open-end, registered, management investment companies or investment trusts investing in bonds and securities issued by or guaranteed by the federal government or a commission, board or other instrumentality of the federal government.

The District has funds invested in commercial paper, money market funds, fixed income mutual funds and equity mutual funds. As of June 30, 2021, the District's investment in commercial paper was rated P-1 by Moody's Investor's Service, A-1+ by Standard & Poors, and F1+ by Fitch Ratings. The pooled fixed income and equity mutual funds are not rated.

Interest rate risk is defined as the probability that changes in interest rates will adversely affect the fair value of an investment. Milwaukee Public Schools uses weighted average maturity as a method for monitoring interest rate risk. The District does not have a formal investment policy limiting investment maturities as a means of managing its exposure to fair value losses resulting from rising interest rates.

As of June 30, 2021, the District had the following investments, shown with their maturities.

	Maturities (in Years)	
Investment Type	Fair Value	Less Than 1
Commercial Paper	$ 19,215,198	$ 19,215,198
Pooled Fixed Income Funds	60,275,877	60,275,877
Pooled Equity Funds	149,403,985	149,403,985
Pooled Bond Funds	6,328,364	6,328,364
	$ 235,223,424	$ 235,223,424

Custodial credit risk for deposits and investments is the risk that, in the event of failure of a depository financial institution, the District will not be able to recover its deposits, or will not be able to recover collateral securities that are in the possession of an outside party. The District does have a collateralization policy concerning this risk, and the policy requires collateralization of all uninsured deposits.

At year-end the District's demand deposit balance (exclusive of funds held and controlled by the treasurer of the City) was $8,253,044. Of the $8,253,044 bank balance, $1,007,006 was covered by the Federal Depository Insurance Corporation (FDIC) and the state of Wisconsin Public Deposit Guarantee Fund, and $7,246,038 was uninsured. The District is a beneficiary of an irrevocable, unconditional and nontransferable letter of credit (LC) with the Federal Home Loan Bank of Cincinnati (FHLB). The Letter of Credit for $25,000,000 is intended to collateralize deposit accounts that the District has established at US Bank, defined as Public Unit Deposits under applicable laws and regulations of the State of Wisconsin. However, the collateral and posted securities are not held in the Districts' name but are allocated to the District. As such, the deposits are considered uncollateralized. Therefore, $7,246,038 is uninsured and collateralized by securities held by a third party not in the District's name.

The District has $19,215,198 invested in overnight commercial paper that is uninsured and uncollateralized.

The money market funds total $40,369,605 of which $31,514,498 is uninsured and uncollateralized and $8,855,107 is uninsured and collateralized by securities held by a third party not in the District's name.

The remaining investments of fixed income mutual funds and equity mutual funds are also uninsured and uncollateralized.

Funds held and controlled by the treasurer of the City are insured by the FDIC and the Wisconsin Public Deposit Guarantee Fund. Per Common Council, the City Treasurer shall require collateralization of certificates of time deposit (excluding interest checking) at financial institutions when the total amount of such certificates of deposit with any institution exceeds the combined insured limit of $650,000. Milwaukee Public Schools' deposits with the City Treasurer for investments are all insured or collateralized on June 30, 2021.

Fair Value Measurements. The Milwaukee Public Schools categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The valuation methods for recurring fair value measurements are as follows:

- Inputs other than quoted prices that are observable for securities, either directly or indirectly.

	June 30, 2021			
Investment Type	**Level 1**	**Level 2**	**Level 3**	**Total**
Commercial Paper	$ 19,215,198	$ -	$ -	$ 19,215,198
Pooled Fixed Income Funds	60,275,877	-	-	60,275,877
Pooled Equity Funds	149,403,985	-	-	149,403,985
Pooled Bond Funds	6,328,364	-	-	6,328,364
	$ 235,223,424	$ -	$ -	$ 235,223,424

Milwaukee Board of School Directors Early Retirement Supplement and Benefit Improvement Plan

The Trustees of the Plan have adopted a Statement of Investment Policy (the "Policy"). It articulates asset allocation targets, guidelines for interest rate risk, credit risk, and concentration of credit risk for separately managed portfolios, and performance benchmarks. Under Wisconsin statutes, equities, other than investments in the State of Wisconsin Employee Trust Funds ("SWIB funds"), are subject to the statutory limitation that they may not exceed 50% of the market value of the plan assets. The Plan has no equity investments other than those in the SWIB funds. The Policy targets equities in the SWIB Variable Fund to equal 150% of the amount in Fixed Income securities at BMO, with the remainder of the portfolio allocated to the SWIB Core Fund. The Policy target for Fixed Income is the sum of six months benefit payments plus six months administrative expense. The portfolio is rebalanced toward the Policy targets quarterly. On June 30, 2021, the SWIB Core Fund strategic targets were 52% to Global Stocks, 42% to Fixed Income, 6% to Real Estate, and 15% to Alterative Investments. The Strategic target allocations total 115% reflecting the possibility of introducing leverage into the portfolio. On June 30, 2021, the SWIB Variable Fund strategic targets were 70% to U.S. Stocks and 30% to International Stocks.

Under the SWIB Investment Policy, the Core and Variable Fund asset allocations will be reviewed monthly for potential rebalancing. For the SWIB funds, when a major liquid asset class (i.e., Total Public Equities, Total Public Fixed Income) exceeds plus or minus 4% of its target allocation, a rebalancing exercise will be initiated. The Plan's investment portfolio (the Fund) has two investment managers: the State of Wisconsin Investment Board (SWIB) and BMO. Each investment manager is responsible for managing the portion of the Fund assets under its control in accordance with its policy and guidelines. BMO is also responsible for managing its Plan portfolios in accordance with the guidelines adopted by the Trustees. Milwaukee Public Schools completes a comprehensive review of the Fund relative to the Policy on an annual basis.

A. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Milwaukee Public Schools uses both duration and weighted average maturity as methods of monitoring interest rate risk. SWIB data is expressed in terms of modified duration and option adjusted duration. Modified duration, which is stated in years, is the measure of price sensitivity of a fixed income security to an interest rate change of 100 basis points. The calculation is based on the weighted average of the present value of all cash flows. Some pooled investments are analyzed using an option adjusted duration calculation which is similar to the modified duration method. Option adjusted duration incorporates the duration shortening effect of any embedded call provisions in securities.

The following schedule summarizes the duration and fair value of the investments at BMO as of June 30, 2021 and the fair value at SWIB as of June 30, 2021:

Investment	Duration (Years)	Fair Value
SWIB Core and Variable Funds	Details on the SWIB fixed income investments as of 12/31/20 are included below.	$ 53,826,385
Money market accounts (at BMO)	0.08	$ 1,099,789
Mutual Funds (at BMO)	4.10	$ 1,630,234
Mortgage Backed Securities	N/A	$ 49

SWIB information provided within the accompanying financial statements is as of December 31, 2020. There has been no significant change in SWIB's investment strategies, asset allocations and investment pricing methods from December 31, 2020 to June 30, 2021. Based on SWIB information, the District feels the information presented for SWIB Investments as of December 31, 2020 is a fair representation for June 30, 2021.

The following schedule displays the duration or weighted average maturity of the investments by type of investment at SWIB as of December 31, 2020.

SWIB Investments	Duration (Years)	Fair Value
Asset Backed Securities	3.2	$ 355 Million
Commercial Paper	93 days	$ 140 Million
Corporate Bonds and Private Placements	7.3	$ 13,110 Million
Foreign Gov't/Agency Bonds	8.1	$ 2,022 Million
Municipal Bonds	11.9	$ 154 Million
Repurchase Agreements	4 days	$ 734 Million
U.S. Government Agencies	3.1	$ 2,294 Million
U.S. TIPS	7.6	$ 18,692 Million
U.S. Treasury Securities	9.2	$ 4,866 Million
Commingled Funds	37 days to 7.2	$ 6,292 Million

Note: On June 30, 2021, SWIB's Core Fund and Variable Fund had $120.1 billion and $9.5 billion in assets, respectively. As of June 30, 2021, the Plan's assets were invested 87% in the SWIB Core Fund, 8% in the SWIB Variable Fund, and 5% in portfolios managed by BMO. For SWIB, the duration of each U.S. Fixed Income portfolio shall remain within 15% of the assigned benchmark's duration. For the bond portfolio for the payment of benefits and expenses, the duration will be within a range of 50% to 150% of the duration of the benchmark index.

B. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The following schedule displays the credit quality percentage distributions of the fixed income investments in the SWIB Core and Variable Funds on December 31, 2020 and in the separate accounts managed by BMO on June 30, 2021. For SWIB, the schedule displays the lowest credit rating assigned by several nationally recognized statistical rating organizations.

Ratings*	SWIB 12/31/2020	BMO 6/30/2021
P-1 or A-1	0.1%	N/A
P-2 or A-2	0.2%	N/A
UST and AGY	N/A**	N/A
AAA/Aaa	0.7%	40%
AA/Aa	54.8%	N/A
A	6.2%	N/A
BBB/Baa	13.6%	N/A
BB/Ba	4.1%	N/A
B	2.9%	N/A
CCC/Caa	0.7%	N/A
Commingled Funds & Mutual Funds***	13.0%	60%
Not-Rated	3.7%	0%

*As defined by Moody's Bond Ratings or Standard and Poor's

**As of December 31, 2013 and June 30, 2013 SWIB's holdings of UST and AGY are included in the "AA" category.

***Additional Information on the Fixed Income Commingled Funds in the SWIB portfolio is in the table labeled "Investments Measured at Net Asset Value". The weighted average quality of the mutual funds in the BMO Portfolio was A (excluding BMO's money market fund which was rated AAA).

SWIB's Core Fund's Government/Credit Portfolio shall maintain an average quality rating of A or better. Non-Investment Grade securities shall not exceed 15% of the portfolio's market value. For SWIB's Global Bond Portfolio, overall portfolio quality must be maintained at an average rating of A or better. Corporate securities may not exceed 20% of the portfolio's market value and must be rated at least "B-" and above. Corporate securities rated "BB+" but no lower than "B-" may not exceed 5% of the portfolio's market value. Emerging market sovereign debt is limited to (a) securities that are rated "B-" or above and (b) debt of countries in the J.P. Morgan Emerging Market Bond Index Global Diversified; Emerging market corporate debt is limited to (a) securities that are rated "B-" or above and (b) issuers in the Bloomberg Barclays US Credit Index. Relative emerging market debt shall not exceed 10% of the portfolio's market value.

C. Custodial Credit Risk

The Plan does not have a deposit or investment policy specifically related to custodial credit risk. The Plan's assets are restricted to investments in the SWIB Core and Variable Funds and in portfolios at BMO.

Deposits - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the fund will not be able to recover deposits that are in the possession of an outside

party. SWIB had uninsured and uncollateralized deposits totaling $303.4 million on December 31, 2020. In addition, SWIB held certificates of deposit which were covered by depository insurance with a fair value of $383.4 million on December 31, 2020. In total, these deposits represented 0.53% of the combined assets of the SWIB Core and Variable Funds, on December 31, 2020.

Investments - Custodial credit risk for investments is the risk that, in the event of the failure of counterparty to a transaction, SWIB will not be able to recover the value of investments that are in the possession of an outside party. The repurchase agreements held by the fund totaled $733.8 million as of December 31, 2020. All of these repurchase agreements were tri-party agreements held in short–term cash management portfolios managed by SWIB's custodian. The underlying securities for these repurchase agreements were held by the tri-party's agent, not in SWIB's name. These agreements represented 0.57% of the combined assets of the SWIB Core and Variable Funds on December 31, 2020.

D. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a fund's investment in a single issuer. SWIB limits concentrations of credit risk by establishing investment guidelines for individual portfolios or groups of portfolios (excluding U.S. Government and Agency Securities) that generally restrict issuer concentrations in any one company to less than 5% and under Rule 144A Securities to less than 20% of the portfolio's market value. For the other separately managed portfolios, the policy guidelines specify that individual securities (excluding U.S. Government and Agency securities) in a separate portfolio should not exceed 7% of the value of that portfolio. None of the securities in these portfolios represented more than 5% of the market value of the Fund.

E. Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. As of December 31, 2020, $21.3 billion of the SWIB Core and Variable Funds currency exposure was denominated in foreign currency. For the BMO managed portfolios, there was no foreign currency exposure.

The risk definitions noted above are from the Governmental Accounting Standards Board (GASB). The data, risk descriptions, and guidelines for the SWIB Funds were provided by SWIB and the data and risk information for the other investment types were provided by BMO.

F. Derivative Investments

The Plan holds investments in SWIB Funds, which may enter into a variety of financial contracts, including futures and options, primarily to enhance performance, reduce volatility of the portfolio, and aid in cash flow management. SWIB also enters into foreign exchange positions, such as forward and spot contracts, to obtain or hedge foreign currency exposure. The financial contracts are included in SWIB Variable and Core Investments on the Statement of Net Investment Position. At June 30, 2021, the Plan's interest in the SWIB Core Trust was approximately 0.041% and the Plan's interest in the plan net position of the Variable Trust was approximately 0.046%. The SWIB Funds are exposed to credit risk in the event of non-performance by counterparties to financial instruments. Exposure to market risk, the risk that future changes in market conditions may make an instrument less valuable,

is managed in accordance with risk limits through buying or selling instruments or entering into offsetting positions.

A financial futures contract is an exchange traded agreement to buy or sell a financial instrument at an agreed upon price and time in the future. Futures contracts are marked to market daily, based upon the closing market price of the contract at the board of trade or exchange on which they are traded. The resulting gain or loss is typically received or paid the following day until the contract expires. Futures contracts involve, to varying degrees, risk of loss in excess of the variation margin. Losses may arise from future changes in the value of the underlying instrument. Substantially all future contracts have a maturity date of less than one year.

Option contracts give the purchaser of the contract the right to buy (call) or sell (put) the security or index underlying the contract at an agreed upon price on or before the expiration of the option contract. The fair value of option contracts is based upon the closing market price of the contract. The seller of the contract is subject to market risk, while the purchaser is subject to credit risk and market risk to the extent of the premium paid to enter into the contract.

Foreign exchange contracts involve an agreement to exchange the currency of one country for the currency of another country at an agreed-upon price and settlement date. Spot and forward contracts entered into by SWIB are over-the-counter contracts, entered into with various counterparties. These contracts are valued daily, and guidelines have been established which provide minimum credit ratings for counterparties. Losses may arise from future changes in value of the underlying currency, or if the counterparties do not perform under the terms of the contract.

The following table summarizes the aggregate notional or contractual amounts for SWIB's derivative financial instruments at December 31, 2020 (in thousands):

	12/31/2020
Future contracts (Notional)	$ 6,690,857
Foreign currency spot and forward contracts – Receivable (Fair Value)	4,576,239
Foreign currency spot and forward contracts – Payable (Fair Value)	(4,561,108)
OTC Derivative Investments subject to Counterparty Credit Risk – Receivable (Fair Value)	8,402,162
OTC Derivative Investments subject to Counterparty Credit Risk – Payable (Fair Value)	(10,156)
Options – puts (Notional)	(880,458)
Options – calls (Notional)	(36,096)

Fair Value Measurements. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical

assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under authoritative guidance are described as follows:

Level 1 - Investments reflect unadjusted quoted prices in active markets for identical assets.

Level 2 - Investments reflect prices that are based on inputs that are either directly or indirectly observable for an asset (including quoted prices for similar assets), which may include inputs in markets that are not considered to be active.

Level 3 - Investments reflect process based upon valuation techniques in which significant inputs or significant value drivers are unobservable.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There were no changes to the methodologies during the year ended June 30, 2021.

Money market accounts: Valued at the quoted net asset value (NAV) of shares held by the Plan at year end.

Mutual funds: Mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

The plan sponsor is responsible for the determination of fair value. The plan sponsor has not historically adjusted the prices obtained from pricing services. The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan's investments held at BMO at fair value as of June 30, 2021.

	June 30, 2021			
Investment Type	**Level 1**	**Level 2**	**Level 3**	**Total**
Money market accounts	$ -	$ 1,099,789	$ -	$ 1,099,789
Mortgage-back securities	-	49	-	49
Mutual Funds:				
Short-Term Investment Grade Bond Funds	938,658	-	-	938,658
Intermediate-Term Investment Grade Bond Funds	691,576	-	-	691,576
Investments at Fair Value	$ 1,630,234	$ 1,099,838	$ -	$ 2,730,072

Short-Term Investment Grade Bond Funds include funds with a duration of less than three years and Intermediate-Term Investment Grade Bond Funds include funds with a duration greater than three years.

Milwaukee Board of School Directors Supplemental Early Retirement Plan for Teachers

The Trustees of the Plan have adopted a Statement of Investment Policy (the "Policy"). It articulates asset allocation targets, guidelines for interest rate risk, credit risk, and concentration of credit risk for separately managed portfolios, and performance benchmarks. Under Wisconsin statutes, equities, other than investments in the State of Wisconsin Employee Trust Funds ("SWIB funds"), are subject to the statutory limitation that they may not exceed 50% of the market value of the plan assets. The Plan has no equity investments other than those in the SWIB funds. The Policy targets equities in the SWIB Variable Fund to equal 150% of the amount in Fixed Income securities at BMO, with the remainder of the portfolio allocated to the SWIB Core Fund. The Policy target for Fixed Income is the sum of six months benefit payments plus six months administrative expense. The portfolio is rebalanced toward the Policy targets quarterly. On June 30, 2021, the SWIB Core Fund strategic targets were 52% Global Stocks, 42% to Fixed Income, 6% to Real Estate, and 15% to Alternative Investments. The strategic target allocations total 115% reflecting the possibility of introducing leverage into the portfolio. On June 30, 2021, the SWIB Variable Fund strategic targets were 70% to U.S. Stocks and 30% to International Stocks.

Under the SWIB Investment Policy, the Core and Variable Fund asset allocations will be reviewed monthly for potential rebalancing. For the SWIB funds, when a major liquid asset class (i.e., Total Public Equities, Total Public Fixed Income) exceeds plus or minus 4% of its target allocation, a rebalancing exercise will be initiated. The Plan's investment portfolio (the Fund) has two investment managers: the State of Wisconsin Investment Board (SWIB) and BMO. Each investment manager is responsible for managing the portion of the Fund assets under its control in accordance with its policy and guidelines. BMO is also responsible for managing its Plan portfolios in accordance with the guidelines adopted by the Trustees. Milwaukee Public Schools completes a comprehensive review of the Fund relative to the Policy on an annual basis.

A. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Milwaukee Public Schools uses both duration and weighted average maturity as methods of monitoring interest rate risk. SWIB data is expressed in terms of modified duration and option adjusted duration. Modified duration, which is stated in years, is the measure of price sensitivity of a fixed income security to an interest rate change of 100 basis points. The calculation is based on the weighted average of the present value of all cash flows. Some pooled investments are analyzed using an option adjusted duration calculation which is similar to the modified duration method. Option adjusted duration incorporates the duration shortening effect of any embedded call provisions in securities.

The following schedule summarizes the duration and fair value of the investments at BMO as of June 30, 2021 and at the fair value at SWIB as of June 30, 2021.

Investment	Duration (Years)	Fair Value
SWIB Core and Variable Funds	Details on the SWIB fixed income investments are as of 12/31/20 are included below.	$ 186,731,844
Money market accounts and cash equivalents (at BMO)	0.08	$ 4,368,137
Mutual Funds (at BMO)	4.10	$ 5,499,525

SWIB information provided within the accompanying financial statements is as of December 31, 2020. There has been no significant change in SWIB's Investment strategies, asset allocations and Investment pricing methods from December 31, 2020 to June 30, 2021. Based on the SWIB information, the District feels the information presented for SWIB Investments as of December 31, 2020 is a fair representation for June 30, 2021.

The following schedule displays the duration or weighted average maturity of the investments by type of investment at SWIB as of December 31, 2020.

SWIB Investments	Duration (Years)	Fair Value
Asset Backed Securities	3.2	$ 355 Million
Commercial Paper	93 days	$ 140 Million
Corporate Bonds and Private Placements	7.3	$ 13,110 Million
Foreign Gov't/Agency Bonds	8.1	$ 2,022 Million
Municipal Bonds	11.9	$ 154 Million
Repurchase Agreements	4 days	$ 734 Million
U.S. Government Agencies	3.1	$ 2,294 Million
U.S. TIPS	7.6	$ 18,692 Million
U.S. Treasury Securities	9.2	$ 4,866 Million
Commingled Funds	37 days to 7.2	$ 6,292 Million

Note: On June 30, 2021, SWIB's Core Fund and Variable Fund had $120.1 billion and $9.5 billion in assets, respectively. As of June 30, 2021, the Plan's assets were invested 87% in the SWIB Core Fund, 8% in the SWIB Variable Fund, and 5% in portfolios managed by BMO. For SWIB, the duration of each U.S. Fixed Income portfolio shall remain within 15% of the assigned benchmark's duration. For the bond portfolio for the payment of benefits and expenses, the duration will be within a range of 50% to 150% of the duration of the benchmark index.

B. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The following schedule displays the credit quality percentage distributions of the fixed income investments in the SWIB Core and Variable Funds as of December 31, 2020 and in the separate accounts managed by BMO on June 30, 2021. For SWIB, the schedule displays the lowest credit rating assigned by several nationally recognized statistical rating organizations.

Ratings*	SWIB 12/31/2020	BMO 6/30/2021
P-1 or A-1	0.1%	N/A
P-2 or A-2	0.2%	N/A
UST and AGY	N/A**	N/A
AAA/Aaa	0.7%	44%
AA/Aa	54.8%	N/A
A	6.2%	N/A
BBB/Baa	13.6%	N/A
BB/Ba	4.1%	N/A
B	2.9%	N/A
CCC/Caa	0.7%	N/A
Commingled Funds & Mutual Funds***	13.0%	56%
Not-Rated	3.7%	0%

*As defined by Moody's Bond Ratings or Standard and Poor's

**As of December 31, 2013, SWIB's holdings of UST and AGY are included in the "AA" category

***Additional information on the Fixed Income Fund Commingled funds in the SWIB portfolio is in the table labeled "Investments Measured at Net Asset Value". The weighted average quality of the mutual funds in the BMO portfolio was A (excluding BMO's money market fund which was rated AAA).

SWIB's Core Fund's Government/Credit Portfolio shall maintain an average quality rating of A or better. Non-Investment Grade securities shall not exceed 15% of the portfolio's market value. For SWIB's Global Bond Portfolio, overall portfolio quality must be maintained at an average rating of A or better. Corporate securities may not exceed 20% of the portfolio's market value and must be rated at least "B-" and above. Corporate securities rated "BB+" or lower but no lower than "B-" may not exceed 5% of the portfolio's market value. Emerging market sovereign debt is limited to (a) securities that are rated "B-" or above and (b) debt of countries in the J.P. Morgan Emerging Market Bond Index Global Diversified: Emerging market corporate debt is limited to (a) securities that are rated "B-" or above and (b) issuers in the Bloomberg Barclays US Credit Index. Relative emerging market debt shall not exceed 10% of the portfolio's market value.

C. Custodial Credit Risk

The Plan does not have a deposit or investment policy specifically related to custodial credit risk. The Plan's assets are restricted to investments in the SWIB Core and Variable Funds and in portfolios at BMO.

Deposits - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the fund will not be able to recover deposits that are in the possession of an outside party. SWIB had uninsured and uncollateralized deposits totaling $303.4 million on December 31, 2020. In addition, SWIB held certificate of deposit which were covered by depository insurance with a fair value of $383.4 million on December 31, 2020. In total, these deposits represented 0.53% of the combined assets of the SWIB Core and Variable Funds on December 31, 2020.

Investments - Custodial credit risk for investments is the risk that, in the event of the failure of a counter party to a transaction, SWIB will not be able to recover the value of investments that are in the possession of an outside party. The repurchase agreements held by the fund totaled $733.8 million as of December 31, 2020. All of these repurchase agreements were tri-party agreements held in short-term cash management portfolios managed by SWIB's custodian. The underlying securities for these repurchase agreements were held by the tri-party's agent, not in SWIB's name. These agreements represented 0.57% of the combined assets of the SWIB Core and Variable Funds on December 31, 2020.

D. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a fund's investment in a single issuer. SWIB limits concentrations of credit risk by establishing investment guidelines for individual portfolios or groups of portfolios (excluding U.S. Government and Agency Securities) that generally restrict issuer concentrations in any one company or Rule 144A securities to less than 5% of the portfolio's market value. For the other separately managed portfolios, the policy guidelines specify that individual securities (excluding U.S. Government and Agency securities) in a separate portfolio should not exceed 7% of the value of that portfolio. None of the securities in these portfolios represented more than 5% of the market value of the Fund.

E. Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. As of December 31, 2020, $21.3 billion of the SWIB Core and Variable Funds' was denominated in foreign currency. For the BMO managed portfolios, there was no foreign currency exposure.

The risk definitions noted above are from the Governmental Accounting Standards Board (GASB). The data, risk descriptions, and guidelines for the SWIB Funds were provided by SWIB and the data and risk information for the other investment types were provided by BMO.

F. Derivative Investments

The Plan holds investments in SWIB Funds, which may enter into a variety of financial contracts, including futures and options, primarily to enhance performance, reduce volatility of the portfolio, and aid in cash flow management. SWIB also enters into foreign exchange positions, such as forward and spot contracts, to obtain or hedge foreign currency exposure. The financial contracts are included in SWIB Variable and Core Investments on the Statement of Net Investment Position. At June 30, 2021, the Plan's interest in the plan net position of the SWIB Core Trust was approximately 0.143% and the Plan's interest in the plan net position of the Variable Trust was approximately 0.158%. The SWIB Funds are exposed to credit risk in the event of non-performance by counterparties to financial instruments. Exposure to market risk, the risk that future changes in market conditions may make an instrument less valuable, is managed in accordance with risk limits through buying or selling instruments or entering into offsetting positions.

A financial futures contract is an exchange traded agreement to buy or sell a financial instrument at an agreed upon price and time in the future. Futures contracts are marked to market daily, based upon the closing market price of the contract at the board of trade or exchange on which they are traded. The resulting gain or loss is typically received or paid the following day until the contract expires. Futures

contracts involve, to varying degrees, risk of loss in excess of the variation margin. Losses may arise from future changes in the value of the underlying instrument. Substantially all future contracts have a maturity date of less than one year.

Option contracts give the purchaser of the contract the right to buy (call) or sell (put) the security or index underlying the contract at an agreed upon price on or before the expiration of the option contract. The fair value of option contracts is based upon the closing market price of the contract. The seller of the contract is subject to market risk, while the purchaser is subject to credit risk and market risk to the extent of the premium paid to enter into the contract.

Foreign exchange contracts involve an agreement to exchange the currency of one country for the currency of another country at an agreed-upon price and settlement date. Spot and forward contracts entered into by SWIB are over-the-counter contracts, entered into with various counterparties. These contracts are valued daily, and guidelines have been established which provide minimum credit ratings for counterparties. Losses may arise from future changes in value of the underlying currency, or if the counterparties do not perform under the terms of the contract.

The following table summarizes the aggregate notional or fair value amounts for SWIB's derivative financial instruments at December 31, 2020 (in thousands):

	12/31/2020
Future contracts (Notional)	$ 6,690,857
Foreign currency spot and forward contracts – Receivable (Fair Value)	4,576,239
Foreign currency spot and forward contracts – Payable (Fair Value)	(4,561,108)
OTC Derivative Investment subject to Counterparty Credit Risk – Receivable (Fair Value)	8,402,162
OTC Derivative Investment subject to Counterparty Credit Risk – Payable (Fair Value)	(10,156)
Options – puts (Notional)	(880,458)
Options – calls (Notional)	(36,096)

Fair Value Measurements. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under authoritative guidance are described as follows:

Level 1 - Investments reflect unadjusted quoted prices in active markets for identical assets.

Level 2 - Investments reflect prices that are based on inputs that are either directly or indirectly observable for an asset (including quoted prices for similar assets), which may include inputs in markets that are not considered to be active.

Level 3 - Investments reflect process based upon valuation techniques in which significant inputs or significant values drivers are unobservable.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for BMO assets measured at fair value. There were no changes to the methodologies during the year ended June 30, 2021.

Money market accounts: Valued at the quoted net asset value (NAV) of shares held by the Plan at year end.

Mutual funds: Mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

The plan sponsor is responsible for the determination of fair value. The plan sponsor has not historically adjusted the prices obtained from pricing services. The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan's investments held at BMO at fair value as of June 30, 2021.

	June 30, 2021			
Investment Type	**Level 1**	**Level 2**	**Level 3**	**Total**
Money market accounts	$ -	$ 4,368,137	$ -	$ 4,368,137
Mutual Funds:				
Short-Term Investment Grade Bond Funds	3,167,948	-	-	3,167,948
Intermediate-Term Investment Grade Bond Funds	2,331,577	-	-	2,331,577
Investments at Fair Value	$ 5,499,525	$ 4,368,137	$ -	$ 9,867,662

Short-Term Investment Grade Bond Funds include funds with a duration of less than three years and Intermediate-Term Investment Grade Bond Funds include funds with a duration greater than three years.

(3) Receivables

Receivables as of June 30, 2021 for the District's individual major funds and nonmajor funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

	General Fund	Construction Fund	School Nutrition Services Fund	Nonmajor Fund	Total
Receivables:					
Accounts	$ 11,673,933	200,113	—	—	$ 11,874,046
Intergovernmental-federal	81,335,758	—	626,841	7,581,762	89,544,361
Intergovernmental-state	20,952,650	—	—	—	20,952,650
Gross receivables	113,962,341	200,113	626,841	7,581,762	122,371,057
Less allowance for uncollectibles	(949,154)	—	—	—	(949,154)
Total receivables, net	$ 113,013,187	200,113	626,841	7,581,762	$ 121,421,903

The District expects to collect all receivables within one year except for $556,795.

(4) Interfund Transactions

Interfund borrowings are reflected as "due from/to other funds" on the accompanying financial statements.

The following balances as of June 30, 2021 represent due to/from balances among all funds:

	Due from other funds			
	General Fund	School Nutrition Services Fund	Nonmajor Fund	Total
Due to other funds:				
General Fund	$ —	4,489,339	4,469,703	$ 8,959,042
Construction fund	29,699,381	—	1,248,071	30,947,452
Total	$ 29,699,381	4,489,339	5,717,774	$ 39,906,494

Balances resulted from the timing difference between the dates that interfund goods and services are provided or reimbursable expenditures occur.

The following balances as of June 30, 2021 represent transfer in/out balances among all funds:

Fund Transferred To	Fund Transferred From	Amount	Reason
Construction	General	$30,000,000	To fund construction trust payment
Nutrition	General	37,837	To fund current year expenditures
Nonmajor-Debt Service	General	26,464,166	To fund current year debt service
General	Nonmajor-Categorically Aided Progrmas	283,367	To fund current year expenditures

(5) Capital Assets

Capital assets activity for the year ended June 30, 2021 was as follows:

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 30,449,885	—	98,428	30,351,457
Construction in progress	2,694,099	25,022,141	24,143,103	3,573,137
Total capital assets, not being depreciated	33,143,984	25,022,141	24,241,531	33,924,594
Capital assets, being depreciated:				
Buildings	1,207,343,504	24,143,103	2,815,130	1,228,671,477
Leasehold improvements	12,219,204	—	—	12,219,204
Furniture and equipment	60,530,674	3,822,692	260,634	64,092,732
Total capital assets, being depreciated	1,280,093,382	27,965,795	3,075,764	1,304,983,413
Less accumulated depreciation for:				
Buildings	(589,975,293)	(24,545,505)	(1,872,444)	(612,648,354)
Leasehold improvements	(7,521,662)	(540,942)	—	(8,062,604)
Furniture and equipment	(52,258,607)	(2,169,300)	(260,449)	(54,167,458)
Total accumulated depreciation	(649,755,562)	(27,255,747)	(2,132,893)	(674,878,416)
Total capital assets, being depreciated, net	630,337,820	710,048	942,871	630,104,997
Capital assets, net	$ 663,481,804	25,732,189	25,184,402	664,029,591

Depreciation expense for governmental activities for the year ended June 30, 2021 was charged to functions/programs as follows:

Governmental activities:		
Instruction	$	16,130,863
Community services		512,044
Pupil and staff services		4,487,968
General, administration and central services		2,348,982
Business services		3,106,798
School nutrition		669,092
Total depreciation	$	27,255,747

(5A) Intangible Assets

Intangible assets activity for the year ended June 30, 2021 was as follows:

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
Governmental activities:				
Intangible assets, not being amortized:				
Work in progress	$ 421,631	852,242	1,273,873	-
Total intangible assets, not being amortized	421,631	852,242	1,273,873	-
Intangible assets, being amortized:				
Software	$ 50,306,686	1,273,873	—	51,580,559
Total intangible assets, being amortized	50,306,686	1,273,873	—	51,580,559
Less accumulated amortization for:				
Software	(47,081,881)	(1,828,072)	—	(48,909,953)
Total accumulated amortization	(47,081,881)	(1,828,072)	—	(48,909,953)
Total intangible assets being amortized	3,224,805	(554,199)	—	2,670,606
Intangible assets, net	$ 3,646,436	298,043	1,273,873	2,670,606

Amortization expense for governmental activities for the year ended June 30, 2021 was charged to functions/programs as follows:

Governmental activities:	
Instruction	$ 1,081,914
Community services	34,343
Pupil and staff services	301,013
General, administration and central services	157,549
Business services	208,376
School nutrition	44,877
Total amortization	$ 1,828,072

(6) Short-term Borrowings

On an interim basis, to finance Milwaukee Public Schools general operating expenses pending receipt of state school aid payments, $22,000,000 was drawn on a line of credit by the City of Milwaukee on August 27, 2020 and $50,000,000 was drawn on September 11, 2020 and $72,000,000 was paid on October 15, 2020. $180,000,000 of Revenue Anticipation Notes (RANs), Series 2020 M8, were issued on October 15, 2020. The RANs mature on July 1, 2021. Interest is paid at maturity. The debt was repaid from the District's equalization aid allocations received from the state government on June 30, 2021.

(7) Long-term Obligations

The City school bonds, notes and capital lease obligations outstanding at June 30, 2021 totaled $348,390,333. Of this total, $421,080 represents school bonds and notes that will be repaid by the City using the City's property tax levy. As the District does not have an obligation to repay these bonds and notes from its own property tax levy, the debt is not reflected in the District's long-term obligations. The remaining balance of $347,969,253 represents bonds, promissory notes and capital leases, the debt service of which is being reimbursed by the District to the City from the District's property tax levy. Since the District does have an obligation to repay this debt under intergovernmental cooperation agreements with the City, this debt is reflected in the District's long-term obligations.

Long-term obligations activity for the year ended June 30, 2021 was as follows:

	Original amount	July 1, 2020	Additions	Reductions	Balance June 30, 2021	Amount due in one year
General Obligation Bonds:						
5.0%, due in installments to May 2021	$ 4,095,000	665,000	—	665,000	—	—
Plus: Premium on issuance	787,801	87,534	—	87,534	—	—
4.0%, due in installments to March 2025	3,175,000	3,175,000	—	—	3,175,000	750,000
Plus: Premium on Issuance	387,059	115,110	—	45,285	69,825	—
5.0%, due in installments to April 2024	1,236,560	989,248	—	247,312	741,936	247,312
Qualified School Construction Bonds:						
1.18%, due in annual installments to December 2025	12,000,000	4,625,000	—	925,000	3,700,000	925,000
Less: Discount on issuance	(450,000)	(140,625)	—	(28,125)	(112,500)	—
5.25%, due in annual installments August 15th 2014 to February 2027	37,300,000	20,150,000	—	2,450,000	17,700,000	2,450,000
Neighborhood Schools Initiative Bonds (NSI), 3.5% – 4.875%, due in annual installments to June 2023	218,570,000	27,145,000	—	8,140,000	19,005,000	9,090,000
Plus: Premium on 2013A issuance	6,627,903	2,209,079	—	552,104	1,656,975	—
Plus: Premium on 2017 issuance	3,221,503	1,213,219	—	547,656	665,563	—
Pension debt refinancing:						
Capital appreciation note, due in annual installments beginning April 1, 2005 through April 1, 2023	46,715,000	14,475,000	—	4,205,000	10,270,000	5,315,000
Less: Discount	(25,232,986)	(1,535,988)	—	(772,595)	(763,393)	—
Capital appreciation bonds, due in annual installments beginning April 1, 2026 through April 1, 2041	110,525,000	110,525,000	—	—	110,525,000	—
Less: Discount	(94,805,878)	(66,344,687)	—	(2,851,763)	(63,492,924)	—
Pension bonds, variable interest rate "index-linked", interest due in semi-annual installment, principal due at maturity on October 1, 2043	130,850,000	130,850,000	—	—	130,850,000	—
Capital lease - RACM 2015 - 2017 QSCB, QZAB, QECB, Energy Efficiency	129,118,000	117,760,309	—	3,781,538	113,978,771	3,871,538
Total intergovernmental cooperation agreement debt		$ 365,963,199	—	17,993,946	347,969,253	22,648,850

	Balance at July 1, 2020	Additions	Reductions	Balance at June 30, 2021	Amount due in one year
Intergovernmental cooperation agreements with the City of Milwaukee (from previous page)	$ 365,963,199	—	17,993,946	347,969,253	22,648,850
Accrued compensated absences	13,336,800	7,018,092	6,989,310	13,365,582	5,900,000
Net OPEB Liability	762,277,112	55,634,741	186,217,344	631,694,509	—
Net Pension Liability	187,257,004	—	25,470,121	161,786,883	—
Workers' compensation claims	1,480,714	2,344,744	3,389,088	436,370	400,000
General insurance claims	300,830	—	345	300,485	—
Life insurance benefits	500,000	—	—	500,000	500,000
Liability for other long-term benefits	285,051	—	—	285,051	—
Total long-term obligations	$ 1,331,400,710	64,997,577	240,060,154	1,156,338,133	29,448,850

Estimated payments of compensated absences, other post-employment benefits, net pension liability and insurance claims are not included in the debt service requirement schedules. The compensated absences, OPEB, net pension liability and insurance claims liabilities attributable to governmental activities will be liquidated primarily by the general fund.

The total liability for workers' compensation claims was approximately $0.4 million.

Aggregate scheduled debt service requirements for the retirement of the intergovernmental cooperation agreement debt (excluding capital lease obligations) as of June 30, 2021 are as follows:

	Principal	Interest	Total
Fiscal year ended June 30:			
2022	$ 18,777,312	10,161,849	28,939,161
2023	19,277,312	9,738,683	29,015,995
2024	10,682,312	9,350,024	20,032,336
2025	10,530,000	8,958,663	19,488,663
2026	11,235,000	8,447,384	19,682,384
2027 – 2031	54,230,000	28,165,419	82,395,419
2032 – 2036	71,390,000	18,420,669	89,810,669
2037 – 2041	81,320,000	9,688,938	91,008,938
2042 – 2044	18,525,000	1,469,469	19,994,469
Total	$ 295,966,936	104,401,098	400,368,034

Interest on the $130,850,000 variable rate pension debt (index-linked bonds), included in the schedule of future payments above, is based upon the one-month LIBOR rate (the London Interbank Offered Rate) plus 25 basis points (.25%) and is adjusted monthly. The LIBOR interest rate was 0.10050% as of June 30, 2021.

Starting in 2015, the District entered into seven series of capital leases in the aggregate principal amount of $129,118,000 to fund certain remodeling, renovation and equipping projects at MPS schools. The financing vehicles for the capital leases were lease revenue bonds Series 2015A, 2016A, 2016B, 2016C, 2017, 2017B, and 2017C issued through the Redevelopment Authority of the City of Milwaukee (RACM).

The District is also holding approximately $18.9 million of restricted cash and investments under this capital lease arrangement.

Future maximum lease payments under these capital leases at June 30, 2021 are as follows:

Fiscal year ended June 30:		
2022	$	8,206,527
2023		8,198,427
2024		9,669,802
2025		17,815,427
2026		8,115,053
2027 – 2031		58,663,420
2032 – 2036		42,854,986
2037 – 2041		21,270,307
Total remaining maximum lease payments		174,793,949
Less amount representing interest		60,815,178
Present value of maximum lease payments	$	113,978,771

The maximum allowable amount of City debt (including school debt) outstanding at any time shall not be greater than 5% of the total equalized taxable property in the City (Wisconsin State Statute Chapter 67.03). Wisconsin State Statute Chapter 119.49 further authorizes referendum-approved bonding in an additional amount equivalent to 2% of the equalized taxable property for school capital purposes. The total equalized taxable property in the City for calendar year 2021 was $35,338,274,000 and the 5% debt limit was $1,766,913,700. No referendum-approved debt is outstanding at June 30, 2021.

The District has pledged future Intradistrict Aid revenues to repay $19,005,000 in Neighborhood School Initiative Bonds due between the fiscal years ending June 30, 2022 and June 30, 2023. The bonds are payable solely from pledged revenues and are payable to bondholders through August 1, 2023. Annual principal and interest payments on the bonds are expected to require 33.8% of net revenues at the point of the highest bondholder debt service payment, due August 1, 2023. The total principal and interest remaining to be paid on the bonds as of June 30, 2021 is $19,781,700. Principal and interest paid for the year ended June 30, 2021 was $9,079,750 while the Intradistrict Aid revenues were $29,944,705.

Revenue debt payable at June 30, 2021 consists of the following:

	Neighborhood Schools Initiative Bonds		
	Amounts Outstanding		
	Principal	Interest	Total
Fiscal year ended:			
2022	$ 9,090,000	578,400	9,668,400
2023	9,915,000	198,300	10,113,300
	$ 19,005,000	776,700	19,781,700

Derivative Instruments - Interest Rate Swap Agreements

In December 2003, the District entered into contracts to hedge its exposure to fluctuating interest rates associated with the variable rate bonds that it issued to fund an unfunded actuarial accrued liability for pensions. These contracts are evaluated pursuant to GASB Statement No. 53, Accounting and Financial reporting for Derivative Instruments, to determine whether they effectively hedge the expected cash flows associated with interest rate exposures.

The District applies hedge accounting for derivatives that are deemed effective hedges. Under hedge accounting, the increase (decrease) in the fair value of a hedge is reported as a deferred cash flow hedge on the statement of net position. For the reporting period, all of the District's derivatives meet the effectiveness test.

The following is a summary of the fair values and notional amounts of derivative instruments outstanding as of June 30, 2021 and the changes in fair value of such derivative instruments for the year then ended as reported in the 2021 financial statements are as follows (amounts in thousands; gains shown as positive amounts, losses as negative):

	2021 Change in Fair Value		Fair Value, End of 2021		
	Classification	Amount	Classification	Amount	Notional Amount
Governmental activities					
Interest Rate Derivatives:					
Pay-fixed interest rate swaps	Deferred outflow	$(16,163)	Derivative	($56,441)	$130,850

Objective and Terms of Hedging Derivative Instruments

The following table displays the objective and terms of the District's hedging derivative instruments outstanding at June 30, 2021, along with the credit rating of the associated counterparty (amounts in thousands).

Item	Type	Objective	Notional Amount	Effective Date	Maturity Date	Terms	Fair Value	Counterparty Credit Rating
A	Pay fixed, receive variable interest rate swap	Hedge of changes in cashflow on the Series 2003 D bonds	$21,255	09/23/2011	10/1/2043	Receive LIBOR + 20 basis points, pay LIBOR + 25 basis points.	($9,159)	A+/A2/A
B	Pay fixed, receive variable interest rate swap	Hedge of changes in cashflow on the Series 2003 D bonds	$49,595	09/23/2011	10/1/2043	Receive LIBOR + 20 basis points, pay LIBOR + 25 basis points.	($21,372)	AA-/Aa2/A+
C	Pay fixed, receive variable interest rate swap	Hedge of changes in cashflow on the Series 2003 D bonds	$60,000	12/23/2003	10/1/2043	Receive LIBOR + 20 basis points, pay LIBOR + 25 basis points.	($25,910)	A/A1/A+
						Total Fair Value	($56,441)	

Objective. As a means to lower its borrowing costs when compared against fixed-rate bonds at the time of issuance in December 2003, the District entered into three interest rate swap agreements in connection with the $130,850,000 Taxable Pension Funding Bonds, 2003 Series D (originally variable auction rate securities,

converted to index-linked bonds on July 7, 2005). The intention of the swap was to effectively change the variable interest rate on the bonds to a synthetic fixed rate of 5.56%. The conversion to index-linked bonds eliminated liquidity and basis risk, and maintained the swap agreements, but with a fixed rate cost to MPS of 5.61%.

Terms. The bonds and the related swap agreements mature on October 1, 2043 and the swaps' aggregate notional amount of $130,850,000 matches the $130,850,000 par amount of the variable-rate bonds. The swaps were entered into at the same time the bonds were issued in December 2003, and continue to remain in effect after the conversion to index-linked bonds on July 7, 2005. Starting in fiscal year 2024, the notional value of the swap and the principal amount of the bonds decline until the debt is completely retired. Under the swap agreements, the District pays the counterparty a fixed payment of 5.56% and receives a variable payment computed as the 1-month London Interbank Offered rate (LIBOR) plus 20 basis points (.20%). Conversely, the District pays the bond's index linked coupon rate of LIBOR plus 25 basis points (0.25%). The District is monitoring the scheduled discontinuation of LIBOR in 2023.

Fair Value. The fair values of the interest rate swaps were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swaps.

Risks of Derivative Instruments

Credit risk – Credit risk is the risk of loss due to a counterparty defaulting on its obligations. The District seeks to minimize credit risk by requiring counterparty collateral posting provisions in its hedging derivative instruments. These terms require full collateralization should the counterparties credit ratings fall below certain levels.

As of June 30, 2021, the District was not exposed to credit risk because the swaps had negative fair value. There are three swap counterparties with whom the District has a total of three swap agreements. The credit ratings of the counterparties are provided in the prior table. To mitigate the potential for credit risk, if the credit quality is below Aa3 by Moody's Investor's Service, AA- by Standard & Poor's, and AA- by Fitch Ratings, the fair value of the swap will be fully collateralized by the counterparty. Collateral is posted with the trustee of the bonds.

Interest rate risk – The District is exposed to interest rate risk on its interest rate swap. On its pay-variable, received-fixed interest rate swap, as LIBOR increases, the District's net payment on the swap increases. Alternatively, on its pay-fixed, receive-variable interest rate swap, as LIBOR or the SIFMA swap index decreases, the District's net payment on the swap increases.

Basis risk – Basis risk is the risk that arises when a hedged item and a derivative that is attempting to hedge that item are based on different indices. As a result of the District's conversion to index-linked bonds from auction rate securities, the basis risk exposure to the District from its swap agreements was eliminated.

Termination risk – Termination risk is the risk that a derivative will terminate prior to its scheduled maturity due to a contractual event. Contractual events include bankruptcy, illegality, default and mergers in which the successor entity does not meet credit criteria. The District or the counterparty may terminate a swap if the other party fails to perform under the terms of the contract. The swaps may be terminated by the District at any time. A swap may be terminated by a counterparty if the District's credit quality rating falls below

"BBB-" as issued by Standard & Poor's or "Baa3" by Moody's Investors Service. If a swap is terminated, the variable-rate bonds will no longer carry a synthetic interest rate and the District would be subject to interest costs reflective of the variable interest rates. Also, if at the time of termination the swap has a negative fair value, the District would be liable to the counterparty for a payment equal to the swap's fair value. At June 30, 2021 the swap's currently have a cumulative negative fair value of $56.441 million.

Rollover risk – Rollover risk occurs when the hedging derivative instrument does not extend to the maturity of the hedgeable item. When the hedging derivative instrument terminates, the hedgeable item will no longer have the benefit of the hedging derivative instrument. Because the District's swap agreements extend to the maturity of the hedged debt, the District is not exposed to rollover risk.

Swap payments and associated debt – Using rates as of June 30, 2021, debt service requirements of the variable-rate index-linked bonds and net swap payments, assuming current interest rates remain the same for their term, were as follows (as rates vary, variable rate interest payments and net swap payments will vary):

	Variable-rate bonds		Interest rate	
	Principal	Interest	swaps, net	Total
Fiscal year ended June 30:				
2022	$ —	$ 131,504	$ 7,209,181	$ 7,340,685
2023	—	131,504	7,209,181	7,340,685
2024	6,250,000	128,887	7,065,704	13,444,591
2025	6,325,000	122,574	6,719,639	13,167,213
2026	6,250,000	116,249	6,372,885	12,739,134
2027 - 2031	31,250,000	487,027	26,699,267	58,436,294
2032 - 2036	31,250,000	329,996	18,090,673	49,670,669
2037 - 2041	31,000,000	173,572	9,515,366	40,688,938
2042 - 2044	18,525,000	26,325	1,443,145	19,994,470
Totals	$ 130,850,000	$ 1,647,638	$ 90,325,041	$ 222,822,679

(8) Risk Management

The District is exposed to various types of risk of loss including torts; theft of, damage to, or destruction of assets; errors or omissions; job-related illnesses or injuries to employees; natural disasters; and environmental occurrences. Also included are risks of loss associated with providing health, dental, and life insurance benefits to employees and retirees.

The District purchases commercial property insurance, auto liability insurance, errors and omissions insurance, fiduciary liability and excess liability insurance. The District assumes a $250,000 self-insured retention for any one loss or occurrence under its self-insured general liability program. The District purchases excess liability insurance for its general liability that provides per-occurrence and general aggregate protection. The District is fully self-insured for environmental-related liabilities and purchases no excess environmental liability insurance. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

The reduction in abuse and molestation liability limits effective July 1, 2013 remain in place. The coverage provided under the General liability policy is a limit of $1 million each incident with a $2,000,000 annual aggregate, subject to a $250,000 self-insured retention per incident.

The District provides health insurance benefits to employees and retirees through a self-insured PPO/Indemnity plan, self-insured exclusive provider organization ("EPO") plan, and a self-insured high deductible health plan ("HDHP") with a health savings account ("HSA") option. The District purchases stop-loss insurance for all three of the above medical and corresponding prescription drug ("Rx") plans. The Rx benefits are self-funded and offered in concert with the medical plan. Should an employee elect to forego health insurance, there is a $500 annual opt-out program.

Milliman, an independent actuary who is a member of the American Academy of Actuaries (AAA), provides a calculation of Equivalent Premium Rates each calendar year. The 2020 rate information was received September 26, 2019 and the 2021 rate information was received September 14, 2020. The rates developed by Milliman are intended to be used by the District to calculate the employee and retiree contributions for each calendar year in order to ensure overall financial soundness of the plan.

Effective January 1, 2015 the District approved providing post-Medicare benefits to eligible retirees through a fully-insured Medicare Advantage plan. This fully-insured Medicare Advantage plan provides comparable benefits to the current self-insured PPO/Indemnity and EPO plans, however 2021 premium rates are 77% lower than the monthly premium for the EPO plan, 76% lower than the monthly premium for the PPO/Indemnity Plan, and 75% lower than the HDHP plan.

Life insurance benefits are provided for active and retired employees through a variable funding life insurance program. Life insurance costs that exceed certain rates are funded by MPS. All benefit eligible employees receive life insurance valued at one times their annual base salary. Effective July 1, 2018, MPS discontinued offering to pay long-term disability, and now provides a voluntary (employee paid) supplemental life, short-term disability, and long-term disability insurance programs.

The District provides dental insurance benefits through a fully insured dental maintenance organization (DMO) and through a self-insured indemnity plan. The District does not purchase stop-loss insurance for its self-insured dental indemnity plan.

Additionally, the District provides a fully insured vision plan and medical and dependent care flexible spending programs.

The District is fully self-insured for worker's compensation benefits and does not purchase stop-loss insurance.

A liability for claims is reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The claim liabilities also include estimated costs for claim administration fees and outside legal and medical assistance costs. The liability for claims and judgments is reported in the general fund.

Changes in the balance of claim liabilities during the past two years are as follows:

	Year ended June 30	
	2021	2020
Beginning of year liability	$ 18,025,896	20,944,753
Current year claims and changes in estimate	187,167,078	158,457,251
Claim payments	(185,881,518)	(161,376,108)
End of year liability	$ 19,311,456	18,025,896

The District has recognized the liability for health and dental benefits, which totaled $17,661,031 and $15,393,150 as of June 30, 2021 and 2020, respectively, in the general fund. The District has also recognized a liability of $125,519 and $66,151 as of June 30, 2021 and 2020, respectively, in the general fund for workers' compensation claims that were due as of the respective year-end. All other claims liabilities are considered to be long-term liabilities and are recognized in the government-wide financial statements.

(9) Retirement Plans

Wisconsin Retirement System

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

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

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 and 62 for elected officials and executive service retirement plan participants, if hired before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the

employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

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

The WRS also provides death and disability benefits for employees.

Post-retirement adjustments. The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustment percentages 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	25.0
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

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized $24,882,396 in contributions from the District.

Contribution rates for the plan year ended as reported on June 30, 2021 are:

Employee Category	Employee	Employer
General (including teachers, executives and elected officials)	6.75%	6.75%

At June 30, 2021, the District reported an asset of $(141,075,767) 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 of benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension asset was based on the district's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the District's proportion was 2.25969297% which was a decrease of .11142266% from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized pension expense of $(16,697,364).

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 204,179,950	$ 43,979,993
Changes in assumptions	3,199,874	-
Net differences between projected and actual earnings on pension plan investments	-	264,858,254
Changes in proportion and differences between employer contributions and proportionate share of contributions	98,754	1,378,247
Employer contributions subsequent to the measurement date	14,843,529	-
Total	$ 222,322,107	$ 310,216,494

$14,843,529 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of 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:	Net Deferred Outflows/ (Inflows) of Resources
2022	$ (26,517,549)
2023	(7,478,860)
2024	(48,324,065)
2025	(20,417,442)

Actuarial assumptions. The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2019
Measurement Date of Net Pension Liability:	December 31, 2020
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 conducted 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:

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	51.0 %	7.2 %	4.7 %
Fixed Income	25.0	3.2	0.8
Inflation Sensitive Assets	16.0	2.0	(0.4)
Real Estate	11.0	10.2	7.6
Private Equity/Debt	8.0	5.6	3.1
Multi-Asset	4.0	5.8	3.3
Total Core Fund	115.0	6.6	4.1
Variable Fund Asset Class			
US Equities	70.0	6.6	4.1
International Equities	30.0	7.4	4.9
Total Variable Fund	100.0	7.1	4.6

New England Pension Consultants Long Term US CPI (Inflation) Forecast 2.40%

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

Single discount rate. A single discount rate of 7.00% was used to measure the total pension liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.00% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
District's proportionate share of the net pension liability (asset)	$ 134,284,578	$ (141,075,767)	$ (343,325,887)

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

At June 30, 2021, the District reported a payable to the pension plan of $1,788,773, which represents contractually required contributions outstanding as of the end of the year.

Employees' Retirement System of the City of Milwaukee

Plan Description – The District makes contributions to the Employees' Retirement System of the City of Milwaukee (the "System"), a cost-sharing multiple-employer defined pension plan, on behalf of all eligible City employees. The System provides retirement, disability, and death benefits to plan members and beneficiaries. The City Charter assigns the authority to establish and amend benefit provisions. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Employees' Retirement System of the City of Milwaukee, 789 North Water Street, Suite 300, Milwaukee, WI 53202.

Funding Policy – General employees participating prior to January 1, 2014 are required to contribute, or have contributed on their behalf, a percentage of their annual earnable compensation equal to 5.5% of their annual pensionable income; general employees participating on or after January 1, 2014 are required to contribute 4% of their annual pensionable income. The City Charter assigns the authority to establish and amend contribution requirements. The City Charter was amended so that various groups of represented and non-represented City employees hired on or after January 1, 2010 contribute 5.5% of their earnable compensation for pension benefits. The District's contributions to the System for the years ended December 31, 2020, 2019, and 2018, were $10,279,115, $9,575,948, and $9,323,012, respectively, equal to the required contributions on behalf of the plan members for each year.

At June 30, 2021 the District reported a liability of $129,847,000 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020, rolled forward to December 31, 2020. No material changes in assumptions of benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability was based on the district's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020 the District's proportion was 11.88401250% which was an increase of .64947810% from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized pension expense of $33,646,827.

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 11,356,000	$ 2,739,000
Changes in assumptions	14,241,000	-
Net differences between projected and actual earnings on pension plan investments	-	19,563,000
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,182,000	1,103,000
Employer contributions subsequent to the measurement date	3,509,150	-
Total	$ 33,288,150	$ 23,405,000

$3,509,150 reported as deferred outflows related to pension resulting from the System employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability 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:	Net Deferred Outflows / (Inflows) of Resources
2022	$ 16,453,964
2023	12,153,199
2024	(22,049,214)
2025	(183,949)

Actuarial assumptions. The last actuarial valuation was performed as of January 1, 2020, and the amounts were used to roll-forward the total pension liability to the plan's year-end December 31, 2020, and was determined using the following actuarial assumptions, applied to all prior periods included in the measurement:

Actuarial valuation date	January 1, 2020
Measurement Date of Net Pension Liability	December 31, 2020
Actuarial cost method	Entry Age Normal-Level Percentage of Pay
Amortization method	Level percent of payroll, closed
Asset Valuation Method	5-year smoothing of difference between expected return on actuarial value and actual return on market value

Actuarial Assumptions:	
Investment rate of return and discount rate	7.5% per annum, compounded annually
Projected Salary increases	General City 2.5% - 5.5% Police & Fire 4.0% - 13.4%
Inflation Assumption	2.50%
Cost of living Adjustments	Vary by Employee Group and decrement type as explained in summary of plan provisions
Mortality Table	For regular retirees and survivors, the RP-2014 Healthy Annuitant Mortality Table, using 111% of rates for males and 110% of rates for females, projected generationally using Scale MP-2016, was used. For duty and ordinary disability retirees, the RP-2014 Disability Mortality Table, using 102% of rates for males and 98% of rates for females, projected generationally using Scale MP-2016, was used.
Experience Study	The actuarial assumptions used in December 31, 2020 valuation were based on the results of the most recent experience study covering the five-year period ending December 31, 2016. The long-term rate of return is based on analysis performed by Cavanaugh Macdonald and adopted by the Board of Trustees on April 29, 2019.

Long-term expected rate of return-The long-term expected rate of return on pension plan investments was reviewed as part of the regular experience study, prepared for the System in October 2017. Additional analysis was performed in early 2019 which resulted in a decrease in the long-term rate of return to 7.5%. Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation), along with estimates of variability and correlations, as developed by the System's investment consultant, for each major asset class. These ranges were 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 then adding expected inflation. This assumption is intended to be a long-term assumption (30 to 50 years) and is not generally expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

Best estimated of arithmetic real rates of return (net of inflation) for each major asset class included in the Retirement System's target asset allocation as of December 31, 2020, are listed in the table below:

Asset Class	Asset Allocation	Long-term Expected Real Rate of Return*
Public Equity	43.0%	7.3%
Fixed Income & Cash	26.0%	3.1%
Real Estate	7.7%	5.6%
Real Assets	3.3%	4.5%
Private Equity	10.0%	10.6%
Absolute Return	10.0%	2.9%
	100.0%	

**Rates provided by Cavanaugh Macdonald, arithmetic mean, net of inflation*

Discount Rate - The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from ERS agencies will be made at contractually required rates, actuarially determined. Based on those assumptions, the ERS fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. The cross over analysis produces a single rate of 7.50 percent, which reflects the long-term expected rate of return on ERS investments. Therefore, the discount rate was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability/(asset) to changes in the discount rate - The following presents the District's proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.50 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.50 percent) or 1 - percentage-point higher (8.50 percent) than the current rate (in thousands):

	1% Decrease (6.50%)	Current Discount (7.50%)	1% Increase (8.50%)
District proportionate share of the net pension liability	$ 225,359,619	$ 129,847,000	$ 50,458,091

Additional Financial Information for the ERS- For additional information regarding ERS's financial statements and audit report, please visit the ERS web site at http:/www.cmers.com/About-Us/Reports.htm.

Supplemental Retirement Plans

(a) Plan Descriptions and Funding Policies

Milwaukee Board of School Directors Early Retirement Supplement and Benefit Improvement Plan

The plan is a single-employer defined benefit pension plan established to provide benefits after early retirement which will supplement the pension benefits provided by the WRS and the System. Separately issued financial statements on the plan may be obtained by contacting the Pension Office, Department of Pensions and Data Systems, Milwaukee Public Schools, 5225 W. Vliet Street, Room 124, Milwaukee, WI 53208.

A participant must be an administrative, supervisory, or professional staff employee of the District who is in the collective bargaining unit represented by the Administrators and Supervisors Council, Inc (the "ASC"), be an exempt employee excluded by the ASC bargaining contract, or any other employee who is identified as a covered employee by the Milwaukee Board of School Directors (MBSD) through an employment contract between such employee and the MBSD. Such employees shall become participants in the plan on the later of the effective date of the plan or the date they become a participant in the WRS. Certain classified participants represented by the ASC or any exempt employee excluded by the ASC bargaining contract and covered by the System, and certain psychologists who elected to remain in the plan after June 30, 1980 are also eligible for participation.

The Plan is classified as a "governmental plan" and is, therefore, exempt from provisions of the Employee Retirement Security Act of 1974 (ERISA).

Participants are eligible for retirement benefits provided they have made three years of participant contributions and have eight or more years of vesting service. For Plan years, effective July 1, 2003, vesting under the Plan is modified to be three years of service as a covered employee and eight or more years of vesting service. The plan provides for unreduced benefits on or after age 60 and for reduced benefits between ages 55 and 60. For participants who retire between ages 60 and 65 under the System or under the WRS, a special supplemental benefit, as defined, shall be paid until the retiree attains age 65. Benefits are paid in the form of monthly payments based on years of service and average monthly compensation for the three highest fiscal years of earnings preceding the date of retirement to a maximum benefit, for this plan and either the System or WRS, of 70% of average monthly compensation. The benefit paid under this plan for participants whose benefit is related to the WRS shall be reduced by the amount of the WRS benefit paid. Wisconsin Act 11 directly affects the plan by decreasing the benefits paid and increasing the funded status of the plan.

In consideration of the reduced benefits to be paid by the plan as a result of Wisconsin Act 11, the District signed an agreement with the ASC to amend the plan effective July 1, 2003 as follows:

- Transfer the benefit formula under the teachers plan to the plan for those individuals who have prior MPS teaching service after July 1, 1982 and are eligible to receive a benefit from the teachers plan. Such individuals will have the option of electing either the teachers or ASC plan benefit formula.
- Eliminate employee contributions to the plan.

- Close the plan to anyone who is not a covered employee as of June 30, 2003 and previous employees that are rehired after June 30, 2003.
- Eliminate the suspension of benefits provision in the plan and replace it with a new provision that suspends benefits paid from the plan if the retired annuitant is rehired as a covered employee and elects to participate as an active employee under the WRS.

In fiscal year 2004, the District received more than the required 95% of signed waivers and consents from covered employee to implement the negotiated change to the Plan. Subsequently the MBSD adopted the restated Plan at its June 2004 regular meeting.

The amendments to the plan were included in the July 1, 2003 actuarial valuation. These amendments resulted in an increase to the actuarial accrued liability of $4,973,000 as of July 1, 2003.

In fiscal year 2005, the definition of "Year of Benefit Service" of the Plan was amended to provide for the addition of the following at the end of such definition:

For a covered employee who was an active participant in the Plan on or after July 1, 2004 and who:

- Became a covered employee on or after July 1, 1982; and
- Was covered under the MTEA-teacher collective bargaining unit and under the WRS on or after July 1, 1982; and
- Is vested under the Teachers Plan; and
- Has consented in writing to the amendment of the Plan as provided in a Negotiating Note between the Board and the ASC dated June 24, 2003.

A covered employee shall continue to be credited with the Years of Benefit Service without giving effect to Years of Benefit Service provisions of the Teachers Plan, for the periods beginning on and after July 1, 2004, except for the purpose of computing the Alternate Benefit for certain Teachers Plan participants as a result of Wisconsin Act 11 discussed above.

The plan also provides for disability benefits to vested participants if employment is terminated between ages 55 and 65 by reason of total and permanent disability as approved by the WRS. Upon the death of an active participant who is not eligible for any other form of benefit under the plan, a lump-sum death benefit of the value of the participant's employee contribution account is provided to the participant's beneficiary.

The Plan does not provide for any postretirement increases.

The District maintains a separate "member contribution account" for each participant. Annually, as of June 30, the portion of investment income of the fund attributable to the participants' contribution is credited to the respective member contribution accounts. If a participant leaves covered employment or dies, accumulated employee contributions, plus related investment earnings, are refunded to the employee or designated beneficiary based on their election. Classified employees are not required to make member contributions under the plan.

Effective July 1, 2003, participants are no longer required to make contributions to the Plan and the employer shall pay 100% of required plan contributions.

Accrued plan liabilities are reduced by the amount attributed to employer contributions for employees who are not vested for benefits and who terminate participation in the Plan for reasons that include termination of employment. These employer contributions are applied to reduce the cost of the Plan and not to increase benefits otherwise payable to eligible participants.

At June 30, 2021, the district reported a net pension asset of $4,815,085 for the Plan. The net pension asset was measured as of June 30, 2021.

Milwaukee Board of School Directors Supplemental Early Retirement Plan for Teachers

The plan is a single-employer defined benefit pension plan established to provide benefits after early retirement, which will supplement the pension benefits provided by the WRS. Separately issued financial statements on the plan may be obtained by contacting the Pension Office, Department of Pensions and Data Systems, Milwaukee Public Schools, 5225 W. Vliet Street, Room 124, Milwaukee, WI 53208.

To be eligible for participation, an employee must be a teacher of the District who is in the collective bargaining unit represented by the Milwaukee Teachers' Education Association ("MTEA") and who is participating as an active employee in the WRS. Such employees shall become participants in the plan on the later of the effective date of the Plan or the date they become a participant in the WRS. Employees who first became participants before July 1, 1998, are vested upon participation. Employees who first became participants on or after July 1, 1998, are vested after being employed by the District for at least 15 years after July 1, 1998, in a position that is covered under the MBSD/MTEA teacher contract and that counts as creditable service under the WRS (but excluding periods of military service) and terminates employment with the District on or after the employee's 55th birthday.

Effective July 1, 2013, the District made following changes to the Plan provisions:

- Enrollment in the Plan was closed to any employees hired or rehired or transferred or demoted to the teacher unit covered under the Plan on or after July 1, 2013; and
- Average monthly compensation was frozen as of July 1, 2013: and
- Creditable service was frozen for all Plan participants as of July 1, 2013; and
- Vesting service was frozen for employees hired and rehired or transferred or demoted to the teacher unit on or after July 1, 2013; and
- Participants in the Plan as of July 1, 2013 and who do not subsequently separate from service prior to eligibility for retirement shall continue to accrue vesting services under the Plan.

The plan is classified as a "governmental plan" and is, therefore, exempt from the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan provides for early reduced retirement benefits to participants who are eligible and commence their WRS benefits after age 55 and prior to age 62 and provides early retirement benefits if they commence WRS benefits after age 62 but prior to age 65. Benefits are paid in the form of monthly payments based on compensation, years of service, and a defined maximum of average monthly compensation for the three fiscal years of highest earnings preceding the date of retirement. The Plan does not provide for any postretirement increases.

Accrued plan liabilities are reduced by the amount attributed to employer contributions for employees who are not vested for benefits and who terminate participation under the Plan for reasons that include termination of employment. These employer contributions are applied to reduce the cost of the Plan and not to increase benefits otherwise payable to eligible participants.

At June 30, 2021, the district reported a net pension liability of $31,939,883 for the Plan. The net pension liability was measured as of June 30, 2021.

Milwaukee Board of School Directors Early Retirement Supplement and Benefit Improvement Plan

For the year ended June 30, 2021, the district recognized pension expense of $(890,818).

At June 30, 2021, the district reported deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net differences between projected and actual earnings on pension plan investments	$ -	$ 6,994,965

Deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended June 30:	Net Deferred Outflows/ (Inflows) of Resources
2022	$ (1,727,450)
2023	(1,673,705)
2024	(1,685,117)
2025	(1,908,693)

Changes in the Net Pension Liability at June 30, 2021:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a)-(b)
Balance at 6/30/20	$ 51,857,761	$ 47,112,851	$ 4,744,910
Changes for the year:			
Service cost	111,553	-	111,553
Interest	3,395,936	-	3,395,936
Difference between expected and actual experience	(326,741)	-	(326,741)
Assumption changes	1,072,637	-	1,072,637
Contributions employer	-	1,229,065	(1,229,065)
Net investment income	-	12,645,975	(12,645,975)
Benefit payments, including refunds	(4,774,695)	(4,774,695)	-
Administrative expense	-	(61,660)	61,660
Net changes	$ (521,310)	$ 9,038,685	$ (9,559,995)
Balance at 6/30/21	$ 51,336,451	$ 56,151,536	$ (4,815,085)

Milwaukee Board of School Directors Early Retirement Supplemental Early Retirement Plan for Teachers

For the year ended June 30, 2021, the district recognized pension expense of $(3,692,720).

At June 30, 2021, the district reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 3,305,371
Changes in assumptions	680,651	-
Net differences between projected and actual earnings on pension plan investments	-	23,379,047
Total	$ 680,651	$ 26,684,418

Deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended June 30:	Net Deferred Outflows/ (Inflows) of Resources
2022	$ (7,936,135)
2023	(5,956,515)
2024	(5,641,257)
2025	(6,469,860)

Changes in the Net Pension Liability at June 30, 2021:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fidiciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at 6/30/20	$ 232,475,108	$ 161,586,014	$ 70,889,094
Changes for the year:			
Interest	14,965,029	-	14,965,029
Difference between expected and actual experience	(4,166,782)	-	(4,166,782)
Assumption changes	949,752	-	949,752
Contributions employer	-	7,657,435	(7,657,435)
Net investment income	-	43,198,750	(43,198,750)
Benefit payments, including refunds	(17,145,007)	(17,145,007)	-
Administrative expense	-	(158,975)	158,975
Net changes	$ (5,397,008)	$ 33,552,203	$ (38,949,211)
Balance at 6/30/21	$ 227,078,100	$ 195,138,217	$ 31,939,883

Actuarial Assumptions

In March 2019, the Plan actuary performed an experience study based on actuarial valuations for the period July 1, 2012 to July 1, 2017. Based on this study the following assumptions were implemented effective for the July 1, 2018 actuarial valuation. The total pension liability was determined by an actuarial valuation as of July 1, 2020 and data rolled forward to June 30, 2021, using the following actuarial methods and assumptions:

	Milwaukee Board of School Directors Early Retirement Supplement and Benefit Improvement Plan	**Milwaukee Board of School Directors Supplemental Early Retirement Plan for Teachers**
Actuarial valuation date	July 1, 2020	July 1, 2020
Measurement date of Net Pension Liability	June 30, 2021	June 30, 2021
Actuarial cost method	Entry Age Normal	Entry age normal
Asset Valuation method	5-year smoothed market	5-year smoothed market
Investment rate of return	6.75% net of investment expenses	6.75% net of investment expenses
Inflation	0.0%	0.0%

	Milwaukee Board of School Directors Early Retirement Supplement and Benefit Improvement Plan	Milwaukee Board of School Directors Supplemental Early Retirement Plan for Teachers
Salary increases	Certificated participants: Wage inflation of 2.5% per year, and service-based increases which range from 0% to 2.3%.	No longer required as the plan is frozen at July 1, 2013. Pay increases received after that date are not pensionable under the Plan.
Mortality rate	Based on RP-2014 White Collar Healthy Annuitant Mortality Table, the scaling factors are 99% for men and 96% for women with generational mortality improvement using MP-2018 2-dimensional mortality improvements.	Based on RP-2014 White Collar Healthy Annuitant Mortality Table, the scaling factors are 98% for men and 96% for women with generational mortality improvement using MP-2018 2-dimensional mortality improvements.

The Long-Term Expected Rate of Return

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 are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class as of December 31, 2020 are as follows:

Milwaukee Board of School Directors Early Retirement Supplement and Benefit Improvement Plan

Asset Class SWIB Core Fund	Actual Allocation	Long-Term Expected Real Rate of Return
Global Equities	51.00%	4.70%
Fixed Income	25.00%	0.80%
Inflation Sensitive Assets	16.00%	(.40)%
Real Estate	8.00%	3.10%
Private Equity/Debt	11.00%	7.60%
Multi-Asset	4.00%	3.30%
Cash	(15.00)%	0.00%
Portfolio Target Allocation	87.00%	

Asset Class SWIB Variable Fund	Actual Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	70.00%	4.10%
International Equity	30.00%	4.90%
Portfolio Target Allocation	8.00%	
BMO Fund		
Intermediate Fixed Income	100.00%	0.00%
Portfolio Target Allocation	5.00%	

Milwaukee Board of School Directors Supplemental Early Retirement Plan for Teachers

Asset Class

SWIB Core Fund	Actual Allocation	Long-Term Expected Real Rate of Return
Global Equities	51.00%	4.70%
Fixed Income	25.00%	0.80%
Inflation Sensitive Assets	16.00%	(.40)%
Real Estate	11.00%	7.60%
Private Equity/Debt	8.00%	3.10%
Multi-Asset	4.00%	3.30%
Cash	(15.00)%	0.00%
Portfolio Target Allocation	85.00%	

SWIB Variable Fund	Actual Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	70.00%	4.10%
International Equity	30.00%	4.90%
Portfolio Target Allocation	10.00%	

BMO Fund		
Intermediate Fixed Income	100.00%	0.00%
Portfolio Target Allocation	5.00%	
Long-Term Inflation Assumption		2.40%

Single Discount Rate

The Plan is closed to future members, and the funding policy is projected to fully finance plan liabilities in the future. Actuarially determined contributions will be adjusted in the future, as experience emerges, to ensure that retiree benefits are paid.

A single discount rate of 6.75% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments. The projection of cash flows used to determine this single discount rate assumed that the plan sponsor would make the actuarially determined contribution as defined by the funding policy. Based on these assumptions, the pension 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of Net Pension Liability/(Asset) to the Single Discount Rate Assumption

Regarding the sensitivity of the net pension liability/(asset) to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 6.75%, as well as what the Plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower (5.75%) or 1-percentage- point higher (7.75%) for the year ending June 30, 2021:

Milwaukee Board of School Directors Early Retirement Supplement and Benefit Improvement Plan

	1% Decrease 5.75%	Current Discount 6.75%	1% Increase 7.75%
Net Pension Asset	($287,844)	($4,815,085)	($8,715,293)

Milwaukee Board of School Directors Supplemental Early Retirement Plan for Teachers

	1% Decrease 5.75%	Current Discount 6.75%	1% Increase 7.75%
Net Pension Liability	$53,898,448	$31,939,883	$13,260,153

Total Pension Expense

The total pension expense for all plans recognized by the District for the year ended June 30, 2021 was $12,365,925.

(10) Post-Employment Benefits Other Than Pensions (OPEB)

GENERAL INFORMATION ABOUT THE OPEB PLAN

Plan description. The District administers the Retiree Plan - a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for all eligible employees of the District.

Management of the Retiree Plan is vested to the Milwaukee Board of School Directors ("Governing Body") and its administrative staff ("Staff"). The Staff delegates certain functions to an investment advisor ("Advisor"). The Retiree Plan does not issue a publicly available financial report. Financial statements of the OPEB Trust are included below in this note.

MILWAUKEE PUBLIC SCHOOLS
Statement of Fiduciary Net Position - OPEB
As of June 30, 2021

		Other Post Employment Benefits trust
Assets		
Investments (note 2)		
Money market accounts	$	10,453,164
Fixed Income		66,604,241
Equity Funds		149,403,985
Receivables-interest and contributions		59,790,779
Total assets		286,252,169
Liabilities		
Accounts payable and accrued expenses		4,372,160
Total liabilities		4,372,160
Net Position		
Net Position restricted for:		
Other post employment benefits trust		281,880,009
Total net position	$	281,880,009

MILWAUKEE PUBLIC SCHOOLS
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2021

		Other Post Employment Benefits trust
Additions:		
Employer contributions	$	101,956,195
Participants contributions		5,382,139
Unrealized Gains/(Loss) on Investments, net		23,941,125
Net investment income from other investments		18,968,225
Total investment income:		42,909,350
Total additions		150,247,684
Deductions:		
Benefits paid to participant's or beneficiaries		51,942,328
Administrative expenses		324,020
Total deductions		52,266,348
Changes in net position		97,981,336
Net position—beginning of year		183,898,673
Net position—end of year	$	281,880,009

Benefits provided. The Retiree Plan provides healthcare and life insurance benefits for eligible retirees and their eligible dependents. Benefits are provided through a third-party insurer for Medicare Eligible retirees and dependents. The District is self-funded for all eligible pre-Medicare retirees and dependents. The District provides a subsidy towards the cost of benefits covered by the plan or depending on prior collective bargaining, for some retirees the full cost of benefits are covered. The authority to establish and amend the benefit terms to the Retiree Plan is established through Board policy of the District's Governing Body. The District's Governing Body passed an Early Retirement Window whereby effective with dates of retirement on July 1, 2017 through June 30, 2020, eligible employees and their eligible dependents may qualify for

retiree plan benefits.

Plan membership. At June 30, 2021, the Retiree Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	6,768
Active plan members	5,008
	11,776

The Retiree Plan was closed to employees hired or rehired on or after July 1, 2013.

Contributions. The authority to establish and amend the contribution requirements of the Retiree Plan is established through Board policy of the District's Governing Body. The District establishes rates based on an actuarially determined rate. For the year ended June 30, 2021, the District's average contribution rate was 41.03 percent of covered-employee payroll. Plan members are not required to contribute to the plan.

NET OPEB LIABILITY OF THE DISTRICT

The District's net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2019, projected to a measurement date of June 30, 2021.

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Wage Inflation	2.5 percent
Salary increases	Depends on age, service and employer group. Rate ranges from 6.70% at less than 1 year of service to 2.50% at 29 or more years of service. Salary increase includes wage inflation assumption.
Investment rate of return	Short-term account earns 2.59% per year. Long-term account earns 5.91% per year.
Healthcare cost trend rates	Actual trend used for fiscal year 2018. For fiscal years on and after 2020, trend starts at 8.00% and gradually decreases to an ultimate trend of 4.25%. Additional trend of 1.98% is added to Medicare trend from 2021 to 2035 to approximate the assumed wear-away of MAPD plan design savings.

Mortality – Teacher & ASC	For retirees and survivor: Based on RP-2014 White Collar Annuitant Mortality Table with scaling factors of: 98% for males and 96% for females in Teachers group, and 99% for males and 96% for females in the ASC group. For active members: Based on RP-2014 White Collar Employee Mortality Table with scaling factors of 97% for males and 99% for females in Teachers group. All tables reflect future mortality improvements using MP-2018 2-dimensional mortality improvement scales.
Mortality – General Employees	For retirees and survivor: Based on RP-2014 Healthy Annuitant Mortality Table with scaling factors of 111% for males and 110% for females. For active members: Based on RP-2014 non-Annuitant Mortality Table. All tables reflect future mortality improvements using MP-2016 mortality improvement scales.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2017 – June 30, 2019.

The long-term expected rate of return on OPEB plan investments was determined using a phase in of the short-term assumed rate of 2.59% and the long-term rate of 5.91% over the period that the plan is projected to be fully funded. This methodology results in full funding by plan year 2037.

Investment policy. The Retiree Plan's policy in regard to the allocation of invested assets is established and may be amended by Board policy of the District's Governing Body. It is the policy of the District's Governing Body to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Retiree Plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

The following was the Board's adopted asset allocation policy as of June 30, 2021:

Asset Class	Target Allocation
Pre-Funding Assets	
US Stock - Large Cap	19.50%
US Stock - Small Cap	19.50%
International Equity	21.00%
US Corporate Bonds	26.67%
Government Bonds	13.33%
Portfolio Allocation	**95.00%**
Liquidity Assets	
Short-Term Government Securities	100.00%
Portfolio Allocation	**5.00%**

On August 25, 2016, the Governing Body approved a policy change in the OPEB investment policy from a 100% short and intermediate fixed income portfolio asset allocation target to the allocation targets as reflected above. This change was made to diversify the portfolio asset allocation with a long-term investment perspective invested in a similar time horizon as the liabilities.

Rate of return. For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 23.25% percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount rate. The discount rate used to measure the total OPEB liability was 5.75 percent. The projection of cash flows used to determine the discount rate assumed that the District will contribute the pay-as-you-go contributions, plus an additional pre-funding contribution equal to 5% of expected employer paid claim costs. On average three months of pay-as-you go costs are held in a short-term account and all other assets are held in a long-term account. 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.

CHANGES IN THE NET OPEB LIABILITY

Changes in the Net OPEB Liability at June 30, 2021:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balance at 6/30/20	$ 946,175,785	$ 183,898,673	$ 762,277,112
Changes for the year:			
Service Cost	6,464,767	-	6,464,767
Interest	49,169,974	-	49,169,974
Benefit terms	-	-	-
Difference between expected and actual experience	(2,759,596)	-	(2,759,596)
Changes assumptions	(37,100,751)	-	(37,100,751)
Employer Contributions	-	103,771,665	(103,771,665)
Net investment income	-	42,585,332	(42,585,332)
Benefit payments, including refunds	(48,375,661)	(48,375,661)	-
Net changes	$ (32,601,267)	$ 97,981,336	$ (130,582,603)
Balance at 6/30/21	$ 913,574,518	$ 281,880,009	$ 631,694,509

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 (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current discount rate:

	1% Decrease (4.75%)	Discount Rate (5.75%)	1% Increase (6.75%)
Net OPEB liability	$ 729,704,605	$ 631,694,509	$ 544,791,204

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 (7.0 percent decreasing to 3.25 percent) or 1-percentage-point higher (9.0 percent decreasing to 5.25 percent) than the current healthcare cost trend rates:

	1% Decrease (7.0% Decreasing to 3.25%)	Healthcare Cost Trend Rates (8.0% Decreasing to 4.25%)	1% Increase (9.0% Decreasing to 5.25%)
Net OPEB liability	$ 554,141,164	$ 631,694,509	$ 713,064,942

OPEB plan fiduciary net position. Effective July 1, 2010 the District established an IRC Section 115 trust for the purpose of holding assets and funding for the District's postemployment health and life insurance benefits. The trust is reported as a fiduciary fund in the District's financial statement. For fiscal year ending June 30, 2021, the District contributed $101,956,195 (including pre-funding contributions) to the Retiree Plan. For fiscal year ending June 30, 2021, total member contributions to the Retiree Plan were $5,382,139.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the district recognized OPEB expense of $114,185,097. 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	$ 15,364,664	$ 4,635,595
Changes in assumptions	-	71,929,915
Net differences between projected and actual earnings on OPEB plan investments	-	22,546,220
Total	$ 15,364,664	$ 99,111,730

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

Year ended June 30:	Net Deferred Outflows/ (Inflows) of Resources
2022	$ (37,997,312)
2023	(26,227,728)
2024	(13,431,345)
2025	(6,090,681)

(11) Limitation on District Revenues

Wisconsin State Statutes limit the amount of revenues that school districts may derive from general school aids and property taxes unless a higher amount is approved by referendum. This limitation does not apply to revenues needed for the payment of any general obligation debt service (including refinanced debt) authorized by either of the following:

- A resolution of the school board or by a referendum prior to August 12, 1993.
- A referendum on or after August 12, 1993.

For the fiscal year ended June 30, 2021, the District exceeded its revenue limitation by $57 million due to a referendum approved by the Board of Directors on December 19, 2019 and voters on April 7, 2020.

(12) Excess Expenditures Over Appropriations

The following funds and departments had an excess of actual expenditures over appropriations for the year ended June 30, 2021:

Fund	Excess Expenditures
General Fund:	
Multilevel Schools	$ 120,372
School Nurses / Allied Health	501,915
School Office Staff & Support	415,365
School Special Funds	8,384,940
Special Services	2,530,116
Office of Academics	728,930
Bldg Ops-Sites	2,373,063
College Access Centers	12,660
Office of School Adminstration	2,730,733
Textbook Adoption	7,054,497
Special & Contingent Funds	14,510,174

The General Fund's total expenditures were less than total budget appropriations.

(13) Commitments and Contingencies

(a) Grants

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant program are subject to audit and adjustment by the grantor agencies. Therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2021 may be impaired. In the opinion of District management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants. Therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

(b) Contractual Commitments

The District has $135.9 million of encumbrances outstanding as of June 30, 2021 of which $109.9 million are contractual commitments. The encumbrances and contract commitments by major and non-major funds are as follows:

	Encumbrance totals at 6/30/2021	Contract Commitments at 6/30/2021
Major Funds		
General Fund	$ 121,921,116	$ 97,587,339
Construction Fund	11,769,720	10,536,500
Nutrition Fund	2,060,491	1,687,274
Total Major Funds	$ 135,751,327	$ 109,811,113
Non-Major Funds	157,740	137,489
Total Encumbrances and Contract Commitments	$ 135,909,067	$ 109,948,602

(c) Litigation

The board is the defendant in assorted litigations involving discrimination, personal injury, employee grievances, and a variety of other matters, each of which are being contested by the board. The board and management of the District believe that resolution of these contingencies will not have a material effect on the District's financial position.

(d) FCC Channels

The District has for a number of years held a license issued by the Federal Communications Commission (FCC) for Educational Broadband Service (ESB) station KHF80 on 4 channels in the Milwaukee area. The District must renew the FCC license every 10 years, with the next renewal scheduled to take place in 2028. The FCC permits excess capacity of these stations to be leased, and MPS entered into a long-term lease of the station in 2008. MPS received $4,166,667 upfront in March 2008, and $55,000 per month initially, with monthly payment increases 3% each March during the contract period.

(14) Restatement for Change in Accounting Principle – GASB 84

During the fiscal year ended June 30, 2021, the District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement 84, *Fiduciary Activities*. This pronouncement requires the restatement of June 30, 2020 net position of the government activities as follows:

Net position (deficit), June 30, 2020, as previously reported	$ (575,328,286)
Effect of GASB 84 implementation	
Agency Fund	5,467,380
Private Purpose Trusts	1,675,660
Net position (deficit), June 30, 2020, as restated	$ (568,185,246)

To This pronouncement also requires the restatement of the June 30, 2020 fund balance of the General fund as follows:

Fund balance, June 30, 2020, as previously reported	$	38,000,627
Effect of GASB 84 implementation		
Agency Fund		5,467,380
Private Purpose Trusts		1,675,660
Fund balance, June 30, 2020, as restated	$	45,143,667

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

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

- Statement No. 87, *Leases*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 3*

The statements listed above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance*, with the exception of Statement No. 87 which was postponed by one and a half years.

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

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REQUIRED SUPPLEMENTARY INFORMATION

MILWAUKEE PUBLIC SCHOOLS

Required Supplementary Information

Budgetary Comparison Schedule for the General Fund

For the Year Ended June 30, 2021

	Budgeted amounts		Actual	Variance with
	Adopted	Revised	(GAAP basis)	Revised Budget
REVENUES:				
Property Tax Levy	$ 294,393,599	$ 294,393,599.00	$ 294,393,599	$ -
Equalization & Integration Aids	580,373,459	580,373,459	580,373,459	-
Other State Aids	115,194,008	116,240,015	123,007,282	6,767,267
Federal Aids	6,100,000	6,100,000	13,369,263	7,269,263
Other Local Revenues	19,945,649	20,531,438	32,330,377	11,798,939
Applied Surplus	5,483,590	5,483,590	-	(5,483,590)
SCHOOL OPERATIONS & EXTENSION	1,021,490,305	1,023,122,101	1,043,473,980	20,351,879
CAMP	-	13,876,420	3,253,189	(10,623,231)
GRANTS	229,024,350	488,883,067	196,389,349	(292,493,718)
Total Revenues	1,250,514,655	1,525,881,588	1,243,116,518	(282,765,070)
EXPENDITURES:				
Schools				
High Schools	55,777,464	57,535,806	55,606,347	1,929,459
Middle Schools	12,995,222	13,240,642	13,147,449	93,193
K-8 Schools	95,702,046	98,396,575	97,560,202	836,373
Multilevel Schools	16,622,628	16,737,499	16,857,871	(120,372)
Elementary Schools	57,671,314	59,920,239	58,551,810	1,368,429
Charter Schools	86,573,385	87,742,438	86,221,738	1,520,700
MPS Alternative Schools/Programs	4,898,971	5,310,763	4,377,822	932,941
Partnership Alternative Schools/Programs	8,338,213	8,413,503	8,096,035	317,468
School Accounts				
Supplemental School Support	3,268,734	3,298,480	900,129	2,398,351
ADA	10,026	100,456	46,770	53,686
Advanced Studies	11,546,185	11,884,031	9,139,500	2,744,531
Assessment	1,676,400	2,023,621	1,439,317	584,304
Attracting Retaining Staff	33,775,786	33,913,757	15,019,444	18,894,313
Bilingual Program Support	951,989	958,623	722,170	236,453
Bldg Ops-Sites	31,963,935	33,602,575	35,975,638	(2,373,063)
Equity Access Inclusion	512,376	515,148	301,817	213,331
Art, Music, Physical Education, Library	33,055,651	33,504,843	27,968,926	5,535,917
Career & Technical Education	1,691,542	1,697,657	665,695	1,031,962
Central Guidance & Support Staff	17,637,849	17,828,857	14,088,989	3,739,868
Class Size	2,853,572	2,865,987	1,351,432	1,514,555
School Office Staff & Support	51,173,942	51,663,383	52,078,748	(415,365)
College Access Centers	1,404,077	1,558,447	1,571,107	(12,660)
Common School Fund	2,807,152	5,932,544	3,727,080	2,205,464
Credit Recovery	1,891,501	2,013,003	1,964,623	48,380
Educational Maintenance	396,998	1,057,469	562,093	495,376
Interscholastic Athletics & Academics	5,045,582	5,292,975	2,953,090	2,339,885
Intervention Resources	286,148	286,529	41,430	245,099
Montessori Program Support	563,260	566,231	323,419	242,812
MPS Drive	663,511	872,377	406,265	466,112
Positive Behavior Intervent. & Support	34,138	34,223	9,284	24,939
School Improvement Performance	2,988,451	3,538,917	2,453,052	1,085,865
School Nurses / Allied Health	6,806,181	7,566,476	8,068,391	(501,915)
School Safety Operations	14,449,210	15,340,791	12,755,798	2,584,993
School Special Funds (Open Enrollment & SSF)	46,501,285	47,164,755	55,549,695	(8,384,940)
Special Services	180,682,247	185,152,354	187,682,470	(2,530,116)
Substitute Costs	10,869,901	10,955,248	9,290,803	1,664,445
Summer School	3,703,935	4,046,252	2,865,064	1,181,188
Textbook Adoption	2,020,890	2,318,865	9,373,362	(7,054,497)
Tech-Licenses & Equip	11,482,494	14,801,537	14,801,408	129
Transportation Operations	63,304,603	64,759,590	8,280,925	56,478,665
TOTAL - PROGRAM ACCOUNTS	$ 884,598,794	$ 914,413,466	$ 822,797,208	$ 91,616,258

MILWAUKEE PUBLIC SCHOOLS

Required Supplementary Information

Budgetary Comparison Schedule for the General Fund

For the Year Ended June 30, 2021

	Budgeted amounts		Actual	Variance with Revised
	Adopted	Revised	(GAAP basis)	Budget
INDIRECT & SUPPORT SERVICES				
Board/Office of Board Governance	$ 2,234,460	2,720,111	2,393,042	$ 327,069
Office of Accountability and Efficiency	963,741	1,210,025	932,141	277,884
Office of Superintendent	2,069,301	2,096,401	1,714,432	381,969
Office of School Administration	32,161,000	37,796,322	40,527,055	(2,730,733)
Office of Academics	7,559,201	7,980,096	8,709,026	(728,930)
Office of Finance	5,264,701	10,230,555	5,103,656	5,126,899
Office of Communication & School Performance	14,368,603	14,580,228	12,887,072	1,693,156
Office of Human Resources	5,640,505	5,767,055	5,706,593	60,462
TOTAL - INDIRECT & SUPPORT	70,261,512	82,380,793	77,973,017	4,407,776
OTHER ACCOUNTS				
Tenant Costs, Utilities	27,058,405	31,185,451	23,042,940	8,142,511
Regional Development Plan	-	36,846	-	36,846
District Insurance & Judgements	8,637,399	9,229,316	6,783,768	2,445,548
Special & Contingent Funds	(8,953,848)	(8,282,773)	6,227,401	(14,510,174)
TOTAL - OTHER ACCOUNTS	26,741,956	32,168,840	36,054,109	(3,885,269)
DIVISION OF RECREATION AND COMMUNITY SERVICES				
Playgrounds & Recreation Centers	22,766,369	35,261,839	14,196,782	21,065,057
Summer School Wrap-around	6,357,574	8,205,017	2,794,816	5,410,201
Educational Programs	498,967	932,735	358,243	574,492
Partnership for the Arts/Humanities	2,182,520	3,645,916	1,800,866	1,845,050
Facilities	2,281,732	2,890,213	2,026,901	863,312
Insurance and Utilities	621,428	621,428	229,062	392,366
TOTAL DIVISION OF RECREATION AND COMMUNITY SERVICES	34,708,590	51,557,148	21,406,670	30,150,478
OFFSET FOR CHARGES TO SCHOOLS AND OTHER ADJUSTMENTS TOTAL - CHARGES	(10,801,253)	(10,801,780)	(3,700,955)	(7,100,825)
SCHOOL OPERATIONS & EXT. FUND	1,005,509,599	1,069,718,467	954,530,049	115,188,418
CAMP	-	13,876,420	3,280,803	10,595,617
GRANTS	221,587,438	520,143,311	206,303,245	313,840,066
Total Expenditures	1,227,097,037	1,603,738,198	1,164,114,097	439,624,101
Excess of revenues over (under) expenditures	23,417,618	(77,856,610)	79,002,421	156,859,031
Transfer In (Out)	(26,464,866)	(26,464,866)	(56,218,636)	(29,753,770)
Insurance Proceeds and proceeds from sale of capital assets	-	-	65,023	(65,023)
Change in Fund Balance	$ (3,047,248)	$ (104,321,476)	22,848,808	$ 127,170,284
Fund balance-beginning of year, restated			45,143,667	
Fund balance-end of year			$ 67,992,475	

See Independent Auditors' Report and accompanying Notes to Required Supplementary Information.

MILWAUKEE PUBLIC SCHOOLS

Required Supplementary Information

Budgetary Comparison Schedule for the School Nutrition Services Fund - Special Revenue Fund

For the Year Ended June 30, 2021

	Budgeted amounts		Actual	Variance with
	Adopted	Revised	(GAAP basis)	Revised Budget
Revenues:				
Lunchroom sales	$ 650,000	$ 650,000	$ 39,792	$ (610,208)
Other local sources	—	33,636	6,000	(27,636)
State aid:				
School nutrition aid	920,000	920,000	838,844	(81,156)
Federal aid:				
School nutrition aid	49,626,000	44,366,219	12,242,996	(32,123,223)
Other federal aid	1,208,750	1,808,009	1,758,459	(49,550)
Miscellaneous	—	—	44,973	44,973
Applied Surplus	4,447,365	9,707,146	—	(9,707,146)
Total revenues	56,852,115	57,485,010	14,931,064	(42,553,946)
Expenditures:				
Current operating:				
School Nutrition Services	56,187,115	58,546,572	29,539,314	29,007,258
Capital Outlay	665,000	665,000	1,110,642	(445,642)
Total expenditures	56,852,115	59,211,572	30,649,956	28,561,616
Excess of revenues over(under) expenditures	—	(1,726,562)	(15,718,892)	(13,992,330)
Other financing sources:				
Transfers In	—	—	37,837	37,837
Net change in fund balances	$ —	$ (1,726,562)	(15,681,055)	$ (13,954,493)
Fund balance—beginning of year			10,810,413	
Fund balance—end of year			$ (4,870,642)	

See Independent Auditors' Report and accompanying Notes to Required Supplementary Information.

MILWAUKEE PUBLIC SCHOOLS

Required Supplementary Information

For the Year Ended June 30, 2021

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET)

Wisconsin Retirement System

Plan Year end date	Proportion of the Net Pension Liability/(Asset)	Proportionate Share of the Net Pension Liability/(Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
12/31/2020	2.25969297%	$ (141,075,767)	$ 368,791,601	39.56%	105.26%
12/31/2019	2.37111563	(76,455,593)	356,237,425	21.46	102.96
12/31/2018	2.50059897	88,963,473	361,540,334	24.61	96.45
12/31/2017	2.61711819	(77,705,344)	377,568,441	20.58	102.93
12/31/2016	2.65129650	21,852,710	374,885,669	5.83	99.12
12/31/2015	2.69497853	43,792,878	382,623,535	11.45	98.20
12/31/2014	2.73277092	(67,124,330)	369,586,810	18.16	102.74

Employes' Retirement System

Plan Year end date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
12/31/2020	11.8840125000%	$ 129,847,000	$ 70,874,587	183.21%	83.79%
12/31/2019	11.2345344000	111,623,000	65,347,130	170.82	84.83
12/31/2018	11.2595428000	150,751,000	64,674,138	233.09	78.71
12/31/2017	12.6474151000	45,852,000	72,802,070	62.98	93.70
12/31/2016	13.1496289000	56,030,000	76,787,258	72.97	91.98
12/31/2015	12.7771027471	53,735,000	68,459,972	79.30	91.87
12/31/2014	12.3564611222	14,021,000	65,481,707	20.92	102.74

Milwaukee Board of School Directors Early Retirement Supplement and Benefit Improvement Plan

Plan Year end date	Proportion of the Net Pension Liability/(Asset)	Proportionate Share of the Net Pension Liability/(Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability / (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
6/30/2021	100%	$ (4,815,085)	$ 8,394,493	(57.36)%	109.38%
6/30/2020	100	4,744,910	9,935,480	47.76	90.85
6/30/2019	100	4,846,319	12,167,822	39.83	90.94
6/30/2018	100	3,252,869	13,574,881	23.96	93.58
6/30/2017	100	3,807,895	14,255,879	26.71	92.58
6/30/2016	100	6,562,190	15,674,128	41.87	87.54
6/30/2015	100	4,502,572	17,917,354	25.13	91.66
6/30/2014	100	2,144,312	18,483,299	11.60	96.06

Milwaukee Board of School Directors Supplemental Early Retirement Plan for Teachers

Plan Year end date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net PensionLiability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
6/30/2021	100%	$ 31,939,883	$ 171,900,618	18.58%	85.93%
6/30/2020	100	70,889,094	180,168,964	39.35%	69.51
6/30/2019	100	77,413,330	199,988,240	38.71	67.61
6/30/2018	100	72,069,547	221,227,773	32.57	68.33
6/30/2017	100	79,576,751	236,655,777	33.62	65.45
6/30/2016	100	91,636,673	250,768,000	36.54	60.70
6/30/2015	100	87,715,155	262,424,327	33.42	62.70
6/30/2014	100	85,447,415	288,512,864	29.62	64.12

See Independent Auditor's Report and accompanying Notes to Required Supplementary Information.

MILWAUKEE PUBLIC SCHOOLS

Required Supplementary Information

For the Year Ended June 30, 2021

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Wisconsin Retirement System

District Fiscal Year end date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2021	$ 26,003,128	$ 26,003,128	$ -	$ 368,791,601	7.05%
6/30/2020	24,284,073	24,284,073	-	356,237,425	6.82
6/30/2019	23,700,168	23,700,168	-	358,455,572	6.61
6/30/2018	24,823,615	24,823,615	-	367,925,012	6.75
6/30/2017	24,975,348	24,975,348	-	377,535,204	6.62
6/30/2016	26,030,471	26,030,471	-	369,669,464	7.04
6/30/2015	25,878,102	25,878,102	-	369,580,747	7.00

Employes' Retirement System

District Fiscal Year end date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2021	$ 10,595,403	$ 10,595,403	$ -	$ 70,874,587	14.95%
6/30/2020	8,586,101	8,586,101	-	65,347,130	13.14
6/30/2019	9,392,260	9,392,260	-	64,674,138	14.52
6/30/2018	10,261,027	10,261,027	-	72,802,070	14.09
6/30/2017	9,199,639	9,199,639	-	76,787,258	11.98
6/30/2016	9,574,716	9,574,716	-	68,459,972	13.99
6/30/2015	9,719,624	9,719,624	-	65,481,707	14.84

Milwaukee Board of School Directors Early Retirement Supplement and Benefit Improvement Plan

Plan Fiscal Year end date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2021	$ 1,670,871	$ 1,229,065	$ 441,806	$ 8,394,493	19.90%
6/30/2020	1,608,219	1,153,934	454,285	9,935,480	16.20
6/30/2019	1,930,542	2,868,167	(937,625)	12,167,822	15.90
6/30/2018	1,274,784	1,115,710	159,074	13,574,881	9.40
6/30/2017	1,477,690	1,209,134	268,556	14,255,879	10.40
6/30/2016	1,618,641	1,498,910	119,731	15,674,128	10.30
6/30/2015	2,346,545	1,710,809	635,736	17,917,354	13.10
6/30/2014	3,214,623	2,451,003	763,620	18,483,299	17.40
6/30/2013	3,519,437	3,073,400	446,037	23,710,188	14.80
6/30/2012	4,210,948	3,829,233	381,715	25,014,230	16.80

Milwaukee Board of School Directors Supplemental Early Retirement Plan for Teachers

Plan Fiscal Year end date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2021	$ 9,717,556	$ 7,657,435	$ 2,060,121	$ 171,900,618	5.7%
6/30/2020	10,245,574	9,789,606	455,968	180,168,964	5.7
6/30/2019	10,390,406	11,911,441	(1,521,035)	199,988,240	5.2
6/30/2018	9,385,392	8,906,670	478,722	221,227,773	4.2
6/30/2017	9,791,544	9,456,955	334,589	236,665,777	4.1
6/30/2016	9,897,438	9,888,196	9,242	250,768,000	3.9
6/30/2015	10,329,340	9,540,139	789,201	262,424,327	3.9
6/30/2014	11,168,472	10,954,526	213,946	288,512,864	3.9
6/30/2013	14,365,412	13,998,622	366,790	323,922,137	4.4
6/30/2012	15,797,043	15,126,448	670,595	333,480,915	4.2

See Independent Auditor's Report and accompanying Notes to Required Supplementary Information.

MILWAUKEE PUBLIC SCHOOLS
Early Retirement Supplement and Benefit Improvement Plan
Required Supplementary Information
SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS
As of June 20, 2021

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	$ 111,553	$ 123,418	$ 154,532	$ 187,143	$ 226,072	$ 283,894	$ 276,863	$ 267,144
Interest on the total pension liability	3,395,936	3,549,850	3,661,182	3,703,571	3,753,201	3,855,014	3,949,902	3,988,475
Differences between expected and actual experience	(326,741)	(732,998)	(524,750)	341,949	(352,172)	(297,565)	383,007	-
Changes of assumptions	1,072,637	259,215	4,400,130	-	-	-	200,199	-
Benefit payments, including refunds	(4,774,695)	(4,851,914)	(4,825,569)	(4,879,716)	(5,008,339)	(5,164,498)	(5,238,295)	(5,487,407)
Net Change in Total Pension Liability	(521,310)	(1,652,429)	2,865,525	(647,053)	(1,381,238)	(1,323,155)	(428,324)	(1,231,788)
Total Pension Liability - Beginning	51,857,761	53,510,190	50,644,665	51,291,718	52,672,956	53,996,111	54,424,435	55,656,223
Total Pension Liability - Ending (a)	$51,336,451	$ 51,857,761	$53,510,190	$50,644,665	$51,291,718	$52,672,956	$53,996,111	$54,424,435
Plan Fiduciary Net Position								
Contributions - employer	$ 1,229,065	$ 1,153,934	$ 2,868,167	$ 1,115,710	$ 1,209,134	$ 1,498,910	$ 1,710,809	$ 2,451,003
Net investment income	12,645,975	2,200,589	3,292,912	3,728,578	5,238,182	345,326	799,276	7,589,400
Benefit payments, including refunds	(4,774,695)	(4,851,914)	(4,825,569)	(4,879,716)	(5,008,339)	(5,164,498)	(5,238,295)	(5,487,407)
Administrative expense	(61,660)	(53,629)	(63,435)	(56,599)	(65,920)	(62,511)	(58,374)	(56,590)
Net Change in Plan Fiduciary Net Position	9,038,685	(1,551,020)	1,272,075	(92,027)	1,373,057	(3,382,773)	(2,786,584)	4,496,406
Plan Fiduciary Net Position - Beginning	47,112,851	48,663,871	47,391,796	47,483,823	46,110,766	49,493,539	52,280,123	47,783,717
Plan Fiduciary Net Position - Ending (b)	$56,151,536	$ 47,112,851	$48,663,871	$47,391,796	$47,483,823	$46,110,766	$49,493,539	$52,280,123
Net Pension Liability/(Asset) - Ending (a) - (b)	$ (4,815,085)	$ 4,744,910	$ 4,846,319	$ 3,252,869	$ 3,807,895	$ 6,562,190	$ 4,502,572	$ 2,144,312
Plan fiduciary net position as a percentage of the total Pension liability	109.38%	90.85%	90.94%	93.58%	92.58%	87.50%	91.70%	96.10%
Covered payroll	$ 8,394,493	$ 9,935,480	$12,167,822	$13,574,881	$14,255,879	$15,674,128	$17,917,354	$18,483,299
Net Pension liability as a percentage of covered payroll	-57.36%	47.76%	39.83%	23.96%	26.71%	41.87%	25.13%	11.60%

Notes to Schedule:
The Plan implemented GASB Statement No. 67 in fiscal year 2014. Information that complies with GASB 67 prior to fiscal year 2014 is not available.

See Independent Auditors' Report and accompanying Notes to Required Supplementary Information.

MILWAUKEE PUBLIC SCHOOLS
Supplemental Early Retirement Plan for Teachers
Required Supplementary Information
SCHEDULE OF CHANGES IN NET PENSION LIABILIT/(ASSET) AND RELATED RATIOS
As of June 20, 2021

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest on the total pension liability	14,965,029	15,836,643	16,182,472	16,436,072	16,635,125	16,846,685	17,001,811	17,203,578
Differences between expected and actual experience	(4,166,782)	(6,441,233)	(695,436)	(3,160,017)	(3,241,431)	(2,247,617)	(2,929,293)	-
Assumption changes	949,752	985,173	12,396,147	-	-	-	-	-
Benefit payments, including refunds	(17,145,007)	(16,887,950)	(16,477,649)	(16,013,508)	(16,244,782)	(16,607,340)	(17,037,741)	(16,891,272)
Net Change in Total Pension Liability	(5,397,008)	(6,507,367)	11,405,534	(2,737,453)	(2,851,088)	(2,008,272)	(2,965,223)	312,306
Total Pension Liability - Beginning	232,475,108	238,982,475	227,576,941	230,314,394	233,165,482	235,173,754	238,138,977	237,826,671
Total Pension Liability - Ending (a)	$227,078,100	$232,475,108	$238,982,475	$227,576,941	$230,314,394	$233,165,482	$235,173,754	$238,138,977
Plan Fiduciary Net Position								
Contributions - employer	$ 7,657,435	$ 9,789,606	$ 11,911,441	$ 8,906,670	$ 9,456,955	$ 9,888,196	$ 9,540,139	$ 10,954,526
Net investment income	43,198,750	7,265,841	10,779,925	12,028,603	16,153,487	964,012	2,410,365	21,504,411
Benefit payments	(17,145,007)	(16,887,950)	(16,477,649)	(16,013,508)	(16,244,782)	(16,607,340)	(17,037,741)	(16,891,272)
Administrative expense	(158,975)	(150,628)	(151,966)	(152,014)	(156,826)	(174,658)	(145,726)	(176,226)
Net Change in Plan Fiduciary Net Position	33,552,203	16,869	6,061,751	4,769,751	9,208,834	(5,929,790)	(5,232,963)	15,391,439
Plan Fiduciary Net Position - Beginning	161,586,014	161,569,145	155,507,394	150,737,643	141,528,809	147,458,599	152,691,562	137,300,123
Plan Fiduciary Net Position - Ending (b)	$195,138,217	$161,586,014	$161,569,145	$155,507,394	$150,737,643	$141,528,809	$147,458,599	$152,691,562
Net Pension Liability - Ending (a) - (b)	$ 31,939,883	$ 70,889,094	$ 77,413,330	$ 72,069,547	$ 79,576,751	$ 91,636,673	$ 87,715,155	$ 85,447,415
Plan fiduciary net position as a percentage of the total Pension liability	85.93%	69.51%	67.61%	68.33%	65.45%	60.70%	62.70%	64.12%
Covered payroll	$171,900,618	$180,168,964	$199,988,240	$221,227,773	$236,655,777	$250,768,000	$262,424,327	$288,512,864
Net Pension liability as a percentage of covered payroll	18.58%	39.35%	38.71%	32.57%	33.62%	36.54%	33.42%	29.62%

Notes to Schedule:
The Plan implemented GASB Statement No. 67 in fiscal year 2014. Information that complies with GASB 67 prior to fiscal year 2014 is not available.

See Independent Auditors' Report and accompanying Notes to Required Supplementary Information.

MILWAUKEE PUBLIC SCHOOLS
Required Supplementary Information
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
As of June 30, 2021

	2021	2020	2019	2018	2017
Total OPEB Liability					
Service cost	$ 6,464,767	$ 5,337,504	$ 3,214,967	$ 3,415,121	$ 4,101,247
Interest on the total OPEB liability	49,169,974	42,693,859	42,385,765	42,630,800	45,599,496
Changes of benefit terms	-	101,807,197	-	-	-
Differences between expected and actual experience	(2,759,596)	21,294,097	(8,091,913)	30,739,181	2,563,048
Changes of assumptions	(37,100,751)	(59,720,979)	-	(96,779,146)	-
Benefit payments	(48,375,661)	(46,667,016)	(44,135,647)	(47,544,292)	(52,906,009)
Net Change in Total OPEB Liability	(32,601,267)	64,744,662	(6,626,828)	(67,538,336)	(642,218)
Total OPEB Liability - Beginning	946,175,785	881,431,123	888,057,951	955,596,287	956,238,505
Total OPEB Liability - Ending (a)	$913,574,518	$946,175,785	$881,431,123	$888,057,951	$955,596,287
Plan Fiduciary Net Position					
Contributions - employer	$103,771,665	$ 77,190,615	$ 58,235,819	$ 53,242,638	$ 33,755,421
Net investment income	42,585,332	7,840,886	8,355,586	8,512,126	3,910,328
Benefit payments	(48,375,661)	(46,667,016)	(44,135,647)	(47,544,292)	(52,906,009)
Net Change in Plan Fiduciary Net Position	97,981,336	38,364,485	22,455,758	14,210,472	(15,240,260)
Plan Fiduciary Net Position - Beginning	183,898,673	145,534,188	123,078,430	108,867,958	124,108,219
Plan Fiduciary Net Position - Ending (b)	$281,880,009	$183,898,673	$145,534,188	$123,078,430	$108,867,959
Net OPEB Liability - Ending (a) - (b)	$631,694,509	$762,277,112	$735,896,935	$764,979,521	$846,728,328
Plan fiduciary net position as a percentage of the total OPEB liability	30.85%	19.44%	16.51%	13.86%	11.39%
Covered payroll *(1)*	$252,923,400	$301,739,000	$323,210,126	$355,843,000	$387,681,000
Net OPEB liability as a percentage of covered payroll	249.76%	252.63%	227.68%	214.98%	218.41%

Notes to Schedule:
The District implemented GASB Statement No. 74 in fiscal year 2017 and GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2017 is not available.

(1) Estimated payroll for fiscal year end 2017 and 2018, based on prior fiscal year end payroll adjusted by wage inflation assumption of 3.00 percent. For fiscal year end 2019, estimate based on expected payroll using the results of the Actuarial Valuation as of July 1, 2017.

See Independent Auditors' Report and accompanying Notes to Required Supplementary Information.

MILWAUKEE PUBLIC SCHOOLS
Post-Employment Life and Healthcare Insurance Benefits
Required Supplementary Information
SCHEDULE OF EMPLOYER CONTRIBUTIONS
As of June 30, 2021

	2021	2020	2019	2018	2017
Actuarially contractual determined contribution	$ 100,941,823	$ 94,430,221	$ 90,020,711	$ 88,022,745	$ N/A
Contributions in relation to the actuarially determined contribution	$ 103,771,665	$ 77,190,616	$ 58,235,819	$ 53,242,638	$ 33,755,421
Contribution deficiency (excess)	$ (2,829,842)	$ 17,239,605	$ 31,784,892	$ 34,780,107	$ N/A
Covered payroll	$ 252,923,400	$ 301,739,000	$ 323,210,100	$ 355,843,000	$ 387,681,000
Contributions as a percentage of covered payroll	41.03%	25.58%	18.02%	14.96%	8.71%

Notes to Schedule

Valuation date: July 1, 2019
Measurement date: June 30, 2021
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine actuarial liability and contributions:

Actuarial cost method	Entry age normal
Asset valuation method	Market value
Wage Inflation	2.5%
Healthcare cost trend rates	Actual trend used for fiscal year 2018. For fiscal years on and after 2020, trend starts at 8.00% and gradually decreases to an ultimate trend of 4.25%. Additional trend of 1.98% is added to Medicare cost from 2021 to 2035 to approximate the assumed wear-away of MAPD plan design savings.
Salary increases	Depends on age, service and employer group. Rate ranges from 6.70% at less than 1 year of service to 2.50% at 29 or more years of service. Salary increase includes wage inflation assumption.
Investment rate of return	Short-term account earns 2.59% per year. Long-term account earn 5.91% per year.
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	For Teachers and ASC retirees and survivor: Based on RP-2014 White Collar Annuitant Mortality Table with scaling factors of: 98% for males and 96 for females in Teachers group, and 99% for males and 96% for females in the ASC group. For active members: Based on RP-2014 White Collar Employee Mortality Table wiht scaling factors of 97% for males and 99% for females in Teachers group. All tables reflect future mortality improvements using MP-2018 2-dimensional mortality improvement scales. For General employees retirees and survivor: Based on RP-2014 Healthy Annuitant Mortality Table with scaling factors of 111% for males and 110% for females. For active members: Based on RP-2014 non-Annuitant Mortality Table. All tables reflect future mortality improvements using MP-2016 mortality improvement scales.

Other information:
The District implemented GASB Statement No. 74 in fiscal year 2017. Information prior to fiscal year 2017 is not available.

See Independent Auditors' Report and accompanying Notes to Required Supplementary Information.

MILWAUKEE PUBLIC SCHOOLS
Post-Employment Life and Healthcare Insurance Benefits
Required Supplementary Information
SCHEDULE OF INVESTMENT RETURNS
As of June 30, 2021

Fiscal Year Ending June 30	Annual Money-Weighted Rate of Return, Net of Investment Expenses
2017	3.30%
2018	7.55%
2019	6.46%
2020	5.23%
2021	23.25%

Notes to Schedule:
The District implemented GASB Statement No. 74 in fiscal year 2017. Information prior to fiscal year 2017 is not available.

See Independent Auditors' Report and accompanying Notes to Required Supplementary Information.

(1) Budgeting

Annual appropriated budgets are adopted for the general, special revenue and debt service funds by June 30th each year. Budgets are adopted for the construction fund on a project-length basis. Budgets are adopted on a modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America, except for the treatment of encumbrances (see below) and property tax revenues. Property tax revenues are budgeted based on the amount levied.

In accordance with the Wisconsin Department of Public Instruction's reporting requirements, the Board exercises control over budgeted amounts at the responsibility center level within the general, special revenue, and debt service funds. The capital projects fund is controlled at the project level. During the year, budgets can be amended by approval of a majority of the members of the board.

As a management practice, the superintendent, or his or her designee, may transfer funds between functions at the department, school, or program level subject to the following criteria:

- The transaction does not exceed $100,000
- Is not initiated by a Board member
- Will not effectuate a change in policy
- Will not create a new area of activity for the District
- Does not increase authorized staffing levels
- Does not move monies between statutory funds

Board policy requires that all annual appropriations lapse at fiscal year-end except for the following: excess budgetary authority for capital project funds lapse when a specific project is completed; deficits incurred automatically reduce the subsequent year's budget appropriations; and, with school board approval, schools are allowed to carry over appropriations into the following year up to a maximum of 1.0% of the total revised school budget each year and appropriations for special projects or planned purchases may be carried into the subsequent year.

(2) Wisconsin Retirement System (WRS) Pension

The amounts presented in relation to the schedule of employer's proportionate share of the net pension (asset)/liability and the schedule of employer contributions represents the specific data of the District. The information was derived using a combination of the employer's contribution data along with data provided by the Wisconsin Retirement System in relation to the District as a whole.

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

Changes of assumptions. There were no changes in the assumptions.

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.

Covered payroll reported is as of December 31 for each year presented. Data as of June 30 is not available.

See Independent Auditors' Report.

(3) Employees' Retirement System (ERS)

The amounts presented in relation to the schedule of employer's proportionate share of the net pension (asset)/liability and the schedule of employer contributions represents the specific data of the District. The information was derived using a combination of the employer's contribution data along with data provided by the ERS in relation to the District as a whole.

Changes of benefit terms. There were no changes of benefit terms for any participating employer in ERS.

Changes of assumptions. There were no changes in the assumptions

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.

Covered payroll reported is as of December 31 for each year presented. Data as of June 30 is not available.

(4) Supplemental Retirement Plans

The amounts presented in relation to the schedule of employer's proportionate share of the net pension (asset)/liability and the schedule of employer contributions represents the specific data of the District. The information was derived using the employer's contribution data.

Changes of benefit terms. There were no changes of benefit terms.

Changes of assumptions. The investment rate of return, net of expenses was changed from 7.0% to 6.75%. For the Early Retirement Supplement and Benefit Improvement Plan only, the rate of inflation was changed from 2.8% per year to 0% per year and the maximum rate of salary increase per year was changed from 3.7% to 2.3%.

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.

(5) Other Postemployment Benefits (OPEB)

The amounts presented in relation to the schedule of employer's net OPEB (asset)/liability and the schedule of employer contributions represents the specific data of the District. The information was derived using the employer's contribution data.

Changes of benefit terms. Eligibility requirements for employees hired prior to July 1, 2013 were permanently changed as of July 1, 2020. To be eligible for retiree health and life insurance coverage, upon retirement, members must be age 55 or older, have 20 or more years of eligible MPS service and have accumulated at least 70% of the maximum sick leave balance. There were no additional changes to benefit terms.

See Independent Auditors' Report.

Changes of assumptions. A bi-annual actuarial valuation is performed for the plan. An updated actuarial valuation as of June 30, 2019, was performed using census, healthcare-related assumptions, pension-related assumptions and plan provisions as of June 30, 2019. This valuation was projected to a measurement date of June 30, 2021. See Note 10 for more information on the specific assumptions for the plan. The following assumptions were changed from the original June 30, 2019 valuation:

- The assumed future salary increases were changed from 6.70% at less than one year of service to 2.50% at 30 or more years of service, to 6.70% at less than one year of service to 2.50% at 29 or more years of service.
- The investment rate of return for the short-term account was changed from 2.75% per year to 2.59% per year and for the long-term account from 7.00% per year to 5.91% per year.
- The discount rate was changed from 5.33% to 5.75%.

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.

See Independent Auditors' Report.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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MILWAUKEE PUBLIC SCHOOLS

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used and report the proceeds of specific revenue sources other than debt service or capital projects that are restricted or committed to expenditure for particular purposes. These funds include the following:

Categorically Aided Programs Fund—This fund is used to account for proceeds from federal grants that provide emphasis on social and curriculum needs of special populations within the District.

Debt Service Fund

Debt Service Fund—This fund is used to account and report financial resources that are restricted, committed or assigned to expenditures for the payment of general long-term debt principal, interest and related costs.

MILWAUKEE PUBLIC SCHOOLS

Combining Balance Sheet—Nonmajor Governmental Funds

As of June 30, 2021

Assets		Special Revenue Categorically Aided Programs	Debt Service	Total
Receivables due from other governmental units	$	7,581,762	—	7,581,762
Total assets	$	7,581,762	—	7,581,762
Liabilities, Deferred inflow of resources and Fund Balances				
Liabilities:				
Accounts Payable	$	59,054	—	59,054
Due to other funds		5,717,774	—	5,717,774
Total liabilities		5,776,828	—	5,776,828
Deferred inflows of Resources (note 1(o))				
Unavailable revenue		1,802,945	—	1,802,945
Unearned revenue		1,989	—	1,989
Total deferred inflow of resources		1,804,934	—	1,804,934
Fund balances:				
Unassigned		—	—	—
Total fund balances		—	—	—
Total liabilities, deferred inflows of resources and fund balances	$	7,581,762	—	7,581,762

MILWAUKEE PUBLIC SCHOOLS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—Nonmajor Governmental Funds

For the Year Ended June 30, 2021

	Special Revenue Categorically Aided Programs	Debt Service	Total
Revenues:			
Property taxes	$ —	8,945,336	8,945,336
Other federal aid	20,888,469	—	20,888,469
Total revenues	20,888,469	8,945,336	29,833,805
Expenditures:			
Instructional services—special curriculum	6,295,161	—	6,295,161
Pupil and staff services	14,309,941	—	14,309,941
Debt service:			
Principal	—	17,641,998	17,641,998
Interest	—	17,748,204	17,748,204
Bond administrative fees	—	19,300	19,300
Total expenditures	20,605,102	35,409,502	56,014,604
Excess of revenues over (under) expenditures	283,367	(26,464,166)	(26,180,799)
Other financing sources (uses):			
Transfers In/(Out)	(283,367)	26,464,166	26,180,799
Total other financing sources/(uses)	(283,367)	26,464,166	26,180,799
Net changes in fund balances	—	—	—
Fund balances:			
Beginning of year	—	—	—
End of year	$ —	—	—

MILWAUKEE PUBLIC SCHOOLS

Categorically Aided Programs Fund - Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance—
Budget and Actual

For the Year Ended June 30, 2021

	Budgeted amounts		Actual
	Adopted	Revised	(GAAP basis)
Revenues:			
Federal aid:			
Other federal aid	$ 24,293,462	$ 20,888,469	$ 20,888,469
Total revenues	24,293,462	20,888,469	20,888,469
Expenditures:			
Instructional services—			
Special curriculum	6,535,453	6,381,734	6,295,161
Pupil and staff services	17,758,009	14,506,735	14,309,941
Total expenditures	24,293,462	20,888,469	20,605,102
Excess of revenues over (under) expenditures	—	—	283,367
Other financing (uses):			
Transfers Out			(283,367)
Net change in fund balance	$ —	$ —	—
Fund balance—beginning of year			—
Fund balance—end of year			$ —

MILWAUKEE PUBLIC SCHOOLS

Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance—
Budget and Actual

For the Year Ended June 30, 2021

	Budgeted amounts		Actual
	Adopted	Revised	(GAAP basis)
Revenues:			
Property taxes	$ 8,945,336	8,945,336	8,945,336
Total revenues	8,945,336	8,945,336	8,945,336
Expenditures:			
Debt service	35,410,202	35,410,202	35,409,502
Total expenditures	35,410,202	35,410,202	35,409,502
Excess of revenues over (under) expenditures	(26,464,866)	(26,464,866)	(26,464,166)
Other financing sources			
Transfers in	26,464,866	26,464,866	26,464,166
Total other financing sources	26,464,866	26,464,866	26,464,166
Net changes in fund balances	$ —	—	—
Fund balance—beginning of year			—
Fund balance—end of year			$ —

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Pension and Other Post Employment Benefit Trust Funds

The pension trust funds are used to account for resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans. These funds include the following:

Milwaukee Board of School Directors Early Retirement Supplemental and Benefit Improvement Plan—This fund is used to account for the accumulation of resources for pension benefit payments for early retirement plans maintained by the District for qualified administrators.

Milwaukee Board of School Directors Supplemental Early Retirement Plan for Teachers—This fund is used to account for the accumulation of resources for pension benefit payments for early retirement plans maintained by the District for qualified teachers.

Other Post-Employment Benefits Trust—This fund is used to account for assets used to pay post-employment benefits or fund accrued liability with such benefits.

MILWAUKEE PUBLIC SCHOOLS

Combining Statement of Net Position—Pension and Other Post Employment Benefits Trust Funds

As of June 30, 2021

	Milwaukee Board of School Directors Early Retirement Supplement and Benefit Improvement Plan	Milwaukee Board of School Directors Supplemental Early Retirement Plan for Teachers	Other Post Employment Benefits trust	Total
Assets				
Investments (note 2)				
Money market accounts	$ 1,099,789	4,368,137	10,453,164	15,921,090
Fixed Income	—	—	66,604,241	66,604,241
Equity Funds	—	—	149,403,985	149,403,985
Mortgage-backed securities	49	—	—	49
Nongovernmental obligations	1,630,234	5,499,525	—	7,129,759
Investment with the State of Wisconsin	53,826,285	186,731,844	—	240,558,129
Receivables-interest and contributions	2,340	7,891	59,790,779	59,801,010
Total assets	56,558,697	196,607,397	286,252,169	539,418,263
Liabilities				
Accounts payable and accrued expenses	407,161	1,469,180	4,372,160	6,248,501
Total liabilities	407,161	1,469,180	4,372,160	6,248,501
Net Position				
Net position restricted for pensions and other post employment benefits	$ 56,151,536	195,138,217	281,880,009	533,169,762

MILWAUKEE PUBLIC SCHOOLS

Combining Statement of Changes in Net Position—Pension and Other Post Employment Benefits Trust Funds

For the Year Ended June 30, 2021

		Milwaukee Board of School Directors Early Retirement Supplement and Benefit Improvement Plan	Milwaukee Board of School Directors Supplemental Early Retirement Plan for Teachers	Other Post Employment Benefits trust	Total
Additions:					
Employer contributions	$	1,229,065	7,657,435	101,956,195	110,842,695
Participants contributions		—	—	5,382,139	5,382,139
Investment income:					
Net investment from the State of Wisconsin:					
Core Retirement Investment Trust Fund		10,930,897	37,242,575	—	48,173,472
Variable Retirement Trust Fund		1,693,959	5,884,550	—	7,578,509
Unrealized Gains/(Loss) on Investments, net		—	—	23,941,125	23,941,125
Net investment income from other investments		26,850	91,778	18,968,225	19,086,853
Total investment income:		12,651,706	43,218,903	42,909,350	98,779,959
Investment expenses		(5,731)	(20,153)	—	(25,884)
Net investment income		12,645,975	43,198,750	42,909,350	98,754,075
Total additions		13,875,040	50,856,185	150,247,684	214,978,909
Deductions:					
Benefits paid to participant's or beneficiaries		4,746,756	17,145,007	51,942,328	73,834,091
Distribution of participant contribution accounts		27,939	—	—	27,939
Administrative expenses		61,660	158,975	324,020	544,655
Total deductions		4,836,355	17,303,982	52,266,348	74,406,685
Changes in net position		9,038,685	33,552,203	97,981,336	140,572,224
Net Position—Beginning of Year		47,112,851	161,586,014	183,898,673	392,597,538
Net Position—Ending of Year	$	56,151,536	195,138,217	281,880,009	533,169,762

MILWAUKEE PUBLIC SCHOOLS

Schedule of Charter School Authorizer Operating Costs

For the Year Ended June 30, 2021

OPERATING ACTIVITY		COST
Employee Salaries	$	309,610
Employee Benefits		165,022
Purchased Services		434
Supplies		733
TOTAL	**$**	**475,799**

STATISTICAL SECTION

MILWAUKEE
PUBLIC SCHOOLS

STATISTICAL SECTION

This part of the Milwaukee Public Schools' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents **Page**

Financial Trends
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time. 112-116

Revenue Capacity
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax. 117-122

Debt Capacity
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future. 123-125

Demographic and Economic Information
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place. 126-130

Operating Information
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. 131-141

MILWAUKEE PUBLIC SCHOOLS
Statement of Net Position
Last Ten Fiscal Years

Governmental activities

	2021	2020	2019	2018 (a)	2017 (a)	2016	2015	2014(a)	2013	2012
Net investment in capital assets	$ 518,219,631	514,612,123	516,188,955	521,815,805	521,306,420	500,041,665	489,612,270	483,025,586	490,235,574	495,794,462
Restricted for debt service	1,613,969	1,504,629	505,000	197,549	—	14,368,921	16,570,259	9,914,758	6,866,476	13,472,018
Restricted for pensions	145,890,852	76,455,593	—	77,705,344	—	—	67,124,130			
Restricted for self-insurance deposits	2,353,871	3,113,403	3,042,197							
Restricted for long term capital investment fund	8,854,994	8,854,422	2,820,256							
Restricted for common school fund	295,666									
Restricted for trust funds	97,635									
Restricted for school nutrition services	—	1,103,267	14,124,105							
Unrestricted (Deficit)	(1,057,370,427)	(1,180,971,723)	(1,051,915,101)	(1,023,464,185)	(697,052,528)	(593,783,813)	(643,922,647)	(641,998,220)	(652,162,327)	(641,733,484)
Total net position	$ (380,043,809)	(575,328,286)	(515,234,588)	(423,745,487)	(175,746,108)	(79,373,227)	(70,615,988)	(149,057,876)	(155,060,277)	(132,467,004)

(a) These numbers are reported prior to the GASB #68 and GASB #75 restatements.

MILWAUKEE PUBLIC SCHOOLS
Changes in Net Position
Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses:										
Instruction	$ 577,232,278	697,882,053	652,139,250	593,089,063	724,642,011	681,195,330	647,364,824	666,593,314	714,036,147	685,589,990
Support services:										
Community services	24,073,540	31,999,076	38,436,371	30,629,716	31,770,798	27,789,456	29,311,872	27,612,053	30,536,990	26,041,483
Pupil and staff services	211,926,977	166,272,237	158,679,260	149,961,599	150,132,613	128,939,561	131,798,496	127,673,917	130,189,957	135,648,452
General, administration, and central services	108,924,396	121,069,716	134,765,188	124,577,548	125,109,527	112,898,587	98,125,128	101,276,207	103,502,882	113,952,373
Business services	145,038,456	179,205,970	182,654,935	176,621,387	180,855,290	169,413,167	160,678,353	167,752,510	149,452,181	154,701,665
School nutrition services	31,291,852	53,890,721	54,838,294	49,719,699	49,625,471	50,101,295	47,234,192	43,656,550	44,945,680	44,527,282
Interest on long-term debt	17,477,779	17,947,044	18,473,894	18,743,854	22,489,948	17,660,687	16,331,690	20,088,560	16,147,608	17,790,345
Bond issuance costs	—	—	—	33,114	407,528	—	—	—	—	—
Loss on sale/disposal of assets	—	—	—	—	—	—	—	—	260,129	4,028,012
Total support services	$ 538,733,000	570,384,764	587,847,942	550,286,917	560,391,175	506,802,753	483,479,731	488,059,797	475,035,427	496,689,612
Total expenses	$ 1,115,965,278	1,268,266,817	1,239,987,192	1,143,375,980	1,285,033,186	1,187,998,083	1,130,844,555	1,154,653,111	1,189,071,574	1,182,279,602
Program revenues:										
Charges for services:										
Instruction	$ 23,107,751	18,626,600	16,893,121	14,305,797	11,587,754	8,619,364	7,144,293	7,347,485	6,135,034	4,897,115
Community services	665,023	3,510,396	4,681,757	4,698,959	4,781,636	4,365,200	4,144,116	1,904,323	1,789,570	1,844,915
Business services	4,800,263	6,870,391	6,998,292	6,645,835	6,006,239	5,398,788	5,068,641	4,899,266	3,230,905	2,613,852
Nutrition services	39,792	545,040	710,211	724,006	666,619	1,164,444	802,764	3,127,925	2,933,140	3,027,221
Operating grants and contributions:										
Instruction	312,546,496	242,886,473	231,713,796	213,842,096	202,268,798	184,229,896	201,995,731	202,656,277	218,784,528	218,860,380
Community services	2,632,991	9,257,771	9,913,144	11,937,638	5,331,144	5,559,121	6,141,526	5,865,138	6,689,857	6,286,075
Pupil and staff services	20,741,651	20,024,242	18,832,411	17,714,954	17,860,161	18,367,601	22,295,180	20,743,806	17,344,944	27,257,411
Business services	7,762,360	7,569,890	7,408,731	7,861,714	7,495,159	5,580,111	7,056,988	6,747,421	6,045,771	6,758,686
Nutrition services	14,847,034	43,451,940	51,437,723	53,213,246	53,349,946	52,242,705	49,190,624	41,820,458	39,875,043	39,259,843
Capital grants and contributions:										
Instruction	9,758,721	10,409,910	10,861,018	10,360,627	16,064,716	16,348,227	849,132	3,546,175	6,491,624	3,244,501
Total program revenues	$ 396,902,082	363,152,652	359,450,204	341,304,872	325,412,172	301,875,457	304,688,995	298,658,274	309,320,416	314,049,999
Net (expense)/revenue	$ (719,063,196)	(905,114,164)	(880,536,988)	(802,071,108)	(959,621,014)	(886,122,626)	(826,155,560)	(855,994,837)	(879,751,158)	(868,229,603)
General revenues and other changes in net position:										
Taxes:										
Property taxes levied for general purposes	$ 267,168,599	226,471,228	219,062,424	242,639,539	257,702,427	268,759,174	271,012,144	270,306,782	269,493,379	270,368,281
Property taxes levied for construction	4,636,466	1,511,274	1,511,274	3,904,580	1,100,000	10,600,000	9,600,000	9,600,000	8,619,687	5,127,012
Property taxes levied for debt service	8,945,336	9,680,142	9,816,475	5,570,269	2,366,738	4,209,121	4,600,529	2,477,582	5,426,145	5,475,630
Property taxes levied for community services	27,225,000	25,225,000	20,000,000	20,000,000	20,000,000	17,065,872	17,065,872	17,065,871	17,065,871	16,815,871
Other taxes	42,848	51,495	326,576	597,492	840,809	810,337	1,837,208	53,662	32,559	533,466
Federal and state aid not restricted to a specific purpose:										
General (equalization aid)	536,097,290	520,297,205	531,143,819	523,855,062	516,742,805	509,173,092	505,323,745	500,659,964	494,557,826	496,690,640
Other	61,412,045	58,483,121	57,999,368	56,105,633	62,102,128	61,046,450	58,305,357	58,682,525	58,969,122	63,378,858
Interest and investment earnings	231,802	883,444	789,874	1,295,467	1,321,804	4,349,251	2,913,071	2,541,815	254,662	224,216
Gain on sales of capital assets	—	—	75,136	—	—	332,510	—	111,363	113,881	—
Other	1,445,247	2,417,557	1,138,121	1,744,974	1,071,422	1,019,580	932,736	497,674	2,624,753	3,285,553
Total general revenues	$ 907,204,633	845,020,466	841,863,067	855,713,016	863,248,133	877,365,387	871,590,662	861,997,238	857,157,885	861,899,527
Change in net position	$ 188,141,437	(60,093,698)	(38,673,921)	53,641,908	(96,372,881)	(8,757,239)	45,435,102	6,002,401	(22,593,273)	(6,330,076)

MILWAUKEE PUBLIC SCHOOLS
Fund Balance, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund										
Nonspendable										
Inventories and other assets	$ 1,622,075	1,458,761	1,998,722	2,073,707	1,886,572	1,643,145	1,026,248	973,880	907,073	746,342
Prepaid items	26,852	566,482	206,055	37,788	3,440,257	9,453,791	5,236,234	5,908,136	1,388,395	2,011,198
Noncurrent advances	-	-	-	-	-	-	-	2,736,923	4,973,734	3,786,936
Noncurrent receivables	356,795	327,053	1,535,963	1,596,592	1,482,010	923,445	573,763	671,498	-	-
Nutrition	4,870,642	-	-	-	-	-	-	-	-	-
Restricted										
Self-insurance deposits	2,353,871	3,113,403	3,042,197	3,890,011	3,240,153	8,069,749	7,243,936	5,550,712	4,408,669	4,454,209
Debt service	2,107,450	2,020,389	1,042,637	762,365	642,270	18,438,783	20,759,322	10,395,435	10,599,746	16,305,038
Common school funds	295,666	-	-	-	-	-	-	-	-	-
Scholarship & other trust funds	97,635	-	-	-	-	-	-	-	-	-
Flex spending	-	-	-	-	292,095	228,216	273,097	263,746	253,825	191,658
Committed for Construction	-	-	-	-	-	-	-	-	2,122	2,122
Assigned	5,614,247	5,483,590	5,483,590	5,483,590	2,810,155	975,383	2,732,369	2,421,323	3,104,129	4,925,111
Unassigned	50,647,242	25,030,949	25,749,371	23,595,128	28,414,710	40,566,631	41,791,865	49,871,027	53,322,696	63,927,286
Total general fund	$ 67,992,475	38,000,627	39,058,535	37,439,181	42,208,222	80,299,143	79,636,834	78,792,680	78,960,389	96,349,900
Other Governmental Funds										
Restricted										
Debt service	$ -	-	-	1,419	-	-	-	3,657,983	941,258	940,863
Long term capital investment fund	8,854,994	8,854,422	2,820,256	2,759,067	2,752,746	2,750,127	250,000	-	-	-
School Nutrition Services	-	1,103,267	14,124,105	13,776,344	11,525,766	4,877,643	539,429	-	-	-
Capital projects	18,954,763	33,736,218	56,743,971	78,473,037	78,832,821	20,444,142	40,228,316	-	-	-
Committed										
Construction	37,249,143	2,930,913	2,231,887	6,786,798	3,737,681	21,010,508	9,207,227	18,002,317	17,075,169	27,013,589
Assigned	-	9,707,146	3,673,900	2,270,094	-	-	-	-	-	-
Unassigned (deficit)	(4,870,642)	-	-	-	-	-	-	(2,736,923)	(4,973,734)	(3,786,936)
Total all other governmental funds	$ 60,188,258	56,331,966	79,594,119	104,066,759	96,849,014	49,082,420	50,224,972	18,923,377	13,042,693	24,167,516

MILWAUKEE PUBLIC SCHOOLS
Changes in Fund Balance, Governmental Funds, and Debt Service Ratios
Last Ten Fiscal Years
(modified accrual basis of accounting)

		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues:											
Property tax levy	$	307,975,401	262,887,644	250,390,173	272,114,388	281,169,165	300,634,166	302,278,545	299,450,235	300,605,082	297,786,794
Other taxes		110,343	114,322	326,576	597,492	840,809	810,337	72,837	79,171	75,084	104,824
Lunchroom sales		39,792	545,040	709,946	723,832	666,617	1,164,437	802,753	3,112,692	2,924,898	2,943,482
Other local sources		33,298,114	35,669,806	33,248,396	32,612,667	30,206,030	24,708,014	20,881,176	17,998,591	15,033,619	11,680,793
Microsoft Settlement Refunds		—	—	—	—	—	5,918,672	—	1,557,605	4,492,796	278,642
State aid:											
Equalization aid		536,097,290	520,297,205	531,143,819	523,855,062	516,742,805	509,173,092	505,323,745	500,659,964	494,557,826	496,690,640
Special classes		56,570,576	45,536,402	45,107,974	46,082,609	48,340,685	50,423,437	53,338,018	53,565,720	51,792,301	54,013,275
Integration		30,451,254	30,302,079	30,367,359	30,368,152	33,145,802	31,692,817	32,247,348	33,522,834	34,178,357	35,235,721
Other state aid		109,974,583	114,291,324	112,491,855	84,878,199	68,218,662	59,234,848	60,425,803	52,813,148	51,039,137	48,365,268
Federal aid:											
Education Consolidation Improvement Act		74,571,216	63,361,014	69,195,068	70,743,913	76,904,906	68,908,095	77,649,649	89,387,237	96,038,429	106,765,706
School nutrition services		12,242,996	41,301,576	49,266,457	50,927,013	51,232,829	49,598,103	46,739,199	40,115,810	38,289,523	37,629,945
Erate refunds		5,645,700	6,108,522	5,805,226	5,836,244	4,237,974	9,682,625	—	—	52,666	2,753,269
Other federal aid		122,115,933	61,543,267	65,115,483	70,864,068	64,475,049	61,369,218	69,073,018	69,125,693	70,965,810	82,063,530
Intergovernmental aid from the City of Milwaukee		—	—	—	—	—	—	—	—	—	—
Miscellaneous		1,081,707	833,200	1,062,440	2,053,402	864,375	1,284,082	1,231,850	567,085	3,190,257	3,346,721
Interest and investment earnings		4,307,223	4,842,050	5,040,299	5,302,257	5,454,864	4,349,251	2,913,071	2,541,815	218,550	224,215
Total revenues	$	1,294,482,128	1,187,633,451	1,199,271,071	1,196,959,298	1,182,500,572	1,178,951,194	1,172,977,012	1,164,497,600	1,163,454,335	1,179,882,825

MILWAUKEE PUBLIC SCHOOLS
Changes in Fund Balance, Governmental Funds, and Debt Service Ratios
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenditures:										
Instructional services:										
Undifferentiated curriculum	$ 386,867,508	348,494,552	350,475,544	351,822,598	369,393,609	339,332,220	346,521,378	350,611,296	364,488,175	379,231,430
Regular and other curriculum	150,903,041	132,375,585	129,834,427	134,543,176	137,132,552	136,707,351	137,364,946	140,829,291	147,099,479	129,989,610
Special curriculum	174,376,087	162,489,541	154,593,611	149,773,284	148,780,813	152,478,100	162,957,532	167,157,217	170,451,744	158,713,453
Total instructional services	712,146,636	643,359,678	634,903,582	636,139,058	655,306,974	628,517,671	646,843,856	658,597,804	682,039,398	667,934,493
Community services	22,605,739	29,186,475	32,844,657	29,562,731	29,120,113	27,347,401	29,162,858	26,962,332	29,146,352	24,841,805
Pupil and staff services	198,135,156	151,266,677	142,493,753	144,325,673	135,823,969	126,867,497	132,154,096	126,212,196	127,419,348	132,786,434
General and school building administration	103,703,047	108,716,268	121,735,702	118,247,463	112,522,003	111,159,224	99,027,539	99,204,832	101,012,616	111,351,669
Business services	137,158,974	166,154,647	168,769,315	177,596,772	173,743,893	169,127,014	160,159,754	163,583,290	161,469,675	155,497,490
School nutrition services	29,539,314	50,838,777	50,355,390	49,365,227	46,971,470	48,841,829	46,653,985	42,699,913	43,938,860	43,525,912
Capital Outlay	29,697,074	27,085,003	36,598,463	40,412,547	41,396,795	38,460,201	39,116,285	14,690,949	21,948,535	34,504,618
Debt service:										
Principal	17,641,998	18,693,152	18,658,245	15,391,555	54,677,630	14,648,669	21,671,993	12,955,845	67,860,692	11,374,372
Interest	17,748,204	18,404,243	18,434,918	18,581,798	22,303,962	14,797,376	13,523,580	13,963,568	14,312,624	14,528,046
Bond issuance cost	19,300	19,323	20,950	33,114	407,528	8,762	61,999	36,434	528,668	34,769
Other	—	—	—	—	—	—	—	—	—	—
Total expenditures	$ 1,268,395,442	1,213,724,243	1,224,814,975	1,229,655,938	1,272,274,337	1,179,775,644	1,188,375,945	1,158,907,163	1,249,676,768	1,196,379,608
Excess of revenues over (under) expenditures	$ 26,086,686	(26,090,792)	(25,543,904)	(32,696,640)	(89,773,765)	(824,450)	(15,398,933)	5,590,437	(86,222,433)	(16,496,783)
Other financing sources (uses) (note 7):										
Long-Term Debt Issued	$ —	—	—	34,933,000	56,185,000	—	—	—	—	—
Proceeds from Sale of Capital Assets	335,100	—	844,183	200,000	3,747,618	120,245	1,406,273	122,538	183,585	3,059,985
Premium on debt issued	—	—	—	—	3,221,503	—	387,058	—	7,415,704	—
Proceeds from capital leases	—	—	—	—	—	—	38,000,000	—	—	—
Insurance proceeds	283,314	1,770,731	609,875	12,344	—	223,962	843,560	—	—	—
Refunding bond debt issued	—	—	1,236,560	—	29,095,000	—	6,907,791	—	50,108,810	—
Total other financing sources (uses), net	$ 618,414	1,770,731	2,690,618	35,145,344	99,449,438	344,207	47,544,682	122,538	57,708,099	3,059,985
Net change in fund balance	$ 26,705,100	(24,320,061)	(22,853,286)	2,448,704	9,675,673	(480,243)	32,145,749	5,712,975	(28,514,334)	(13,436,798)
Debt service as a percentage of noncapital expenditures	2.9%	3.1%	3.1%	2.9%	6.3%	2.6%	3.1%	2.4%	6.7%	2.2%

MILWAUKEE PUBLIC SCHOOLS

Assessed and Equalized Valuation—City of Milwaukee

(in thousands)

The assessed and equalized valuations for the past 31 years are shown below.

Assessed Year	Assessed valuation	Assessed valuation increase (decrease) over prior years	Equalized valuation
1990	$ 12,614,531	$ 597,069	$ 12,808,708
1991	12,701,237	86,706	13,189,084
1992	13,336,770	635,533	13,279,156
1993	13,345,968	9,198	14,047,985
1994	14,029,734	683,766	14,363,706
1995	13,976,649	(53,085)	14,821,109
1996	14,850,607	873,958	15,041,199
1997	14,914,137	63,530	15,511,857
1998	16,072,114	1,157,977	16,228,218
1999	15,773,850	(298,264)	16,701,225
2000	17,582,995	1,809,145	17,344,251
2001	17,699,784	116,789	19,453,830
2002	19,866,255	2,166,471	20,298,387
2003	21,009,517	1,143,262	21,730,754
2004	22,772,419	1,762,902	23,491,773
2005	25,222,149	2,449,730	26,256,714
2006	28,354,952	3,132,803	30,226,984
2007	29,374,373	1,019,421	31,887,192
2008	30,431,675	1,057,302	32,257,525
2009	28,944,573	(1,487,102)	31,266,329
2010	28,048,464	(896,109)	29,520,783
2011	27,917,642	(130,822)	27,954,670
2012	25,322,101	(2,595,541)	26,421,932
2013	25,034,158	(287,943)	26,089,611
2014	25,024,542	(9,616)	26,138,108
2015	25,262,963	238,421	25,980,470
2016	25,974,259	711,296	27,042,047
2017	26,937,359	963,100	26,903,885
2018	28,348,568	1,411,209	28,340,401
2019	29,489,846	1,141,278	29,746,346
2020	31,930,629	2,440,783	31,475,102

(Includes property in Milwaukee, Washington and Waukesha Counties)

Source: Assessed valuation is determined by the City of Milwaukee, Assessor's Office.
Equalized valuation is determined by the State of Wisconsin Department of Revenue. Both the assessed valuation and the equalized valuation include Tax Incremental Financing Districts.

MILWAUKEE PUBLIC SCHOOLS

Property Tax Rates—Direct and Overlapping Government

(Rate per $1,000 of assessed value)

Last Ten Years

Budget year	Milwaukee School Board (B)		City of Milwaukee (A)		Milwaukee Area District Board of Vocational, Technical, and Adult Education		County of Milwaukee		State of Wisconsin		Milwaukee Metropolitan Sewerage District		Total (C)	
							TAX RATES PER $1,000 OF ASSESSED VALUE AND PERCENT OF TOTAL							
2011	$9.49	35.7 %	$8.67	32.6 %	$2.02	7.6 %	$4.69	17.7 %	$0.18	0.7 %	$1.52	5.7 %	$26.57	100.0 %
2012	9.69	36.0	8.86	32.9	1.95	7.3	4.72	17.6	0.17	0.6	1.51	5.6	26.90	100.0
2013	10.73	35.8	9.87	33.0	2.21	7.4	5.26	17.5	0.18	0.6	1.70	5.7	29.95	100.0
2014	10.86	35.5	10.23	33.4	2.22	7.2	5.35	17.5	0.18	0.6	1.78	5.8	30.62	100.0
2015	10.93	36.5	10.42	34.7	1.33	4.4	5.33	17.8	0.17	0.6	1.79	6.0	29.97	100.0
2016	10.52	35.8	10.29	35.1	1.29	4.4	5.28	18.0	0.18	0.6	1.79	6.1	29.35	100.0
2017	9.61	33.5	10.47	36.5	1.31	4.6	5.31	18.5	0.18	0.6	1.82	6.3	28.70	100.0
2018	8.34	31.0	10.57	39.2	1.26	4.7	5.05	18.7	0.00	0.0	1.72	6.4	26.94	100.0
2019	7.61	29.4	10.45	40.4	1.23	4.8	4.90	18.9	0.00	0.0	1.69	6.5	25.88	100.0
2020	7.91	30.3	10.48	40.2	1.19	4.6	4.83	18.5	0.00	0.0	1.66	6.4	26.07	100.0

(A) State law prohibits the City from raising property taxes more than 2% plus 60% growth of new development.

(B) Overlapping rates are those of local and county governments that apply to property owners within the City of Milwaukee.

(C) Tax rates were constructed considering the provision of the tax incremental district law. The application of these rates to the applicable assessed values will provide a tax yield higher than the levy.

Source: City of Milwaukee CAFR

MILWAUKEE PUBLIC SCHOOLS
Tax Rates for School Purposes
Last Ten Years
(per $1,000 of Assessed Value)

Budget Year (a)	School Operations	Construction	Extension	Total (b)
2012	$ 8.61	$ 0.16	$ 0.53	$ 9.30
2013	9.46	0.30	0.59	10.35
2014	9.57	0.34	0.60	10.51
2015	9.72	0.34	0.60	10.66
2016	9.26	0.36	0.58	10.20
2017	8.63	0.04	0.66	9.33
2018	7.77	0.12	0.63	8.52
2019	6.83	0.04	0.60	7.47
2020	7.02	0.04	0.75	7.81
2021	7.93	0.13	0.78	8.84

Tax Levies for School Purposes
Last Ten Years

Budget Year (a)	School Operations	Construction	Extension	Total
2012	$ 275,843,911	$ 5,127,012	$ 16,815,871	$ 297,786,794
2013	274,919,524	8,619,687	17,065,871	300,605,082
2014	272,784,364	9,600,000	17,065,871	299,450,235
2015	275,612,673	9,600,000	17,065,871	302,278,544
2016	272,968,295	10,600,000	17,065,871	300,634,166
2017	260,069,165	1,100,000	20,000,000	281,169,165
2018	248,209,808	3,904,580	20,000,000	272,114,388
2019	228,878,899	1,511,274	20,000,000	250,390,173
2020	236,151,371	1,511,274	25,225,000	262,887,645
2021	276,113,935	4,636,466	27,225,000	307,975,401

(a) Corresponds to MPS fiscal year dates.

(b) Source: City Assessor's Office Tax Rates 1984 to Present Table.

MILWAUKEE PUBLIC SCHOOLS
Principal Property Taxpayers
(Thousands of Dollars)

Employer	City's Fiscal Year 2020 Assessed Value	City's Fiscal Year 2020 Percentage of Total Assessed	City's Fiscal Year 2011 Assessed Value	City's Fiscal Year 2011 Percentage of Total Assessed
Northwestern Mutual Life Insurance Company	$ 512,113	1.60 %	$ 194,409	0.70 %
Mandel Group	316,686	0.99	107,238	0.38
U. S. Bank	227,756	0.71	250,271	0.90
Irgens Katz Properties	216,849	0.68	—	—
Berrada Properties	191,915	0.60	—	—
Weidner Investments	186,289	0.58	—	—
Forest County Potawatomi Community	142,814	0.45	—	—
Katz Properties	133,007	0.42	—	—
Metropolitan Associates	130,351	0.41	95,295	0.34
Aurora Health	129,911	0.41	—	—
Marcus Corp./Mil. City Center/Pfister	—	—	97,849	0.35
NNN 411 East Wisconsin LLC	—	—	90,149	0.32
100 E Wisconsin Ave Joint Venture	—	—	80,200	0.29
Towne Realty	—	—	76,146	0.27
Flanders Westborough	—	—	56,973	0.20
875 East Wisconsin -875 East Sponsor LLC	—	—	54,700	0.20
	$ 2,187,691	6.85 %	$ 1,103,230	3.95 %

Source: City of Milwaukee CAFR

MILWAUKEE PUBLIC SCHOOLS
Property Tax Levies and Collections
Last Ten Years
(Amounts expressed in thousands)

City of Milwaukee

Budget Year*	Taxes Levied for the Fiscal Year (Original Levy) (D)	Purchased and Adjustments (A)	Total Adjusted Levy	Collected for the Levy Year (B) Current Tax Collections	Collected for the Levy Year (B) Percent Original Levy Collected	Collections Purchased Delinquents Original Levy Year (C)	Collections Total Adjusted Levy in Subsequent Years	Total Collections to Date Amount	Total Collections to Date Percentage of Adjusted Levy
2011	$ 295,967	$ 36,363	$ 332,330	$ 284,691	96.19 %	$ 16,049	$ 31,073	$ 331,813	99.84 %
2012	301,051	24,581	325,632	288,749	95.91	13,596	22,705	325,050	99.82
2013	304,700	24,101	328,801	293,489	96.32	16,237	18,280	328,006	99.76
2014	307,246	21,710	328,956	296,107	96.37	13,875	17,792	327,774	99.64
2015	312,216	18,234	330,450	302,084	96.76	12,471	13,941	328,496	99.41
2016	312,091	18,216	330,741	302,628	96.97	10,907	14,123	327,658	99.07
2017	318,867	23,079	341,946	309,345	97.01	15,266	14,082	338,693	99.05
2018	325,152	15,839	340,991	316,357	97.30	11,728	12,904	340,989	100.00
2019	333,909	18,817	352,726	325,692	97.66	9,938	10,827	346,457	98.22
2020	349,409	24,369	373,778	338,190	97.63	13,692	-	351,882	94.14

Milwaukee Public Schools

Budget Year*	Total Tax Levy	Percentage of Levy
2010	$ 293,507	100.00 %
2011	297,787	100.00
2012	300,605	100.00
2013	299,450	100.00
2014	302,279	100.00
2015	300,634	100.00
2016	281,169	100.00
2017	272,114	100.00
2018	250,390	100.00
2019	262,888	100.00
2020	307,976	100.00

(A) This column includes adjustments. The City purchases delinquent taxes from the other units (Milwaukee County, Metropolitan Sewage District, State, Milwaukee Area Technical College and Milwaukee Public Schools). Prior years' amounts in this column have been revised to reflect activity in CAFR 2020.

(B) Tax collections begin in December for the succeeding Budget Year. Prior years' amounts in this column have been revised to reflect activity in CAFR 2020.

(C) Collections of (A) in the year purchased. Prior years' amounts in this column have been revised to reflect activity in CAFR 2020.

(D) State law limits levy increases to 2% of economic development for general city purposes.

* Budget Year corresponds to the City of Milwaukee's budget year.

Source: City of Milwaukee CAFR and MPS

MILWAUKEE PUBLIC SCHOOLS

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Years

(Thousand of Dollars)

Budget Year*	Real Estate	Personal Property	Total Taxable Assessed Value	Estimated Actual Taxable Value	Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
2011	$ 27,091,120	$ 957,344	$ 28,048,464	$ 29,520,783	$ 9.12	95.0 %
2012	27,007,839	909,804	27,917,643	27,954,670	9.25	99.9
2013	24,450,181	871,920	25,322,101	26,421,932	10.25	95.8
2014	24,169,993	864,165	25,034,158	26,089,611	10.58	96.0
2015	24,084,276	940,266	25,024,542	26,138,108	10.71	95.7
2016	24,412,068	850,895	25,262,963	25,980,470	10.61	97.2
2017	25,131,707	842,552	25,974,259	27,042,047	10.75	96.1
2018	26,115,350	822,009	26,937,359	26,903,885	10.76	100.0
2019	27,666,365	682,203	28,348,568	28,340,401	10.59	100.0
2020	28,804,623	685,223	29,489,846	29,746,346	10.58	99.1

* Budget Year corresponds to the City of Milwaukee's budget year.

Source: City of Milwaukee CAFR

MILWAUKEE PUBLIC SCHOOLS
Computation of Direct and Overlapping Debt-Governmental Activities
December 31, 2020
(in thousands)

Name of governmental unit	Net debt outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt Repaid with property taxes			
Direct debt:			
Milwaukee Public Schools	$ 347,806	100 %	$ 347,806
Overlapping debt:			
City of Milwaukee	869,708	100	1,112,866
Milwaukee Area Technical College District Board	100,970	35	35,340
County of Milwaukee	496,443	44	220,178
Milwaukee Metropolitan Sewerage Area	761,624	45	342,731
Total overlapping debt			1,711,115
Total district and overlapping debt			$ 2,058,921

Sources: City of Milwaukee CAFR (December 31, 2020); Milwaukee Public Schools (June 30, 2021).

MILWAUKEE PUBLIC SCHOOLS
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	General Bonded Debt				
Fiscal Year	General Obligation Bonds and Notes	Less: Resources Restricted to Repaying Principal	Total	Percentage of Equalized Property Value[1]	Per Capita[2]
2012	$62,607,058	$349,614	$62,257,444	0.24%	$105
2013	63,000,610	1,270,148	61,730,462	0.24%	$103
2014	61,880,101	4,678,301	57,201,800	0.22%	$96
2015	63,854,812	11,514,175	52,340,637	0.20%	$88
2016	61,578,241	14,606,254	46,971,987	0.17%	$79
2017	45,110,652	-	45,110,652	0.17%	$76
2018	39,974,446	420,328	39,554,118	0.14%	$66
2019	34,731,292	570,290	34,161,002	0.11%	$58
2020	29,666,267	707,804	28,958,463	0.09%	$49
2021	25,274,261	843,409	24,430,852	0.07%	N/A

	Other Governmental Activities Debt							
		Pension Debt Revenue Bonds						
Fiscal Year	QZAB Revenue Bonds	Capital Appreciation Bonds	Variable Rate Debt	NSI Revenue Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income[2]	Per Capita
2012	$3,681,039	$51,458,848	$130,850,000	$90,994,121	$10,245,000	$349,486,452	1.42%	$587
2013	2,769,721	54,719,050	130,850,000	85,933,361	4,950,000	340,952,594	1.40%	$572
2014	2,054,976	56,259,857	130,850,000	81,869,778	4,375,000	332,611,411	1.32%	$558
2015	1,418,388	56,856,122	130,850,000	76,171,399	38,000,000	355,636,546	1.37%	$597
2016	913,095	57,942,017	130,850,000	70,058,760	38,000,000	344,735,859	1.32%	$580
2017	-	58,032,746	130,850,000	57,518,610	91,261,923	382,773,931	1.43%	$648
2018	-	58,556,990	130,850,000	49,159,666	124,293,385	402,414,159	1.41%	$676
2019	-	58,030,094	130,850,000	40,189,492	121,416,847	384,647,435	1.33%	$651
2020	-	57,119,325	130,850,000	30,567,298	117,760,309	365,255,395	N/A	$622
2021	-	56,538,683	130,850,000	21,327,538	113,978,771	347,125,844	N/A	N/A

(1) Equalized Value per the City of Milwaukee and Wisconsin Department of Revenue Equalization Bureau.
(2) The data measure for Personal Income is from the Regional Economic Information System, Bureau of Economic Analysis, U.S. Dept. of Commerce. It reports the income for Milwaukee County versus the City of Milwaukee because the City makes up a substantial portion of Milwaukee County.
Source: City of Milwaukee CAFR

MILWAUKEE PUBLIC SCHOOLS
Pledged Revenue Coverage
Last Ten Fiscal Years

	Neighborhood Schools Initiative Bonds			
Fiscal Year	**Intradistrict Aid**	**Debt Service Principal**	**Debt Service Interest**	**Coverage**
2012	$ 32,120,101	$ 4,555,000	$ 3,919,868	3.79
2013	31,449,026	4,960,000	3,745,504	3.61
2014	31,282,469	4,430,000	3,675,067	3.86
2015	30,325,834	5,130,000	3,192,335	3.64
2016	29,913,303	5,550,000	3,004,385	3.50
2017	31,676,210	6,530,000	2,544,591	3.49
2018	29,135,965	7,120,000	2,051,300	3.18
2019	29,373,583	7,740,000	1,679,800	3.12
2020	29,552,215	8,400,000	1,302,800	3.05
2021	29,944,705	8,140,000	939,750	3.30

MILWAUKEE PUBLIC SCHOOLS
Demographic and Economic Statistics
Last Ten Calendar Years

	City of Milwaukee	County of Milwaukee		City of Milwaukee		
Year	Population (A)	Personal Income *(Thousands of Dollars)* (B)	Per Capita Income (C)	Median Age (D)	School Enrollment (E)	Unemployment Rate (F)
2011	595,525	$ 37,568,920	$ 39,491	30.3	80,098	10.9 %
2012	595,425	39,413,180	41,288	33.7	78,461	10.1
2013	596,500	38,992,729	40,726	33.7	78,502	8.7
2014	595,993	40,369,737	42,121	33.8	77,391	7.2
2015	595,787	41,855,717	43,672	34.0	75,568	6.7
2016	594,667	41,916,298	43,899	34.2	76,856	5.8
2017	591,076	43,095,621	45,356	34.3	77,215	4.6
2018	595,555	45,369,518	47,910	34.6	75,081	3.6
2019	590,547	46,433,612	49,098	35.1	74,633	4.5
2020	587,072	Not available	Not available	35.1	71,867	9.1

(A) *The December 31, 2011 through 2020 city of Milwaukee populations are estimated from the Wisconsin Department of Administration. (The population differs from the Census Bureau).*

(B) *Personal income is from the Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce. Personal income includes all of Milwaukee County because a substantial portion of the County is made up of the City of Milwaukee. Prior years' amounts in this column have been revised to reflect activity in the City's 2020 CAFR.*

(C) *Per capita personal income is from the Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce and includes all of Milwaukee County because a substantial portion of the County is made up of the City of Milwaukee. Prior years' amounts in this column have been revised to reflect activity in the City's 2020 CAFR.*

(D) *Prior to 2012, Median age of the city of Milwaukee population was determined only during a census. These figures represent the data collected by the American Community Survey.*

(E) *Annual School Census by Board of School Directors. Represents Milwaukee Public Schools only.*

(F) *Unemployment Rate for the city of Milwaukee is the annual average from the Wisconsin's Workforce, Wisconsin Worknet and Labor Market Information System.*

Source: City of Milwaukee CAFR

MILWAUKEE PUBLIC SCHOOLS
Principal Employers
Current Year and Nine Years Ago

	2020 Estimates (1)			2011		
Employer	**Employees**	**Rank**	**Percentage of Total Employment**	**Employees**	**Rank**	**Percentage of Total Employment**
Advocate Aurora Health	28,557	1	6.71 %	22,000	1	5.08 %
Froedtert and Community Health	13,472	2	3.17	8,000	5	1.85
Ascension Wisconsin	10,746	3	2.53			
Roundy's Supermarkets Inc.	8,400	4	1.97	6,800	8	1.57
Medical College of Wisconsin	6,324	5	1.49			
Children's Hospital and Health System	5,436	6	1.28			
Northwestern Mutual Life	5,000	7	1.18			
U.S. Bank NA	3,700	8	0.87			
Rockwell Automation Inc	3,600	9	0.85			
The Marcus Corp.	3,098	10	0.73			
U.S. Government (Includes ZablockiV.A. Medical Center)				10,800	2	2.49
Milwaukee Public Schools				9,142	3	2.11
Wheaton Franciscan Healthcare				8,356	4	1.93
Kohl's Corp				7,700	5	1.78
Wal-Mart Store				7,360	7	1.70
Quad Graphics				6,700	8	1.55
City of Milwaukee				6,400	10	1.48
	88,333		20.78 %	93,258		21.54 %

(1) Reflects full-time equivalent employees of businesses and industrial firms.
Note: Data includes all of Milwaukee County and areas contiguous to Milwaukee County.

Source: City of Milwaukee CAFR

MILWAUKEE PUBLIC SCHOOLS
Comparative per Capita Cost Statistics
Last Ten Fiscal Years

	Cost per pupil	
2011 – 2012	$ 13,911	**
2012 – 2013	14,059	
2013 – 2014	13,673	
2014 – 2015	14,269	
2015 – 2016	14,612	
2016 – 2017	15,697	
2017 – 2018	15,492	
2018 – 2019	15,712	
2019 – 2020	15,707	
2020 – 2021	16,982	

**Cost per pupil is restated from published in 2012 CAFR.

MILWAUKEE PUBLIC SCHOOLS
Comparative Statement of Annual School Census
Children Between 4 and 19 Years of Age
Residing in the City of Milwaukee

Fiscal year		Total number of children	Increase or (decrease) over prior year	Males	Increase or (decrease) over prior year	Females	Increase or (decrease) over prior year	Attending public schools	Attending private schools	Total attending schools	Percent attending schools
1982		131,748	1,533	67,085	535	64,663	998	80,683	29,623	110,306	83.7 %
1983		134,734	2,986	68,642	1,557	66,092	1,429	83,148	31,149	114,297	84.8
1984		140,729	5,995	71,689	3,047	69,040	2,948	87,243	31,601	118,844	84.4
1985		147,347	6,618	75,066	3,377	72,281	3,241	93,406	31,464	124,870	84.7
1986		148,768	1,421	75,391	325	73,377	1,096	96,520	30,961	127,481	85.7
1987		145,593	(3,175)	73,844	(1,547)	71,749	(1,628)	94,744	30,997	125,741	86.4
1988		148,416	2,823	75,196	1,352	73,220	1,471	98,438	31,140	129,578	87.3
1989		150,714	2,298	76,520	1,324	74,194	974	99,988	29,988	129,976	86.2
1990		150,723	9	76,382	(138)	74,341	147	99,079	29,346	128,425	85.2
1991	*	128,540	(22,183)	65,230	(11,152)	63,310	(11,031)	86,407	27,012	113,419	88.2
1992		144,452	15,912	73,180	7,950	71,272	7,962	100,017	28,346	128,363	88.9
1993		145,499	1,047	73,772	592	71,727	455	100,728	27,956	128,684	88.4
1994		149,545	4,046	75,893	2,121	73,652	1,925	103,452	28,196	131,648	88.0
1995		151,541	1,996	76,471	578	75,070	1,418	106,886	27,816	134,702	88.8
1996		151,710	169	76,778	307	74,932	(138)	106,910	27,931	134,841	88.9
1997		151,027	(683)	76,429	(349)	74,598	(334)	107,121	27,455	134,576	89.1
1998		153,227	2,200	77,533	1,104	75,694	1,096	108,786	27,723	136,509	89.1
1999		154,328	1,101	78,141	608	76,187	493	111,712	27,207	138,919	90.0
2000		154,977	649	78,599	458	76,378	191	110,397	28,342	138,739	89.5
2001		150,256	(4,721)	76,048	(2,551)	74,208	(2,170)	107,905	26,479	134,384	89.4
2002		149,992	(264)	76,142	94	73,850	(358)	109,852	25,066	134,918	90.0
2003		162,011	12,019	82,187	6,045	79,824	5,974	122,631	23,760	146,391	90.4
2004		164,641	2,630	83,399	1,212	81,242	1,418	128,862	21,829	150,691	91.5
2005		165,279	638	85,193	1,794	82,596	1,354	130,664	22,879	153,543	92.9
2006		159,414	(5,865)	81,024	(4,169)	78,390	(4,206)	111,685	27,171	138,856	87.1
2007		153,233	(6,181)	77,570	(3,454)	75,663	(2,727)	107,950	26,507	134,457	87.7
2008		152,244	(989)	75,897	(1,673)	76,347	684	102,648	27,847	130,495	85.7
2009		152,323	79	75,840	(57)	76,483	136	104,316	28,010	132,326	86.9
2010		151,232	(1,091)	74,710	(1,130)	76,522	39	102,707	28,398	131,105	86.7
2011		148,293	(2,939)	74,624	(86)	73,669	(2,853)	100,101	27,395	127,496	86.0
2012		146,741	(1,552)	74,476	(148)	72,265	(1,404)	97,900	27,065	124,965	85.2
2013		144,870	(1,871)	74,017	(459)	70,853	(1,412)	95,602	26,799	122,401	84.5
2014	**	146,929	2,059	74,075	58	72,854	2,001	103,291	27,350	130,641	88.9
2015	**	146,940	11	73,852	(223)	73,088	234	103,399	31,228	134,627	91.6
2016	**	138,550	(8,390)	69,981	(3,871)	68,569	(4,519)	95,210	27,788	122,998	88.8
2017	**	144,787	6,237	73,071	3,090	71,716	3,147	98,811	27,597	126,408	87.3
2018	**	145,225	438	72,985	(86)	72,240	524	98,492	27,885	126,377	87.0
2019	**	143,370	(1,855)	72,069	(916)	71,301	(939)	97,507	27,606	125,113	87.3
2020	**	142,959	(411)	71,676	(393)	71,283	(18)	90,159	28,009	118,168	82.7
2021	**	139,380	(3,579)	64,672	(7,004)	74,708	3,425	90,230	29,342	119,572	85.8

* Data collection method was not consistent with prior years and may not have produced accurate data.

** The U.S. Census Bureau methodology was used to estimate student population residing in the City of Milwaukee.

MILWAUKEE PUBLIC SCHOOLS
Annual Enumeration of Children Residing
in the City of Milwaukee
As of June 30, 2021

Ages**	Males	Females	Total**	Attended public school	Attended parochial or private school	Did not attend school
Under 4	16,256	18,778	35,034	6,564	1,867	26,603
4 to 9	24,269	28,035	52,304	30,493	9,511	12,300
10 to 14	19,651	22,700	42,351	31,077	10,079	1,195
15 to 17	11,237	12,981	24,218	18,960	4,503	755
18 to 19	9,515	10,992	20,507	9,700	5,249	5,558
20	5,249	6,064	11,313	2,727	1,436	7,150
Grand total	86,177	99,550	185,727	99,521	32,645	53,561

** The U.S. Census Bureau methodology was used to estimate student population residing in the City of Milwaukee.

MILWAUKEE PUBLIC SCHOOLS
Government-wide Expenses by Function
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal year	Instruction	Community services	Pupil and staff services	General administrative and central services	Business services	School Nutrition Services	Interest on long-term debt	Loss on sale/ disposal of buildings/software	Total
2012	$ 685,590	$ 26,042	$ 135,649	$ 113,952	$ 154,702	$ 44,527	$ 17,790	$ 4,028	$ 1,182,280
2013	714,036	30,537	130,190	103,503	149,452	44,946	16,148	260	1,189,072
2014	666,593	27,612	127,674	101,276	167,753	43,657	20,089	-	1,154,653
2015	647,365	29,312	131,799	98,125	160,678	47,234	16,332	-	1,130,845
2016	681,195	27,789	128,940	112,899	169,413	50,101	17,661	-	1,187,998
2017	724,642	31,771	150,133	125,110	180,855	49,625	22,897	-	1,285,033
2018	593,089	30,630	149,962	124,578	176,621	49,720	18,777	-	1,143,377
2019	652,139	38,437	158,679	134,765	182,655	54,838	18,474	-	1,239,987
2020	697,882	31,999	166,272	121,070	179,206	53,891	17,947	-	1,268,267
2021	577,232	24,074	211,927	108,924	145,038	31,292	17,478	-	1,115,965

MILWAUKEE PUBLIC SCHOOLS
Government-wide Revenues
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal year	Charges for services	Operating grants and contributions	Capital grants and contributions	Property taxes	Federal and state aid not restricted to a specific purpose	Interest and investment earnings	Miscellaneous	Total
2012	$ 12,383	$ 298,422	$ 3,245	$ 298,320	$ 560,070	$ 224	$ 3,286	$ 1,175,950
2013	14,089	288,740	6,492	300,637	553,527	255	2,738	1,166,478
2014	17,279	277,833	3,546	299,505	559,342	2,542	609	1,160,656
2015	17,160	286,680	849	304,116	563,629	2,913	933	1,176,280
2016	19,548	265,979	16,348	301,444	570,219	4,349	1,353	1,179,240
2017	23,042	286,305	16,065	282,010	578,845	1,322	1,071	1,188,660
2018	26,375	304,570	10,361	272,712	579,961	1,295	1,745	1,197,019
2019	29,284	319,306	10,861	250,717	589,143	1,138	864	1,201,313
2020	29,552	323,190	10,410	262,939	578,780	884	2,418	1,208,173
2021	28,613	358,531	9,759	308,018	597,509	232	1,445	1,304,107

MILWAUKEE PUBLIC SCHOOLS
Governmental Fund Expenditures by Function
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal year	Instruction	Community services	Pupil & staff services	General and school building administration	Business services	School Nutrition Services	Capital outlay	Debt service	Total
2012	$ 667,935	$ 24,842	$ 132,786	$ 111,352	$ 155,497	$ 43,526	$ 34,505	$ 25,937	$ 1,196,380
2013	682,039	29,146	127,419	101,013	161,470	43,939	21,949	82,702	1,249,677
2014	658,598	26,962	126,212	99,205	163,583	42,700	14,691	26,956	1,158,907
2015	646,844	29,163	132,154	99,028	160,160	46,654	39,116	35,257	1,188,376
2016	628,518	27,347	126,868	111,159	169,127	48,842	38,460	29,455	1,179,776
2017	655,307	29,120	135,824	112,522	173,744	46,971	41,397	77,389	1,272,274
2018	636,139	29,563	144,326	118,247	177,597	49,365	40,413	34,006	1,229,656
2019	634,904	32,845	142,494	121,736	168,769	50,355	36,598	37,114	1,224,815
2020	643,360	29,186	151,266	108,716	166,155	50,839	27,085	37,117	1,213,724
2021	712,147	22,606	198,135	103,703	137,159	29,539	29,697	35,409	1,268,395

MILWAUKEE PUBLIC SCHOOLS
General Governmental Revenues by Source
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal year	Property tax levy	Lunchroom sales	Other local sources	State aid	Federal aid	Miscellaneous	Interest and investment earnings	Total
2012	$ 297,787	$ 2,943	$ 12,065	$ 634,305	$ 229,212	$ 3,347	$ 224	$ 1,179,883
2013	300,605	2,925	19,601	631,567	205,347	3,190	219	1,163,454
2014	299,450	3,113	19,635	640,562	198,629	567	2,542	1,164,498
2015	302,279	803	20,954	651,335	193,461	1,232	2,913	1,172,977
2016	300,634	1,164	31,437	650,524	189,559	1,284	4,349	1,178,951
2017	281,169	667	31,047	666,448	196,851	864	5,455	1,182,501
2018	272,114	724	33,210	685,185	198,371	2,053	5,302	1,196,959
2019	250,390	710	33,576	719,111	189,382	1,062	5,040	1,199,271
2020	262,888	545	35,784	710,427	172,314	833	4,842	1,187,633
2021	307,975	40	33,408	733,094	214,576	1,082	4,307	1,294,482

MILWAUKEE PUBLIC SCHOOLS
School Accommodations
Last Thirty-nine Years

	Instructional staff (a)	Number of school buildings (b)	Average school year daily membership	
1982 – 1983	5,019	150	82,353	(c)
1983 – 1984	5,026	144	82,667	
1984 – 1985	5,126	143	84,443	
1985 – 1986	5,380	145	86,836	
1986 – 1987	5,474	144	87,283	
1987 – 1988	5,581	145	87,949	
1988 – 1989	5,675	146	89,675	
1989 – 1990	5,791	146	90,595	
1990 – 1991	5,920	149	90,487	
1991 – 1992	6,872	154	91,071	
1992 – 1993	6,811	156	94,694	
1993 – 1994	6,817	155	96,496	
1994 – 1995	6,816	155	98,312	
1995 – 1996	6,682	154	99,278	
1996 – 1997	6,785	154	101,622	
1997 – 1998	7,005	157	102,914	
1998 – 1999	7,187	157	102,097	
1999 – 2000	7,114	157	100,682	
2000 – 2001	7,128	158	99,332	
2001 – 2002	7,154	164	99,302	
2002 – 2003	7,137	164	99,054	
2003 – 2004	7,266	168	98,323	
2004 – 2005	6,512	173	96,874	
2005 – 2006	6,420	177	94,973	
2006 – 2007	6,033	177	92,224	
2007 – 2008	6,010	178	89,110	
2008 – 2009	5,961	178	87,137	
2009 – 2010	5,853	177	85,239	
2010 – 2011	5,501	174	84,422	
2011 – 2012	5,267	173	82,982	
2012 – 2013	4,959	175	81,754	
2013 – 2014	5,385	168	81,744	
2014 – 2015	5,298	169	80,437	
2015 – 2016	5,271	168	78,173	
2016 – 2017	5,199	168	78,652	
2017 – 2018	4,974	167	77,164	
2018 – 2019	4,863	162	75,905	
2019 – 2020	5,085	161	75,384	
2020 – 2021	4,773	159	71,861	

(a) Including principals.
(b) Includes leased sites.
(c) Kindergarten 1/2 day membership converted to full day equivalents.

MILWAUKEE PUBLIC SCHOOLS
Number and Distribution of Instructional Staff
Last Ten Fiscal Years

Classifications	2011 – 2012	2012 – 2013	2013 – 2014	2014 – 2015	2015 – 2016	2016 – 2017	2017 – 2018	2018 – 2019	2019 – 2020	2020 – 2021
Senior high and middle schools:										
Principals	22	18	20	18	23	20	23	23	24	21
Assistant principals	52	52	54	51	56	64	57	57	63	60
Teachers	1,510	1,406	1,425	1,204	1,392	1,376	1,268	1,245	1,223	1,131
Total	1,584	1,476	1,499	1,273	1,471	1,460	1,348	1,325	1,310	1,212
Elementary schools:										
Principals	96	84	92	88	92	93	93	93	90	78
Assistant principals	34	34	55	52	56	61	59	49	48	50
Teachers	2,987	2,616	2,898	2,961	2,912	2,831	2,755	2,707	2,662	2,561
Total	3,117	2,734	3,045	3,101	3,060	2,985	2,907	2,849	2,800	2,689
Special schools and classes:										
Principals	5	10	7	8	9	10	10	9	2	8
Assistant principals	6	7	8	9	11	9	9	9	9	7
Teachers	555	323	363	374	365	367	324	310	535	520
Total	566	340	378	391	385	386	343	328	546	535
Summary:										
Principals	123	112	119	114	124	123	126	125	116	107
Assistant principals	92	93	117	112	123	134	125	115	120	117
Teachers	5,052	4,345	4,686	4,539	4,669	4,574	4,347	4,262	4,420	4,212
Total	5,267	4,550	4,922	4,765	4,916	4,831	4,598	4,502	4,656	4,436
Superintendent, deputy and assistant superintendent, department directors and assistants, guidance and psychological counselors, librarians, and supervisors	416	409	463	476	484	510	514	478	395	452
Grand total	5,683	4,959	5,385	5,241	5,400	5,341	5,112	4,980	5,051	4,888

MILWAUKEE PUBLIC SCHOOLS
Population and Pupils
Residing in the City of Milwaukee
Last Ten Fiscal Years

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Total number of school age children according to city-wide child census	146,741	144,870	160,214	158,267	144,696	156,637	156,968	154,864	154,293	150,693 **
Enrollment for state aid:*										
Third Friday	85,886	84,725	84,597	83,126	80,617	80,843	79,017	77,562	76,805	74,462
Summer school	115	107	163	155	123	210	356	392	467	228
Total	86,001	84,832	84,760	83,281	80,740	81,053	79,373	77,954	77,272	74,690
Average number enrolled:										
Senior high	25,337	24,769	24,516	23,957	23,680	23,418	22,408	22,112	22,167	22,247
Junior high/middle	17,649	17,201	17,064	16,603	16,396	16,557	16,684	16,655	16,889	16,881
Elementary	44,932	44,762	45,259	44,419	43,389	43,874	42,836	42,175	41,144	37,602
Total	87,918	86,732	86,839	84,979	83,465	83,849	81,928	80,942	80,200	76,730
Average number attending:										
Senior high	21,111	21,010	20,807	20,771	20,035	19,701	18,698	18,695	18,040	18,175
Junior high/middle	16,037	15,682	15,491	15,531	15,311	15,400	15,434	15,408	15,505	15,238
Elementary	41,254	41,076	41,753	41,561	40,777	41,038	39,856	39,139	37,962	33,305
Total	78,402	77,768	78,051	77,863	76,123	76,139	73,988	73,242	71,507	66,718

* Non-resident and choice students not included.
** The U.S. Census Bureau methodology was used to estimate student population residing in the City of Milwaukee which includes 20 year olds.

MILWAUKEE PUBLIC SCHOOLS
Operating Statistics
Last Ten Years

Fiscal Year	Enrollment For State Aid		Operating Expenses	Cost Per Pupil		Teaching Staff	Pupil/ Teacher Ratio	
2021	76,805		$1,115,965,278	$ 14,530		5,494	13.98:1	
2020	77,272		1,268,266,817	16,413		5,538	13.95:1	
2019	77,954		1,239,987,192	15,907		5,324	14.64:1	
2018	79,373		1,143,375,980	14,405		5,390	14.73:1	
2017	81,053		1,285,033,186	15,854		5,694	14.23:1	
2016	80,740		1,187,998,083	14,714		5,687	14.20:1	
2015	83,281		1,130,844,555	13,579		5,649	14.74:1	
2014	84,760		1,154,653,111	13,623		5,545	15.29:1	
2013	84,832		1,189,071,574	14,017		5,591	15.17:1	
2012	86,001	(a)	1,182,279,602	13,747	(a)	5,505	15.62:1	(a)

(a) Corrections made to prior enrollment counts for state aid previously reported.

MILWAUKEE PUBLIC SCHOOLS
School District Employees - Full Time Staff & Part Time
Last Ten Years

	Year Ending June 30,									
	2021	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**
Supervisory										
Officials, Admin., Mgrs.	101	92	91	106	103	102	96	103	93	91
Principals	107	116	125	125	123	124	117	120	114	124
Part time profess/Ins.	584	634	480	567	571	534	511	419	317	396
Total supervisory	792	842	696	798	797	760	724	642	524	611
Instruction										
Asst. Prin. - Teach	117	120	115	126	134	123	114	116	101	91
Elementary Clsrm. Teach	2,561	2,662	2,710	2,759	2,832	2,913	2,922	2,867	2,960	3,003
Secondary Clsrm. Teach	1,131	1,223	976	1,016	1,098	1,131	1,142	1,173	1,412	1,396
Other Clsrm. Teach	520	535	582	582	645	625	643	648	343	441
Other Prof. Staff	655	487	494	502	499	497	463	390	417	358
Teacher Aides	510	511	447	405	486	398	365	351	358	216
Total instruction	5,494	5,538	5,324	5,390	5,694	5,687	5,649	5,545	5,591	5,505
Student Services										
Guidance	111	117	93	94	105	97	93	94	88	76
Psychological	122	159	137	138	135	137	137	128	135	139
Librarian/Audiovisual	28	27	21	27	30	30	33	30	25	27
Consultants/Supervisors	111	161	136	149	137	118	117	72	61	97
Technicians	82	85	83	84	94	96	94	64	52	70
Total student services	454	549	470	492	501	478	474	388	361	409
Support and Administration										
Clerical/Secretarial	314	438	325	339	353	339	359	353	388	350
Service Workers	481	477	512	477	446	408	397	387	397	572
Craft Workers - Skilled	366	269	295	318	301	309	312	354	362	339
Laborers - Unskilled	58	53	52	53	55	52	53	69	13	52
All other Part-time	2,722	3,097	3,726	3,827	3,810	3,687	3,820	3,710	4,081	3,928
Total support and administration	3,941	4,334	4,910	5,014	4,965	4,795	4,941	4,873	5,241	5,241
Total	10,681	11,263	11,400	11,694	11,957	11,720	11,788	11,448	11,717	11,766

MILWAUKEE PUBLIC SCHOOLS
Nutrition Services - Facts and Figures
Last Ten Years

Year Ending June 30,

	2021 (a)	2020	2019	2018	2017	2016	2015*	2014	2013	2012
Number of schools participating in:										
Lunch - regular schedule	150	157	159	161	163	156	158	163	164	158
Breakfast program	150	157	159	161	163	157	158	163	164	152
Snack program	26	67	66	70	68	66	70	93	83	65
Student lunches served:										
Free	1,052,098	6,531,625	8,964,543	9,327,118	9,540,046	9,529,532	9,570,975	7,928,445	7,784,596	8,005,894
Reduced	-	-	-	-	-	-	-	368,321	436,303	482,170
Fully paid	-	-	-	-	-	-	-	684,351	773,741	884,638
Total	1,052,098	6,531,625	8,964,543	9,327,118	9,540,046	9,529,532	9,570,975	8,981,117	8,994,640	9,372,702
Non-federal program meals served:	5,366	127,871	199,673	208,262	226,439	325,722	288,695	301,692	152,376	175,783
Student breakfasts/snacks served:										
Free	1,026,083	4,950,060	6,340,017	6,739,982	7,004,583	6,956,879	6,434,123	5,365,033	5,220,603	4,636,128
Reduced	-	-	-	-	-	-	-	177,137	207,954	223,890
Fully paid	-	-	-	-	-	-	-	364,781	392,529	407,651
Total	1,026,083	4,950,060	6,340,017	6,739,982	7,004,583	6,956,879	6,434,123	5,906,951	5,821,086	5,267,669
Number of serving days:										
Regular schedule	203	139	203	229	218	204	204	204	213	225
Average daily participation:										
Student lunch	5,183	46,990	44,160	40,730	43,762	46,713	46,917	44,025	42,228	41,656
Adult lunch	26	920	984	909	1,039	1,597	1,415	1,479	715	781
Student breakfast	4,811	30,736	28,950	27,407	30,020	31,178	29,197	26,278	26,060	22,417
Student snacks	286	3,316	2,094	2,196	2,169	2,071	2,178	2,108	2,184	2,184
September 15 pupil count	74,462	76,805	77,562	79,017	80,843	80,617	83,126	84,597	84,725	87,157
Percentage of students daily eating school lunch	6.96%	61.18%	56.94%	51.55%	54.13%	57.94%	56.44%	52.04%	49.84%	47.79%

*Starting with Fiscal Year 2015, MPS became elgible for the Community Eligibility Provision which receives reimbursement 100% of elgible meals at the free rate.
(a) Traditional meal services were reduced due to facility closures and virtual learning through April 2021 due to the COVID-19 pandemic.

MILWAUKEE PUBLIC SCHOOLS
Capital Asset Information
Last Ten Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Elementary Schools										
Number of Buildings	117	119	120	121	122	124	120	119	119	119
Square Footage	8,709,757	8,839,089	8,901,644 (a)	8,945,040 (a)	9,037,640 (a)	9,151,094 (a)	8,349,586 (a)	8,028,355	8,028,355	8,028,355
Capacity	57,937	55,777	56,229 (a)	56,602 (a)	57,054 (a)	57,452 (a)	58,399 (a)	65,751	65,751	65,751
Enrollment	42,419	45,138	46,151	46,563	45,834	45,750	46,944	47,605	48,011	48,305
Middle Schools										
Number of Buildings	6	6	6	6	6	6	9	7	7	7
Square Footage	1,070,000	1,070,000	1,070,000 (a)	1,070,000 (a)	1,070,000 (a)	1,070,000 (a)	1,500,105 (a)	1,343,877	1,343,877	1,343,877
Capacity	5,393	5,393	5,393 (a)	5,393 (a)	5,393 (a)	5,393 (a)	7,586 (a)	5,900	5,900	5,900
Enrollment	3,418	3,467	3,419	3,328	3,244	4,174	4,098	4,559	5,198	5,993
High Schools										
Number of Buildings	15	15	15	16	16	16	12	13	13	13
Square Footage	4,574,346	4,574,346	4,574,346 (a)	4,584,995 (a)	4,584,995 (a)	4,584,995 (a)	3,961,021 (a)	3,621,282	3,621,282	3,621,282
Capacity	18,362	18,362	18,362 (a)	18,512 (a)	18,512 (a)	18,512 (a)	15,403 (a)	18,138	18,138	18,138
Enrollment	16,786	16,517	16,424	16,714	17,272	16,996	17,793	18,344	18,960	19,906
Other Schools										
Number of Buildings	13	13	13	13	13	13	19	22	22	22
Square Footage	1,958,914	1,958,914	1,958,914 (a)	1,958,914 (a)	1,958,914 (a)	1,958,914 (a)	2,972,413 (a)	3,833,312	3,833,312	3,833,312
Capacity	9,060	9,060	9,060 (a)	9,060 (a)	9,060 (a)	9,060 (a)	13,671 (a)	17,507	17,507	17,507
Enrollment	9,672	9,636	9,112	8,838	10,504	8,668	8,556	7,994	6,292	5,894
Administrative/Service										
Number of Buildings	56	56	56	56	56	56	56	56	56	56
Square Footage	833,650	833,650	833,650	833,650	833,650	833,650	833,650	833,650	833,650	833,650
Athletics										
Football Fields*	35	35	35	35	35	35	35	35	35	35
Soccer Fields**	20	20	20	20	21	21	21	21	21	21
Running Tracks	11	11	11	11	11	11	12	13	13	13
Baseball/Softball***	72	72	72	72	72	72	72	72	72	72
Swimming Pools	22	22	22	22	22	22	22	22	22	22
Playgrounds	137	137	137	137	138	141	141	144	144	144

(a) A different method was used
*22 Recreation+13 High School
**8 Recreation+13 High School
***All Recreation

Note: Excludes leased sites