MILWAUKEE
PUBLIC SCHOOLS

2023
Annual Comprehensive Financial Report

FOR THE YEAR ENDED JUNE 30, 2023

164TH EDITION

MILWAUKEE, WISCONSIN

164th 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, 2023

MARVA HERNDON, President

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MILWAUKEE PUBLIC SCHOOLS

Annual Comprehensive Financial Report

Year Ended June 30, 2023

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December 20, 2024

Dear Members of the Milwaukee Board of School Directors:

We are pleased to submit the Annual Comprehensive Financial Report for Milwaukee Public Schools (MPS or District) in Milwaukee, Wisconsin, covering the fiscal year ending on June 30, 2023. This report serves as management's financial communication to various stakeholders, including taxpayers, the governing board, oversight bodies, voters, employees, and intergovernmental grantors.

The District assumes responsibility for ensuring both the accuracy of the data and the completeness and fairness of the presentation, encompassing all necessary disclosures. To the best of our knowledge and belief, the information presented is materially accurate and is reported in a manner crafted to present fairly the financial position and operational results of MPS's various funds. The report incorporates all essential disclosures to facilitate a comprehensive understanding of the District's financial activities. The District acknowledges that these financial statements are greatly overdue but is diligently working through its corrective action plan to ensure timely and accurate financial reporting in order to return to responsible fiscal stewardship.

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

REPORTING ENTITY

MPS functions within the municipal boundaries of Milwaukee, Wisconsin (City), with a primary responsibility to administer an efficient and effective educational system for the students enrolled in public schools. The District is committed to ensuring that each child receives access to programs and services tailored to their educational needs. Beyond conventional educational offerings, the District provides comprehensive programs in special education, early childhood education, and bilingual education. Diversifying its educational landscape, the District offers distinguished programs in language, fine arts, Montessori, International Baccalaureate, STEAM (science, technology, engineering, arts, and mathematics), business, technical trades, and more through its specialty school programs. Additionally, the District extends its reach to the Milwaukee community by providing recreational activities and education services through parks, school facilities, and dedicated centers.

Milwaukee, situated in the southeastern part of Wisconsin on the western shores of Lake Michigan, lies 90 miles north of Chicago. As the 31st largest city in the United States, Milwaukee boasts an estimated population of 563,632 as of the July 1, 2022, U.S. Census Bureau's population estimate. Notably, Milwaukee holds the status of being the only city of the First Class in the State of Wisconsin, thereby making MPS the exclusive First Class City School District in the state.

Established on February 3, 1846, MPS adheres to the Wisconsin Statutes, Chapter 119, and other relevant regulations governing Cities of the First Class. The Milwaukee Board of School Directors, which comprises nine members, is the policy-making body for the school system. Serving residents of the City of Milwaukee and participating suburban transfer students through grade 12, the District, overseen by the appointed Superintendent, operates 156 schools, catering to approximately 67,437 students. With a dedicated workforce of about 9,844 full-time equivalent (FTE) educators, administrators, and staff, MPS remains steadfast in its commitment to delivering a high-quality education.

The District's reporting entity is defined by the criteria outlined in GASB Statement No. 14, titled "The Financial Reporting Entity." According to this statement, the financial reporting entity encompasses (a) the primary government, governed by an independently elected body that is legally distinct and financially autonomous, and (b) organizations for which the primary government holds financial accountability. In this context, all accounts within the District constitute part of the primary government. Notably, the District's financial statements are not included in the City's financial statements. This exclusion arises because the District operates under a separate governing board, free from control by the City.

LOCAL ECONOMIC ANALYSIS

Milwaukee stands as the largest urban and economic hub in the state. Renowned for its prominence in advanced manufacturing, freshwater research and development, clean and green technology, healthcare, biomedical technology, and financial services, the city plays a pivotal role in shaping these sectors. Although not dominated by large employers, Milwaukee proudly hosts four Fortune 500 companies and three Fortune 1000 manufacturers, with MPS holding a significant position as one of the city's largest employers.

As of September 2023, the metropolitan Milwaukee area reports an unemployment rate of 3.6 percent, a 0.5 percent increase from September 2022 but notably lower than the peak of 14.3 percent recorded at the onset of the COVID-19 pandemic. In comparison, Wisconsin's unemployment rate for September 2023 is slightly lower at 3.1 percent, consistent with the previous year, while the U.S. rate is slightly higher at 3.6 percent, up from 3.3 percent a year ago.

Highlighting the city's financial stability, Milwaukee maintains investment-grade ratings, receiving an A+ from Fitch and an A- from S&P Global Ratings for the City's most recent 2024 General Obligation Bonds and Notes. This underscores the city's resilience and fiscal responsibility amid economic challenges.

DISTRICT INFORMATION

Over the past decade, MPS's September Third Friday enrollment count has gradually declined from 77,414 to 65,535, averaging a yearly decrease of 2 percent. The COVID-19 pandemic had a more pronounced impact on enrollment, with an average decrease of 3.8 percent in the 2020–21 and 2021– 22 school years. This decline aligns with trends observed in school districts nationwide. The 2022–23 school year marked the second full year back to in-person instruction since the onset of the COVID-19 pandemic. Enrollment was down 2.6 percent, showing a trend toward stabilization. In the 2022–23 school year, enrollment in partnership and non-instrumentality charter schools was 8,319, a decrease of 234 students compared to 2021–22.

For families that wanted their child to remain in virtual learning, the Milwaukee Public Schools Virtual Program (MVP) was launched in the fall of 2021. Over 1,300 students took advantage of this MVP option in the 2021–22 school year, however, enrollment decreased to 816 in 2022–23. MVP has consistently maintained an enrollment standard of 800 students or more. Enrollment decreased by 136 in 2023-2024, however, the 2024-2025 enrollment has returned to more than 811 students.

To address the challenges posed by the pandemic, the District leveraged $800 million in federal relief made available beginning in 2021 through the Coronavirus Aid, Relief, and Economic Security (CARES), Coronavirus Response and Relief Supplement Appropriations (CRSSA) and American Rescue Plan (ARPA) Acts, awarded through Education Stabilization Fund (ESF) programs. Under the CARES Act, the District focused on addressing long-term school closure, outreach/service delivery to special populations, educational technology, and preparedness and response to COVID-19 while managing the funds awarded for both public and private school students. Under CRSSA and ARPA, the District continued with the aforementioned program types for public school students while adding services focused on returning students to in-person instruction; private schools received grants directly through the Emergency Assistance to Non-Public Schools (EANS) program. Through the ESSER II and III grants awarded to MPS, the District added programming to mitigate learning loss and respond to the social-emotional learning needs of students through after-school and summer learning, mental health services and supports, and a substantial investment in improvements to school facilities. While the federal relief funds provided critical support during the pandemic, this one-time funding concluded in September 2024. MPS is evaluating the efficacy of programs and through the FY25 budgetary process has decided which programs will continue to be prioritized subsequent to the close of the ESF grants.

MAJOR INITIATIVES

The fiscal year 2022–23 was the third year of funding and implementation of strategies related to a recurring referendum that voters 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 relief from a state revenue limit formula that has constrained student opportunities. The revenue limit per-pupil allocation has remained relatively flat since the 2010–11 school year.

The approved referendum strategies 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

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. Ambitious Instruction: Accelerating Learning was implemented starting in the 2021–22 school year. The plan is focused on the following three levers: Formative Practices, Explicit Instruction, and Engagement.

2) Improve District and School Culture
   Milwaukee Public Schools is committed to fostering a welcoming and supportive environment where every student feels valued and empowered to learn and achieve. A positive school climate is essential for improved academic achievement, higher graduation rates, and better behavioral outcomes. MPS believes that every child deserves a stable and supportive educational environment and continuously works to build such spaces for all students and staff.

3) Develop our Staff

Developing staff is a critical factor in successfully educating all students. Recruitment and development have been especially challenging since the pandemic. Efforts in both areas were continued and new methods were developed and utilized. Increased local, national, and even international recruitment took place. Professional development was provided for staff, including continuing and emerging school leaders, for the successful implementation of district initiatives. MPS offers a variety of professional development opportunities differentiated to support the varying needs of staff.

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 Office 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 a focus for the 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.

5) Strengthen Communication and Collaboration

The district remains committed to increasing meaningful family and community engagement through a variety of avenues. MPS recognizes that it takes continued support from our community to help us to accomplish our strategic goals. MPS is fortunate to partner with dynamic businesses and organizations that help improve student achievement, engage our families, and help develop staff. MPS created resources to support family involvement, including parent guides in reading, writing, and mathematics; a Parent's Guide to Assessments; and MPS Reads monthly reading lists. Each MPS school has a parent coordinator who helps families by providing access to resources, opportunities to get involved at the school, and assistance to support student achievement. Participation has increased in MPS alumni events 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 toward meeting the three overarching goals in the areas of academic achievement; student, family, and community engagement; and effective and efficient operations:

Achievements

The following achievements are evident in the District's commitment to improvement and the Board's goals.

- Engaged almost 10,000 students in the highly rated Illustrative Mathematics curriculum and Imagine Learning Classroom platform. The Illustrative Mathematics curriculum is rigorous, problem-based, and fully aligned to the standards with coherence across grade bands.
- Created the following new high school math courses for next year to offer different pathways and opportunities for students to be college and career ready: Modern Algebra with a focus on social justice, Exploration with Data Science, and Integrated Math I, II, and III.
- Implemented new standard-aligned curriculum resources in social studies, including print and digital, for all K– 12 students.
- Launched successfully the Counting Collections Routine specifically designed for our K3, K4, and K5 classrooms; 8,500 K3, K4, and K5 students have access to the Counting Collections Routine.
- Engaged students in reading and writing through primary documents, evidence, and arguments in social studies. Since October 2022, 699 teachers and 6,464 students have been using document-based questions online.
- Provided 15,000 music students access to Soundtrap to compose beats and loops similar to the music they love to listen to.
- Provided music lessons through additional traveling music teachers in 12 schools.
- Participated in the Wisconsin School Music Association (WSMA) Solo and Ensemble Contest with more than 500 students performing and in the WSMA Large Group Contest with more than 600 students performing.
- Provided students with music experiences such as attending the Milwaukee Symphony Orchestra or Florentine Opera, singing at a Marquette game, attending a drumline competition in Chicago, or working with Opera for the Young.
- Adopted the Mango language learning platform to increase world language offerings in schools.
- Gathered feedback from multiple stakeholder groups to influence strategic planning.
- Continued implementation of the Teaching for Biliteracy Framework related to bilingual education.
- Maintained Bilingual Task Force meetings to discuss the progress made on bilingual education and teacher certification initiatives.
- Maintained the District Multicultural Multilingual Advisory Council (DMMAC) to advance language acquisition programs.
- Increased student participation and completion in earning the Wisconsin Seal of Biliteracy: in 2022–23, 135 students from nine high schools graduated with the Seal of Biliteracy.
- Conducted the 2022 Summer Academy, where students completed more than 3,100 high school courses, and high school students earned 128 college credits.
- Increased Summer Academy options with additional specialty, thematic, and college courses.
- Provided students with alternative options to graduate from MPS in the winter and summer of 2022–23.
- Prioritized cybersecurity best practices, including regular security awareness training to educate staff and implement best practices to keep district computers, networks, and files safe from hackers and other cybercriminals.
- Expanded School Community Partnership for Mental Health (SCPMH) from 24 to 39 schools, providing onsite mental health clinicians in 2021–22. Between October 2021 and January 2023, more than 900 students received therapy through this partnership.

Achievements

- Used the Devereux Student Strengths Assessment (DESSA), a nationally standardized, norm-referenced, strength-based measure of children's social and emotional competencies in K5 through grade 12 to screen for interventions and monitor student progress, and help identify specific social-emotional learning skills for intervention support.
- Continued implementation of the comprehensive MPS mental health initiative in alignment with the Wisconsin Department of Public Instruction.
- Conducted listening sessions at 15 elementary, middle, and high schools for female-identifying students of color with questions about the following topics: inclusion, sense of belonging, safety, self-development, class/school culture, and relationships.
- Supported 13 Verizon Innovative Learning Schools.
- Provided an opportunity for 18 school sites and more than 300 girls in grades 4 through 8 to participate in an after-school program that provides a research-based curriculum on self-development and healthy choices while training for an end-of-semester 5K run.
- Added certified nursing assistant (CNA) labs in four high schools and offered college classes in fall and spring semesters at Hamilton, Madison, and South Division.
- Implemented a planning phase for an agricultural sciences specialty at River Trail Elementary School.
- Completed fiber-optic cabling upgrades in more than 40 schools to address students' and staff's current and future networking needs.
- Engaged 48 schools in tutoring during the 2022–23 school year, resulting in 1,443 unique students receiving 9,600 hours of additional academic instruction and support.
- Added a second cohort of students who will earn college credit through Obama SCTE's heating, ventilation, and air conditioning (HVAC) program.
- Increased student participation in dual enrollment. Offered dual enrollment programming through contracted instructors and certified MPS teachers at the following high schools: Bradley Tech, Carmen, Hamilton, Obama, Madison, Marshall, Milwaukee High School of the Arts, Reagan, Riverside, and South Division.
- Increased the total number of youth apprenticeships within the MPS Department of Facilities and Maintenance Services.
- Engaged 27 high school students in the NAF Future Ready Scholars Camp at UW-Milwaukee focused on architecture and engineering in the summer of 2022.
- Expanded community artist partnerships and programming for students in efforts to re-establish schools' art culture, which included the fall and spring arts residencies, as part of The Kennedy Center partner schools Strategic Arts Plans.
- Engaged 3,578 students in after-school clubs during the 2022–23 school year.
- Provided free driver's education to 2,147 MPS students.
- Hosted four Saturday STEAM (science, technology, engineering, art, and mathematics) camps for gifted and talented and high-ability/high-achieving elementary students at four sites in October, December, February, and April.
- Awarded 731 scholarships via Everyone Plays to ensure all youths can access high-quality recreation services.
- Offered four sessions of the Language Essentials for Teachers of Reading and Spelling (LETRS) for nine cohorts of 233 MPS K5-grade 3 participants.

Achievements

- Held a Supporting Oral Language in the Early Learning Years (SOLELY) event focused on "How to Raise a Reader: A Smart Start Guide to Promote Early Literacy" for 50 participants from MPS and the community.

- Provided six hours of training with Dr. Richard Gentry, author of "Kid Writing," for 60 prekindergarten and kindergarten teachers to learn formative practices and explicit instructional strategies to support our youngest writers.

- Presented the annual STEM Fair; 49 schools and 592 students participated, entering 282 projects.

- Trained 542 early childhood teachers in the Counting Collections Routine, through the PK-Grade 5 Math Team.

- Revised instructional pacing and guidance for all grades and courses K-grade 12, through the Kindergarten-Grade 12 Math Team, working with 60-plus educators.

- Launched Strong Start Leadership in Early Mathematics Project, a partnership between UWM and MPS, funded by the American Family Institute. Thirty-five teachers joined this first class, earning 3 graduate credits.

- Created and supported 17 high school eSport labs, including gaming equipment and furniture.

- Scheduled to complete 126 outdoor classrooms by the end of summer 2023.

- Reported more than $107 million in scholarships awarded to the Class of 2022—an increase from $96 million for the Class of 2021.

- Conducted drive-through flu clinics for staff during the fall of 2022, with more than 640 individuals participating.

- Reopened Burnham and Green Bay Playfields after a comprehensive renovation, including new play structures, basketball courts, splash pads, and lighting. Burnham also received a synthetic turf soccer field, while Green Bay added tennis courts and an obstacle course.

- Received the Mayor's Design Award for Franklin Square Playfield renovation.

- Received two Wisconsin Park & Recreation Association Outstanding Park Design Awards for revitalizing Burnham and Green Bay Playfields in partnership with Site Design, LLC.

- Increased the number of production kitchens from 13 to 33.

- Developed a Peace Path to facilitate conflict resolution among students. This included sample Peace Path designs, introductory materials, and a lesson plan for teaching students to use the path.

- Awarded the federal Project AWARE grant to support school-based mental health partnerships and to facilitate the development of trauma-sensitive school environments that promote mental well-being for all students in all educational spaces.

- Transitioned 46 employees from permitted to fully licensed teachers through partnerships with Alverno College and Viterbo University as of December 2022.

- Obtained the Wisconsin Department of Public Instruction approval of MPSU's physical education licensure program, with 5 members expected to complete their program and earn licensure endorsement in June 2023.

- Hired 1,121 employees since July 1, 2022. This exceeds the number of employees hired in FY22.

- Completed significant hardware and software upgrades to core systems, including the BusinessPlus Finance System, and moved Infinite Campus Student Information System to the cloud.

Achievements

- Awarded $15,000 from the Special Olympics of Wisconsin Unified School of Champions program to create a more inclusive school setting for students with disabilities and their peers.
- Increased the percentage of funds directed to schools from 88 percent in FY19 to 94 percent in FY23.
- Accepted over $1.1 million in donations to Milwaukee Public Schools for FY23, as reflected in the monthly financial reporting to the board from July 1, 2022, through February 28, 2023.

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. The District guards its financial viability through the following strategies:

1. By providing a variety of high-quality educational environments sensitive to the demand that families are demonstrating in their choices, MPS intends to maintain or grow its enrollment 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. Through carefully recruiting and hiring, providing well-researched professional development, and offering competitive compensation, MPS will be able to deploy talents at all levels. As a school district, our success is entirely dependent on the day-to-day work of staff.
4. Through disciplined budgeting and spending, the district's fund balance will be preserved, and debt will remain at a manageable level for revenues received by MPS. Forecasts are developed to prepare for predictable ebbs and flows of resources adequately, and expenditures are authorized to the level of available revenues. Expenditure monitoring and adjustment are part of the culture of MPS, with school and central administrators 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. By remaining committed 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 the Long-Term Capital Improvement Trust Fund, the District is ensuring its facilities remain safe and effective teaching and learning environments.
7. By keeping in place a proactive and enterprise-wide risk management strategy, the District is limiting financial exposures for the district.
8. By using a formal process, the District is unified in its 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. By continuing to actively seek ways to improve the efficiency and effectiveness of operations, the District will meet the needs of students within the available resources. MPS looks to other school districts and other industries for best practices for district and school improvement.

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

ACCOUNTING SYSTEM

The complexity of governmental operations and the imperative of ensuring legal compliance make it impractical to record and summarize all financial transactions within a single accounting entity. Consequently, from a financial management perspective, a governmental unit is conceived as a confluence of distinct accounting entities, each possessing an independent set of accounts and functioning autonomously. Each of these accounting entities is managed within a separate fund—a fiscal and accounting entity that features a self-balancing set of accounts capturing cash and other financial resources, associated liabilities, residual balances, and changes therein. This segregation is established to facilitate the execution of specific activities or the attainment of defined objectives in alignment 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 benefits (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.

The management of the District bears the responsibility for establishing and upholding internal controls aimed at safeguarding the District's assets against loss, theft, or misuse. Simultaneously, these controls are designed to ensure the compilation of reliable and sufficient accounting data, facilitating the preparation of financial statements in accordance with generally accepted accounting principles in the United States of America. While internal accounting controls provide reasonable assurance, they acknowledge that (1) the cost of a control should not exceed the anticipated benefits and (2) assessing costs and benefits requires managerial estimates and judgments.

BUDGETARY CONTROL

Annual appropriated budgets are adopted for the general, special revenue, and debt service funds by June 30 each year, with capital projects funds adopting budgets on a project-length basis. These budgets, serving as management control and planning tools, are integrated into the District's accounting system. The Board exercises control over budgeted amounts at the responsibility center level within the general, special revenue, and debt service funds, while the capital projects fund is controlled at the project level. Further budgetary control is maintained by encumbering estimated purchase amounts before releasing purchase orders to vendors. Purchase orders exceeding available budgetary balances are held until additional funds are transferred to cover them.

Board policy dictates that all annual appropriations lapse at year-end, except for specific circumstances: excess budgetary authority for completed capital projects fund lapses into the fund; schools, with Board approval, can carry over appropriations up to 1% of the total revised school budget; deficits incurred by schools automatically reduce the subsequent year's budget appropriations; and, with Board approval, appropriations for special projects or planned purchases can be carried into the following year. Additionally, at year-end, both encumbrance and budgetary authority necessary to offset the encumbrance may be automatically carried over to the next year, without requiring annual Board approval for encumbrance carryovers.

AUDIT SERVICES

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

FINANCIAL POLICIES

The Board and administration have adopted policies and procedures that ensure the 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) and (b)

(a) The superintendent of schools shall prepare an annual operating budget for 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 Milwaukee 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, capital appreciation notes, and promissory notes outstanding on June 30, 2023, totaled $306,793,337. This balance represents bonds, capital appreciation notes, and promissory notes; the debt service of which is being reimbursed by the District to the City 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 that 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, 2023, 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 the 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 ending June 30, 2022.

ACKNOWLEDGMENTS

The preparation of this report could not have been accomplished without the dedicated service of the Office of Finance, 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 the preparation of these financial statements.

Respectfully submitted,

Mr. Eduardo Galván
Interim Superintendent of Schools

Ms. Aycha Sawa, CPA
Chief Financial Officer

BOARD OF SCHOOL DIRECTORS

DISTRICT	NAME	TERM EXPIRES
1	Marva Herndon	April, 2027
2	Erika Siemsen	April, 2027
3	Darryl L. Jackson	April, 2027
4	Vacant	April, 2025
5	Jilly Gokalgandhi	April, 2025
6	Marcela (Xela) Garcia	April, 2025
7	Henry Leonard	April, 2025
8	Megan O'Halloran	April, 2027
At-Large	Missy Zombor	April, 2027

President – Marva Herndon
Vice President – Jilly Gokalgandhi
Interim Superintendent of Schools – Eduardo Galván
Board Clerk/ Chief Officer, Office of Board Governance – Dr. Tina Owen-Moore, Ph.D.

STANDING COMMITTEES

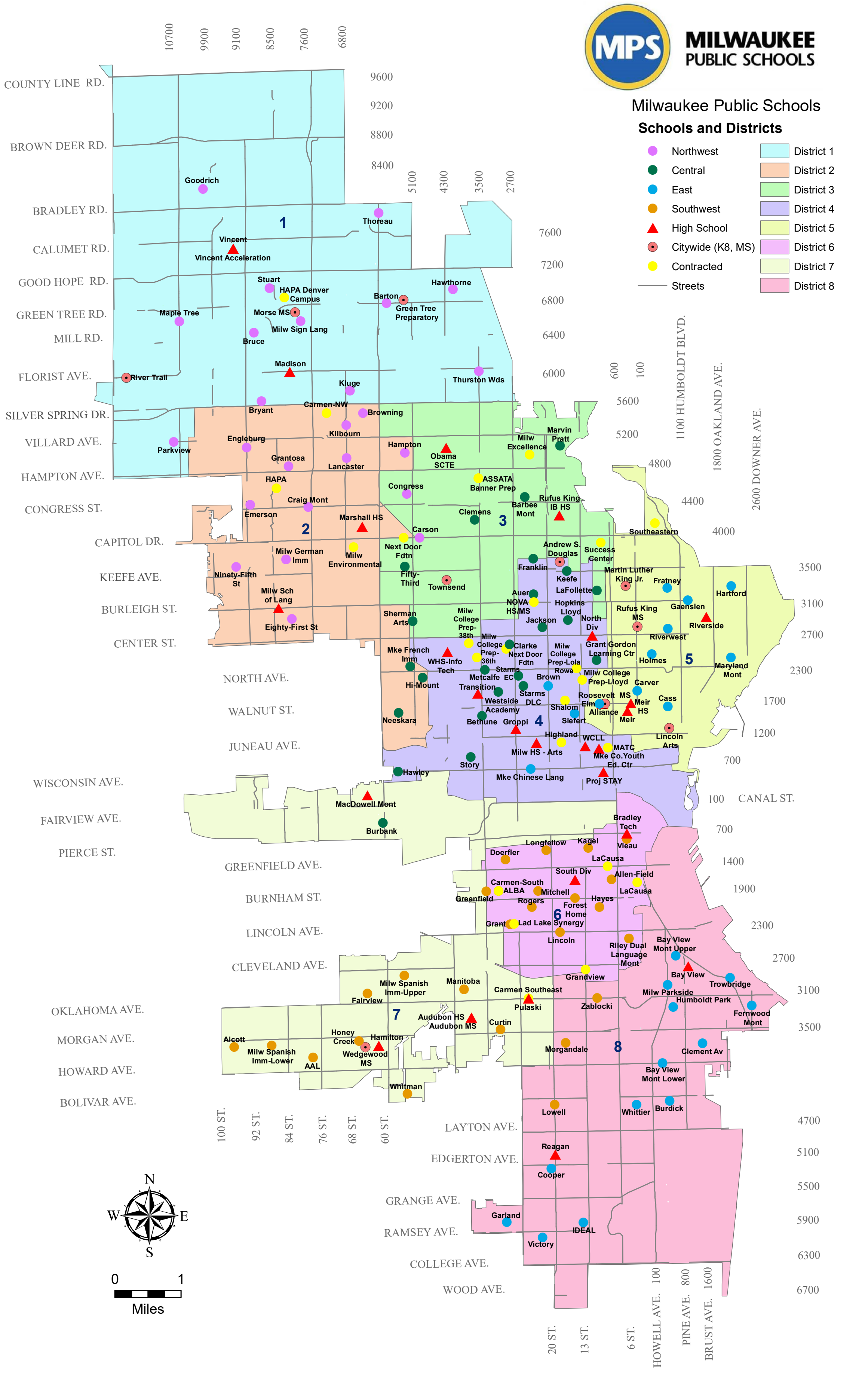
ACCOUNTABILITY, FINANCE AND PERSONNEL
Director Garcia, Chair; Director Jackson, Vice-Chair; Directors Herndon, Leonard, and Zombor

LEGISLATION, RULES AND POLICIES
Director Zombor – Chair; Director Garcia - Vice-Chair; Directors Gokalgandhi, Jackson, and Herndon

PARENT AND COMMUNITY ENGAGEMENT
Director Leonard – Chair; Directors O'Halloran, Siemsen, and Zombor

STRATEGIC PLANNING AND BUDGET
Director Gokalgandhi, Chair; Director O'Halloran, Vice-Chair; Directors Garcia, Herndon, Jackson, Leonard, Siemsen, and Zombor

STUDENT ACHIEVEMENT AND SCHOOL INNOVATION
Director Siemsen, Chair; Director Gokalgandhi, Vice-Chair; Directors Leonard and O'Halloran


MPS
MILWAUKEE PUBLIC SCHOOLS
Milwaukee Public Schools
Schools and Districts
Northwest
Central
East
Southwest
High School
Citywide (K8, MS)
Contracted
Streets
District 1
District 2
District 3
District 4
District 5
District 6
District 7
District 8
10700
9900
9100
8500
7600
6800
9600
9200
8800
8400
5100
4300
3500
2700
7600
7200
6800
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5600
5200
4800
4400
4000
3500
3100
2700
2300
1700
1200
700
100
700
1400
1900
2300
2700
3100
3500
4700
5100
5500
5900
6300
6700
1100 HUMBOLDT BLVD.
1800 OAKLAND AVE.
2600 DOWNER AVE.
COUNTY LINE RD.
BROWN DEER RD.
BRADLEY RD.
CALUMET RD.
GOOD HOPE RD.
GREEN TREE RD.
MILL RD.
FLORIST AVE.
SILVER SPRING DR.
VILLARD AVE.
HAMPTON AVE.
CONGRESS ST.
CAPITOL DR.
KEEFE AVE.
BURLEIGH ST.
CENTER ST.
NORTH AVE.
WALNUT ST.
JUNEAU AVE.
WISCONSIN AVE.
FAIRVIEW AVE.
PIERCE ST.
GREENFIELD AVE.
BURNHAM ST.
LINCOLN AVE.
CLEVELAND AVE.
OKLAHOMA AVE.
MORGAN AVE.
HOWARD AVE.
BOLIVAR AVE.
LAYTON AVE.
EDGERTON AVE.
GRANGE AVE.
RAMSEY AVE.
COLLEGE AVE.
WOOD AVE.
CANAL ST.
100 ST.
92 ST.
84 ST.
76 ST.
68 ST.
60 ST.
20 ST.
13 ST.
6 ST.
HOWELL AVE. 100
PINE AVE. 800
BRUST AVE. 1600
1
2
3
4
5
6
7
8
Goodrich
Thoreau
Vincent
Vincent Acceleration
Stuart
HAPA Denver Campus
Hawthorne
Barton
Green Tree Preparatory
Maple Tree
Morse MS
Milw Sign Lang
Bruce
Madison
River Trail
Kluge
Thurston Wds
Bryant
Carmen-NW
Browning
Parkview
Engleburg
Kilbourn
Grantosa
Lancaster
Hampton
Obama SCTE
Milw Excellence
Marvin Pratt
HAPA
ASSATA Banner Prep
Congress
Craig Mont
Emerson
Marshall HS
Barbee Mont
Rufus King IB HS
Clemens
Carson
Southeastern
Next Door Fdtn
Milw German Imm
Milw Environmental
Andrew S. Douglas
Success Center
Franklin
Ninety-Fifth St
Fifty-Third
Townsend
Keefe
Martin Luther King Jr.
Fratney
Hartford
Milw Sch of Lang
LaFollette
Auer
NOVA HS/MS
Hopkins Lloyd
Gaenslen
Sherman Arts
Milw College Prep-38th
Jackson
Rufus King MS
Riverside
Eighty-First St
North Div
Riverwest
Mke French Imm
WHS-Info Tech
Milw College Prep-36th
Clarke
Next Door Fdtn
Milw College Prep-Lola Rowe
Grant Gordon Learning Ctr
Holmes
Maryland Mont
Starms
Metcalfe EC
Brown
Milw College Prep-Lloyd
Carver
Hi-Mount
Transition
Westside Academy
Starms DLC
Roosevelt MS
Elm
Meir HS
Cass
Shalom
Alliance
Neeskara
Siefert
Meir
Bethune
Groppi
Highland
WCLL
Lincoln Arts
Milw HS - Arts
MATC
Mke Co.Youth Ed. Ctr
Story
Hawley
Mke Chinese Lang
Proj STAY
MacDowell Mont
Burbank
Bradley Tech
Vieau
Longfellow
Kagel
Doerfler
LaCausa
South Div
Allen-Field
Carmen-South
ALBA
Mitchell
LaCausa
Greenfield
Rogers
Hayes
Forest Home
Grant
Lad Lake Synergy
Lincoln
Riley Dual Language Mont
Bay View Mont Upper
Grandview
Bay View
Trowbridge
Milw Spanish Imm-Upper
Manitoba
Carmen Southeast
Milw Parkside
Fairview
Pulaski
Humboldt Park
Zablocki
Fernwood Mont
Audubon HS
Audubon MS
Curtin
Honey Creek
Hamilton
Alcott
Milw Spanish Imm-Lower
Wedgewood MS
AAL
Morgandale
Clement Av
Bay View Mont Lower
Whitman
Lowell
Whittier
Burdick
Reagan
Cooper
Garland
IDEAL
Victory
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W
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S
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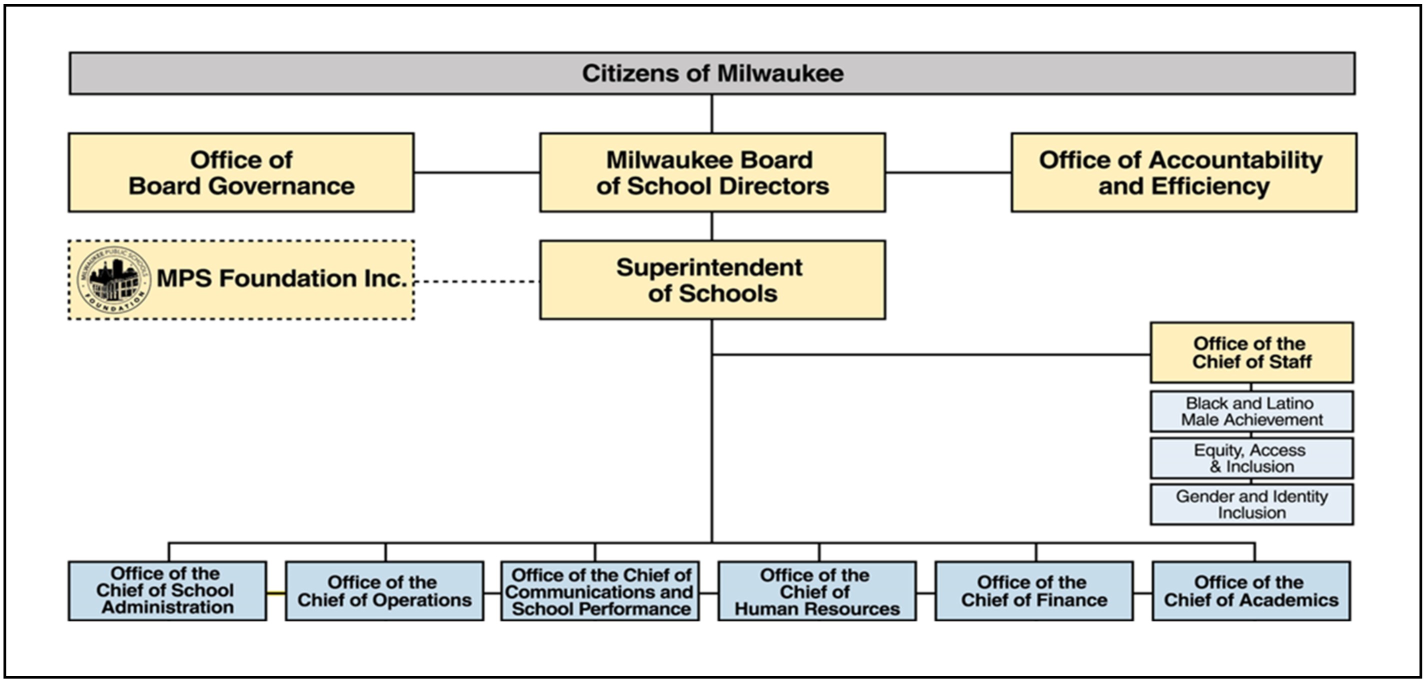
1
Miles
Create Date: 04/07/2022

MILWAUKEE PUBLIC SCHOOLS
ADMINISTRATIVE OFFICERS

INTERIM SUPERINTENDENT OF SCHOOLS	Eduardo Galván
Chief of Staff	Paulette Chambers
Chief Academic Officer	Jennifer Mims-Howell
Chief Human Resources Officer	Adria Maddaleni
Chief Financial Officer	Aycha Sawa
Chief School Administration Officer	Michael Harris
Chief Communications & School Performance Officer	Vacant
Chief Operations Officer	Vacant


Citizens of Milwaukee
Office of Board Governance
Milwaukee Board of School Directors
Office of Accountability and Efficiency
MPS Foundation Inc.
Superintendent of Schools
Office of the Chief of Staff
Black and Latino Male Achievement
Equity, Access & Inclusion
Gender and Identity Inclusion
Office of the Chief of School Administration
Office of the Chief of Operations
Office of the Chief of Communications and School Performance
Office of the Chief of Human Resources
Office of the Chief of Finance
Office of the Chief of Academics

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Independent Auditors' Report

To the Milwaukee Board of School Directors of
Milwaukee Public Schools

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Milwaukee Public Schools (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 the District as of June 30, 2023 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Management has omitted the general and special revenue - school nutrition services funds budgetary comparison schedules that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Milwaukee, Wisconsin
December 20, 2024

MILWAUKEE PUBLIC SCHOOLS

Management's Discussion and Analysis

June 30, 2023

(Unaudited)

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, 2023. 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:

- The total net position of MPS increased by $89.4 million. The increase was primarily due to an increase of $112.0 million in additional operating grants due to the Elementary and Secondary School Emergency Relief (ESSER) funding and the Nutrition program and an increase in other post-employment benefit balances of $62.5 million.

- Total revenues increased to $1.579 billion in fiscal year 2023, up from $1.461 billion in fiscal year 2022, an increase of approximately 8.1% or $118.2 million. Property taxes increased slightly by $14.4 million, which includes $7 million due to a 2020 referendum and a $5 million increase to the Extension Fund towards planning for a new recreation center. State equalization aid decreased by $21.5 million compared to the prior year. Operating grants and contributions also increased by $112.00 million, due primarily to the Elementary and Secondary School Emergency Relief (ESSER) funding.

- Total expenses increased to $1.490 billion in fiscal year 2023, up from $1.223 billion in fiscal year 2022, an increase of 21.8% or $266.3 million. The increase was mainly due to construction contracts, the contribution to the capital improvement trust, and technology hardware and software.

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

- Total fund balances of the District's governmental funds decreased $49.3 million in fiscal year 2023. This decrease included a $43.6 million increase in the Construction Fund due to the $60.0 million contribution to the Long-Term Capital Improvement Trust and a $92.2 million decrease to the General Fund which includes the transfer to the Construction Fund for the trust contribution. This decrease also includes $217.8.0 million in unavailable revenue to be collected during 2024.

- Expenses in the General Fund have increased by $150.0 million in fiscal year 2023 compared to fiscal year 2022. Most of the expenditures are due to ESSER projects and activities.

- The $0.7 million decrease in the School Nutrition fund balance is primarily attributable to increase in food costs.

- Total fund balances for all governmental funds as of June 30, 2023 were $67.5 million. Of this amount, $6.8 million was non-spendable, $80.0 million was restricted for self-insurance, debt service, long term capital investment and capital projects, common school funds and scholarship and other trust funds, $70.6 million was committed for construction, and a $89.9 million deficit 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)**

- 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, 2023. 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 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 focus 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 $89.4 million. This increase is due primarily to decreased expenses of $27.9 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 an increase in federal and state aid. Noncapital assets increased by $65.4 million.

MPS ended its fiscal year with a net position (deficit) of ($53.1) million, of which $520.7 million was net investment in capital assets, $78.7 million was restricted for self-insurance, debt service, long term capital investment, common school fund and trust funds, and ($652.5) million was unrestricted deficit. The unrestricted deficit is primarily the result of pension and OPEB balances: $543.0 million net liability and $22.2 million net deferred inflows for OPEB and $355.3 million net liability and ($247.1) 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. On June 30, 2023, the balance of the outstanding pension debt is $184.1 million due to principal payments offset by capital appreciation securities, which accrete over time. One capital appreciation note was paid off in 2023.

Table 2

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

	Governmental Activities		
	2023	**2022**	**Difference**
Capital assets, net	$ 656,049	$ 652,923	$ 3,126
Noncapital assets	590,125	524,706	65,419
Intangible assets	1,764	2,397	(633)
Total assets	1,247,938	1,180,026	67,912
Deferred outflows of resources	529,727	424,371	105,356
Total assets and deferred outflows of resources	1,777,665	1,604,397	173,268
Current liabilities	320,281	128,205	192,076
Noncurrent liabilities	1,196,081	1,001,127	194,954
Total liabilities	1,516,362	1,129,332	387,030
Deferred inflows of resources	314,395	617,591	(303,196)
Total liabilities and deferred inflows of resources	1,830,757	1,746,923	83,834
Net position (deficit):			
Net investment in capital assets	520,682	515,965	4,717
Restricted	78,735	224,218	(145,483)
Unrestricted (deficit)	(652,509)	(882,709)	230,200
Total net position (deficit)	$ (53,092)	$ (142,526)	$ 89,434

Capital Assets increased by $3.1 million. The increase is the net result of Construction in Progress increasing by $16.9 million, Buildings increasing by $8.1 million, and Furniture and Equipment decreasing by $12.6 million, and Accumulated Depreciation increasing by $9.8 million. The change in capital assets is a result of selling one school building named the Edison.

The increase in Noncapital Assets of $65.4 million is primarily the result of an increase of $253.8 million in due from other governments, mostly due to ESSER. This increase is offset by a decrease of $179.6 million in an asset related to the Wisconsin Retirement System (WRS) pension.

Deferred outflows increased by $105.4 million. This increase is a result of *GASB Statement No. 75, Accounting for Pensions* which accounted for an increase of $131.8 million, a decrease of $15.7 million related to GASB *Statement No. 75*, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, and a decrease of $10.7 million related to deferred cash flow hedges.

Current liabilities increased $192.1 million in the current year. This is due to an increase in accounts payable and other current liabilities of $193.6 million, as well as a decrease of $12.8 million in the current portion of long-term liabilities.

Noncurrent liabilities increased $195.0 million. This increase is due to a $246.1 million increase related to *GASB Statement No. 68, Accounting for Pensions* offset by a decrease primarily related to regular debt service activity.

Deferred inflows decreased by $303.2 million. The decrease is due primarily to a decrease of $259.3 million related to *GASB Statement No. 68, Accounting for Pensions*, a decrease of $41.4 million related to *GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, and a decrease of $10.7 million related to derivative instruments.

Statement of Activities

Table 3 shows that on a government-wide basis, the District ended fiscal year 2023 with an increase in net position of $89.4 million, compared to an increase of $237.5 million in fiscal year 2022.

MILWAUKEE PUBLIC SCHOOLS

Management's Discussion and Analysis

June 30, 2023

(Unaudited)

Table 3

Schedule of Revenues and Expenses (in thousands)

	Governmental Activities		
	2023	**2022**	**Difference**
Program revenues:			
Charges for services	$ 38,238	$ 29,716	$ 8,522
Operating grants and contributions	579,758	467,763	111,995
Capital grants and contributions	17,258	10,411	6,847
Total program revenues	635,254	507,890	127,364
General revenues:			
Property taxes	320,156	305,710	14,446
Other taxes	53	2,052	(1,999)
Federal and state aid	612,501	640,740	(28,239)
Interest and investment earnings	779	274	505
Miscellaneous	10,422	4,261	6,161
Total general revenues	943,911	953,037	(9,126)
Total revenues	1,579,165	1,460,927	118,238
Expenses:			
Instruction	754,177	622,042	132,135
Community services	32,359	26,634	5,725
Pupil and staff services	211,197	203,142	8,055
General administration	124,651	108,879	15,772
Business services	288,418	196,594	91,824
School nutrition	62,797	48,986	13,811
Interest on long-term debt	16,132	17,132	(1,000)
Total expenses	1,489,731	1,223,409	266,322
Increase (decrease) in net position	89,434	237,518	(148,084)
Net Position (Deficit)-Beginning of Year	(142,526)	(380,044)	237,518
Net Position (Deficit)-End of Year	$ (53,092)	$ (142,526)	$ 89,434

The net position (deficit) for MPS was ($53.1) million at June 30, 2023, as compared to a ($142.5) deficit at June 30, 2022, a net increase of approximately $89.4 million, or 62.7%. 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 a net increase of $27.9 million. An additional $112.0 million of the increase is related to additional operating grants offset by a $28.2 million decrease in federal and state aid.

Total revenues increased $118.2 million or 8.1% over the prior year. The most significant increases came in the areas of Operating Grants and Contributions with an increase of $112.0 million. Equalization Aid decreased $21.5 million.

Total expenses increased by $266.3 million, or 21.4%. This increase is primarily attributable to an increase of $91.8 million in business services, mostly related to an increase in student transportation expenses of $19.6 million and an increase of $13.8 million in school nutrition services. In addition, instruction expenses increased by $132.1 million, which includes an investment in textbook adoption and other classroom resources, tutoring services, and a virtual schooling option.

Capital Assets

Table 4 shows that at June 30, 2023, MPS had $1.409 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 $12.4 million from the previous year. The increase is due primarily to a change in Construction in Progress of $16.9 million and Buildings of $8.1 million offset by a decrease in furniture and equipment of $12.6 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	$ 30,272	$ —	$ 54	$ 30,218
Construction in progress	3,971	30,724	13,783	20,912
Buildings	1,241,281	13,783	5,685	1,249,379
Leasehold improvements	3,685	—	—	3,685
Furniture and equipment	64,576	2,447	15,083	51,940
Software	52,448	11	—	52,459
Total capital and intangible assets	1,396,233	46,965	34,605	1,408,593
Accumulated depreciation and amortization	(740,913)	(28,573)	(18,706)	(750,780)
Total Capital and intangible assets, net	$ 655,320	$ 18,392	$ 15,899	$ 657,813

Long-term Debt

Long-term debt, net of premiums and discounts as of June 30, 2023, was $306.8 million, with debt retirements and premium/discount amortization totaling $21.1 million.

Table 5

Change in Long-term Debt
(in thousands)

	July 1, 2022	Issuances	Retirements	June 30, 2023
Governmental activities:				
Neighborhood School Initiative bonds	$ 11,247	$ —	$ 11,247	$ —
Qualified School Construction Bonds	17,940	—	3,347	14,593
Pension refinancing debt	185,644	—	1,494	184,150
Promissory notes	110,107	—	3,956	106,151
Other intergovernmental debt	2,955	—	1,056	1,899
Total debt	$ 327,893	$ —	$ 21,100	$ 306,793

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 $11.2 million of NSI debt was retired in fiscal year 2023 which completed paying the entirety of the debt.

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. In fiscal year 2023, the district reduced the balance by $1.5 million.

On June 30, 2015, the District entered into $38,000,000 of new promissory note 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 construction was promissory notes, designated as Qualified School Construction Bonds (QSCB), issued through the Redevelopment Authority of the City of Milwaukee (RACM). Under current law, the interest on the $38.0 million of promissory notes 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 promissory note obligations to fund Energy Efficiency improvements, Culinary Academies, and Art Academies at various school facilities. Revenue bonds were issued through the Redevelopment Authority of the City of Milwaukee (RACM). $1,470,000 of the promissory notes 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 obligations 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 promissory note obligations to fund major modifications/improvements at various school facilities. The financing vehicle for the modifications/improvements were two tranches of revenue bonds issued through the Redevelopment Authority of the City of Milwaukee (RACM). One tranche was $10,000,000 of the promissory notes 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 promissory notes 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, the School Nutrition Services Fund, and the Capital Projects Construction Fund.

- The year-end General fund balance decreased by $92.2 million from the prior year. While revenues increased by about $114.5 million, this was offset by transfers out of the General Fund of $81.2 million, which included a $60.0 million transfer to the Long-Term Capital Improvement Trust. In addition, expenditures increased by just over $150.0 million compared to the prior year. The increase was mainly due to almost $72.2 million in additional business services costs. In addition, spending on instructional services increased by $31.2 million compared to the prior year.
- The $43.6 million increase in the Construction fund balance compared to the prior year is the result of $60.0 million allocated to the Long-Term Capital Improvement Trust offset by increased expenditures while revenue remained relatively flat.

- The $0.7 million decrease in the School Nutrition fund balance compared to the prior year is primarily attributable to increases in food costs.

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 presentation of data that identifies changes throughout the year.

BUDGETARY INFORMATION

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

In May 2022, the MPS Board of School Directors (the Board) adopted the District's fiscal 2023 budget (July 1, 2022–June 30, 2023). By necessity, the adopted budget used a *projection* of the fiscal 2023 student enrollment. In October 2022, the Board amended the budget to take into account the *actual* student enrollment as measured on the third Friday in September 2022, as required by Wisconsin State Statute. The October amendment process is important to MPS because its two principal revenue sources, state general aid 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.

Current Economic Facts and Next Year's Budget

In October 2023, the MPS Board approved a districtwide FY24 Amended Adopted Budget that totals $1,607,809,055. This is 13.94% less than the FY23 Amended Adopted Budget of $1,868,151,588. This decrease is due primarily to a reduction in categorical funding as the multi-year federal Elementary and Secondary School Emergency Relief (ESSER) budget carry forward is reduced by prior year spending. Offsetting these reductions was a $72.1 million increase in the Extension Funds to build a Recreation Center on the north side of Milwaukee.

The District's revenue limit for FY24 school operations is $848,059,391, a $31.0 million or 3.5% decrease over FY23. The FY24 revenue limit is based on prior year revenues, three-year enrollment trends and other factors determined by the biennial state budget process. The revenue limit includes funding from the multi-year recurring operational referendum passed on April 7, 2020. The referendum added another $3 million in FY24 to the $57 million from FY21, the $20 million in FY22 and the $7 million in FY23. The referendum's final phase is the $3 million increase for a total of $87 million in referendum funding.

State equalization aid decreased 3.9% to $551,187,310. 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 the Milwaukee Parental Choice Program (MPCP) in FY23 is $9.4 million.

Approximately 94 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, including costs that are necessary to run schools such as utilities, insurance, technology licenses, and debt repayment.

District total enrollment, based on Third Friday, September 2023 counts, is 71,937. This is down 0.38% from September 2022. Enrollment in the District's Traditional, Alternative and Contracted Schools enrollment is down 0.08% from FY23 to FY24. Traditional school enrollment increased 0.66%

The 2023–24 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, 2023

		Governmental Activities
Assets and Deferred Outflows of Resources		
Current Assets:		
Cash and investments (note 2)	$	65,985,603
Accounts receivable, net (note 3)		15,644,121
Due from other governments (note 3)		428,583,912
Inventory and other assets (note 1(g))		1,649,388
Prepaid items (note 1(g))		1,877,160
Total current assets		513,740,184
Noncurrent assets:		
Restricted cash and investments (note 1(d), note 2)		73,781,602
Deposits for self-insurance (note 1(l))		2,603,016
Capital assets not being depreciated (note 5)		51,130,118
Capital assets being depreciated, net (note 5)		604,918,642
Intangible assets not being amoritized, net (note 5A)		200,549
Intangible assets being amoritized, net (note 5A)		1,563,493
Total noncurrent assets		734,197,420
Deferred outflows of resources:		
Deferred cash flow hedges - unrealized loss on derivatives (note 7)		17,052,000
Related to pension - WRS (note 9)		423,893,867
Related to pension - ERS (note 9)		64,475,115
Related to pension - ASC & Teachers Supplementals (note 9)		4,952,241
Related to OPEB (note 10)		19,353,958
Total assets and deferred outflows of resources		1,777,664,785
Liabilities and Deferred Inflows of Resources		
Current liabilities:		
Accounts payable and other current liabilities		295,209,816
Accrued interest payable on long-term liabilities		447,530
Current portion of long-term obligations (note 7)		24,623,850
Total current liabilities		320,281,196
Noncurrent liabilities:		
Noncurrent portion of long-term obligations (note 7)		840,802,961
Net Pension Liability - WRS (note 9)		116,859,094
Net Pension Liability - ERS (note 9)		190,555,000
Net Pension Liability - ASC & Teachers Supplementals (note 9)		47,863,452
Total noncurrent liabilities		1,196,080,507
Deferred inflows of resources:		
Deferred gain on refunding		7,566
Deferred revenue		9,566,079
Derivative instruments liability (note 7)		17,052,000
Related to pension - WRS (note 9)		244,972,817
Related to pension - ERS (note 9)		494,000
Related to pension - ASC & Teachers Supplementals (note 9)		723,421
Related to OPEB (note 10)		41,579,000
Total liabilities and deferred inflows of resources		1,830,756,586
Net Position (Deficit)		
Net investment in capital assets (note 1(p))		520,681,592
Restricted for debt service		3,424,530
Restricted for self-insurance deposits		2,603,016
Restricted for long term capital investment fund		69,143,443
Restricted for common school fund		3,468,895
Restricted for trust funds		95,377
Unrestricted (Deficit)		(652,508,654)
Total net position (deficit)	$	(53,091,801)

See accompanying notes to basic financial statements.

MILWAUKEE PUBLIC SCHOOLS

Statement of Activities

For the Year Ended June 30, 2023

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	$	754,177,428	28,648,619	495,478,366	17,257,678	(212,792,765)
Support services:						
Community services		32,358,642	2,710,747	6,827,275	—	(22,820,620)
Pupil and staff services		211,196,780	—	16,417,095	—	(194,779,685)
General, administration, and central services		124,650,727	—	—	—	(124,650,727)
Business services		288,417,631	6,457,018	2,710,366	—	(279,250,247)
School nutrition services		62,796,563	421,440	58,325,053	—	(4,050,070)
Interest on long-term debt		16,131,564	—	—	—	(16,131,564)
Total support services		735,551,907	9,589,205	84,279,789	—	(641,682,913)
Total school district	$	1,489,729,335	38,237,824	579,758,155	17,257,678	(854,475,678)

General revenues:		
Taxes:		
Property taxes levied for general purposes		274,622,268
Property taxes levied for construction		1,816,630
Property taxes levied for debt service		8,992,081
Property taxes levied for community services		34,725,000
Other taxes		52,787
Federal and state aid not restricted to a specific purpose:		
General (equalization aid)		551,187,310
Other		61,313,514
Miscellaneous		10,421,731
Interest and investment earnings		778,711
Total general revenues		943,910,032
Change in net position		89,434,354
Net position—Beginning of Year (deficit)		(142,526,155)
Net position—Ending of Year (deficit)	$	(53,091,801)

See accompanying notes to basic financial statements.

MILWAUKEE PUBLIC SCHOOLS

Balance Sheet

Governmental Funds

As of June 30, 2023

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)	$	57,742,465	8,243,138	—	—	65,985,603
Receivables, net:						
Accounts (note 3)		14,673,509	970,612	—	—	15,644,121
Due from other governmental units (note 3)		411,230,964	—	1,991,956	15,360,992	428,583,912
Due from other funds (note 4)		13,506,734	62,866,571	6,093,431	—	82,466,736
Total receivables		439,411,207	63,837,183	8,085,387	15,360,992	526,694,769
Restricted cash and investments (note 1(d))		3,872,060	69,909,542	—	—	73,781,602
Inventories and other assets (note 1(g))		1,649,388	—	—	—	1,649,388
Prepaid items (note 1(g))		1,877,160	—	—	—	1,877,160
Deposits for self-insurance (note 1(l))		2,603,016	—	—	—	2,603,016
Total assets	$	507,155,296	141,989,863	8,085,387	15,360,992	672,591,538
Liabilities, Deferred Inflows of Resources and Fund Balances/(Deficits)						
Liabilities:						
Accounts payable	$	249,946,152	504,996	3,891,308	30,005	254,372,461
Accrued salaries and wages		7,653,299	—	—	—	7,653,299
Accrued claims for self-insurance (note 8)		23,433,230	—	—	—	23,433,230
Accrued pension payable (note 9)		9,664,166	—	79,244	—	9,743,410
Other accrued expenditures		7,416	—	—	—	7,416
Due to other funds (note 4)		68,960,002	—	—	13,506,734	82,466,736
Total liabilities		359,664,265	504,996	3,970,552	13,536,739	377,676,552
Deferred inflows of resources (note 1(o))						
Unavailable revenue		208,605,332	—	7,376,787	1,824,253	217,806,372
Unearned revenue		8,595,492	948,069	22,518	—	9,566,079
Total deferred inflow of resources		217,200,824	948,069	7,399,305	1,824,253	227,372,451
Fund balances/(deficits):						
Non-Spendable:						
Inventories and other assets		1,649,388	—	—	—	1,649,388
Prepaid items		1,877,160	—	—	—	1,877,160
Nutrition		3,284,470	—	—	—	3,284,470
Restricted:						
Self-insurance deposits		2,603,016	—	—	—	2,603,016
Debt service		3,872,060	—	—	—	3,872,060
Restricted for capital projects		—	766,099	—	—	766,099
Long Term Capital Investment Fund		—	69,143,443	—	—	69,143,443
Common School Funds		3,468,895	—	—	—	3,468,895
Scholarship and Other Trust funds		95,377	—	—	—	95,377
Committed:						
Construction		—	70,627,256	—	—	70,627,256
Unassigned (deficits)		(86,560,159)	—	(3,284,470)	—	(89,844,629)
Total fund balances/(deficits)		(69,709,793)	140,536,798	(3,284,470)	—	67,542,535
Total liabilities, deferred inflows of resources and fund balances/(deficits)	$	507,155,296	141,989,863	8,085,387	15,360,992	672,591,538

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, 2023

Total fund balances—governmental funds			$	67,542,535
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				(7,566)
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	$	1,356,133,941		
Accumulated depreciation		(700,085,181)		
Net capital assets				656,048,760
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	$	52,459,265		
Accumulated amortization		(50,695,223)		
Net intangible assets				1,764,042
Deferred outflows of resources related to pensions do not relate to current financial resources and, therefore, are not reported in the funds				493,321,223
Deferred outflows of resources related to OPEB do not relate to current financial resources and, therefore, are not reported in the funds				19,353,958
Net Pension Liabilities used in the governmental activities are not financial uses and, therefore, are not reported as liabilities in the governmental funds				(355,277,546)
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				217,806,372
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		17,052,000		
Deferred outflows - derivative instruments liability		(17,052,000)		—
Deferred inflows of resources related to pensions do not relate to current financial resources and, therefore, are not reported in the funds				(246,190,238)
Deferred inflows of resources related to OPEB do not relate to current financial resources and, therefore, are not reported in the funds				(41,579,000)
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		(257,912,312)		
Bonds premium and discounts		44,406		
Discount on capital appreciation bonds		57,225,264		
Promissory notes payable		(106,150,695)		
Accrued interest payable		(447,530)		
Compensated absences payable (vacation and sick leave)		(13,097,309)		
Net OPEB liability		(543,039,885)		
Workers' compensation claims payable		(1,340,044)		
Self-insurance claims payable		(187,485)		
Life insurance benefits and other long-term liabilities		(968,751)		
Total long-term debt liabilities				(865,874,341)
Total net position—government activities (deficit)			$	(53,091,801)

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, 2023

		General	Capital Projects Construction	Special Revenue School Nutrition Services	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Property tax levy	$	309,347,268	1,816,630	—	8,992,081	320,155,979
Other taxes		111,408	458	—	—	111,866
Lunchroom sales		—	—	421,440	—	421,440
Other local sources		33,529,423	4,602,455	—	—	38,131,878
Microsoft Settlement Refunds						—
State aid:						
Equalization aid		551,187,310	—	—	—	551,187,310
Special classes		59,927,733	—	—	—	59,927,733
Integration		31,457,538	—	—	—	31,457,538
Other state aid		102,605,231	—	507,837	—	103,113,068
Federal aid:						
Education Consolidation and Improvement Act		66,716,272	—	—	—	66,716,272
School nutrition services		—	—	50,440,749	—	50,440,749
Erate refunds		10,894,459	—	—	—	10,894,459
Other federal aid		207,799,958	—	1,903,589	27,177,659	236,881,206
Intergovernmental aid from the City of Milwaukee						—
Miscellaneous		14,759,950	—	250,320	—	15,010,270
Interest and investment earnings		6,741,399	365,511	35,020	—	7,141,930
Total revenues		1,395,077,949	6,785,054	53,558,955	36,169,740	1,491,591,698
Expenditures:						
Current:						
Instructional services:						
Undifferentiated curriculum		415,570,392	—	—	—	415,570,392
Regular and other curriculum		203,232,600	—	—	—	203,232,600
Special curriculum		144,363,922	—	—	9,139,762	153,503,684
Total instructional services		763,166,914	—	—	9,139,762	772,306,676
Community services		31,351,337	—	—	—	31,351,337
Pupil and staff services		192,894,073	—	—	10,940,331	203,834,404
General and school building administration		123,834,753	—	—	—	123,834,753
Business services		261,398,689	17,099,412	—	—	278,498,101
School nutrition services		7,036,959	—	54,269,879	—	61,306,838
Capital Outlay		26,491,306	6,666,722	23,542	—	33,181,570
Debt Service:						
Principal		—	—	—	19,747,611	19,747,611
Interest		—	—	—	17,466,811	17,466,811
Bond administrative fees		—	—	—	20,500	20,500
Other						
Total expenditures		1,406,174,031	23,766,134	54,293,421	57,315,015	1,541,548,601
Excess of revenues over (under) expenditures		(11,096,082)	(16,981,080)	(734,466)	(21,145,275)	(49,956,903)
Other financing sources (uses):						
Transfers In (Out)		(81,145,275)	60,000,000	—	21,145,275	—
Proceeds from the sale of capital assets		—	615,896	—	—	615,896
Total other financing sources (uses)		(81,145,275)	60,615,896	—	21,145,275	615,896
Net change in fund balances		(92,241,357)	43,634,816	(734,466)	—	(49,341,007)
Fund balances (deficit):						
Beginning of year		22,531,564	96,901,982	(2,550,004)	—	116,883,542
End of year	$	(69,709,793)	140,536,798	(3,284,470)	—	67,542,535

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, 2023

Net change in fund balances—total governmental funds			$	(49,341,007)
Amounts reported for governmental activities in the statement of activities are different because:				
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	$	33,181,570		
Depreciation and amortization expense reported in the statement of activities		(28,573,105)		
Amount by which capital outlays are less than depreciation and amortization in the current period				4,608,465
The net effect of miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and disposals) is to decrease net position				(2,115,763)
Refunding of debt (gains)/loss amortized in the current period				(40,706)
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				87,571,991
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				(179,587,826)
Net pension liabilities				(246,091,381)
Deferred outflows of resources related to pensions				131,792,272
Deferred inflows of resources related to pensions				259,318,729
Deferred outflows of resources related to OPEB				(15,723,826)
Deferred inflows of resources related to OPEB				41,372,742
Bond, note, and promissory note 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 promissory notes				23,233,850
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		23,239		
Accretion of interest on capital appreciation bonds		(3,461,069)		
Amortization of bond premium, discount and refunding deferred		1,327,544		
Net increase in compensated absences payable (vacation and sick pay)		(14,692)		
Net increase in workers' compensation claims payable		(174,143)		
Net decrease in OPEB liability		36,829,635		
Net increase in general insurance claims payable and liability for other long term assets		(93,700)		
Net adjustment				34,436,814
Change in net position of governmental activities			$	89,434,354

See accompanying notes to basic financial statements.

MILWAUKEE PUBLIC SCHOOLS

Statement of Fiduciary Net Position

As of June 30, 2023

Assets		**Pension and Other Post Employment Benefits Trusts**
Investments (note 2)		
Money market accounts	$	24,721,093
Fixed Income		110,411,017
Equity Funds		175,480,585
Nongovernmental obligations		11,115,741
Investment with the State of Wisconsin		207,191,610
Receivables-interest and contributions		6,602,799
Total assets		535,522,845
Liabilities		
Accounts payable and accrued expenses		6,492,676
Total liabilities		6,492,676
Net Position		
Net Position restricted for:		
Pensions		218,238,535
Other post employment benefits trust		310,791,634
Total net position	$	529,030,169

See accompanying notes to basic financial statements.

MILWAUKEE PUBLIC SCHOOLS

Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2023

		Pension and Other Post Employment Benefits Trusts
Additions:		
Employer contributions	$	72,029,229
Participants contributions		4,176,089
Investment income:		
Net investment from the State of Wisconsin:		
Core Retirement Investment Trust Fund		11,977,234
Variable Retirement Trust Fund		3,112,769
Unrealized Gains/(Loss) on Investments, net		23,868,965
Net investment loss from other investments		(1,927,579)
Total investment income (loss)		37,031,389
Investment expenses		(123,283)
Net investment income (loss)		36,908,106
Total additions		113,113,424
Deductions:		
Benefits paid to participant's or beneficiaries		72,742,214
Distribution of participant contribution accounts		26,193
Administrative expenses		659,448
Total deductions		73,427,855
Changes in net position		39,685,569
Net position—beginning of year		489,344,600
Net position—end of year	$	529,030,169

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: This fund is 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: 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.

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, 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.

(e) Receivables

General accounts receivable has been adjusted for all known uncollectible accounts. An allowance for uncollectible accounts is reported at year-end for $2,200,298.

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 the School Nutrition Services Fund 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 or 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 assets 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 an 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 $2,603,016 at June 30, 2023 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 GASB 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 assets 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 $208.6 million in the General Fund, unavailable revenue of $9.2 million in the School Nutrition Services and Categorical Funds. In addition, the District had a long-term receivable of $948,069 in the Construction Fund and unearned revenue in the General and School Nutrition Services Funds of $8.6 million and $22,518, respectively.

(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, 2023 includes the following:

		Governmental Activities
Net investment in capital assets		
Land	$	30,218,332
Construction and work in progress		21,112,335
Other capital assets, net of accumulated depreciation/amortization		606,482,135
Less: unamortized debt premium/discount		44,406
Less: related long-term debt outstanding (net of unspent proceeds of debt)		(122,688,007)
Less: other related liabilities		(14,480,043)
Add: unamortized loss/gain on refunding		(7,566)
Total net investment in capital assets	$	520,681,592

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 the District's 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 or 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 (ASC), and the Milwaukee Board of School Directors Supplemental Early Retirement Plan for Teachers (Teachers Supplemental) 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 fiscal year 2023, the District adopted new statements of financial accounting standards issued by GASB:

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

Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, provides new definitions and guidance for accounting and financial reporting for public-private, public-public partnerships (PPPs) and availability payment arrangements (APAs). The adoption of Statement No. 94 had no impact on the District's current or prior financial reporting.

Statement No. 96 - *Subscription-Based Information Technology Arrangements,* provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITA) for governments The Statement is based on the principle that SBITAs are financings of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). It establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability. Additionally, the Statement provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The new SBITA standard also requires enhanced disclosures which include a general description of a SBITA arrangement, the total amount of subscription assets and the related accumulated amortization, the amount of outflow of resources recognized from SBITA contracts that are not included in the measurement of the liability, and the disclosure of the long-term effect of SBITA arrangements on a government's resources. The District has evaluated Statement No. 96 and found that it had no material impact on the District's financial statements.

Statement No. 99, *Omnibus 2022,* addresses a variety of practice issues, such as requirements related to derivatives, leases, PPPs and SBITAs that were identified during implementation and application of certain GASB Statements. The effective periods of Statement No. 99 covered multiple fiscal years. The District implemented the requirements of this statement in its fiscal year ended June 30, 2023 financials and found that there were no material impacts to the District's financial statements.

(2) Deposits and Investments

District's Deposits and Investments, Exclusive of Pension Trusts

	Carrying Value	Bank Balance
Cash at the City	$ 53,694,046	$ (90,152,422) *
Demand Deposits	8,386,556	8,380,683
Commercial Paper	3,905,000	22,558,076
Money Market Funds	94,709,897	94,708,659
Fixed Income Funds	15,921,171	15,921,171
Equity Funds	175,480,584	175,480,584
Bond Funds	94,577,891	94,577,891
Total Cash and Investments	$ 446,675,145	$ 321,474,642

Reconciliation to financial statements	
Per statement of net position	
Unrestricted cash and investments	$ 65,985,603
Restricted cash and investments	73,781,602
Per combining statement of net position – Pension and Other post employment benefits Trust Funds -	
Other post employment benefits trust	306,907,940
Total Cash and Investments	$ 446,675,145

*As of June 30, 2023, the District reclassified negative cash balances from Cash and Investments to Accounts Payable. These amounts represent monies owed to the City of Milwaukee related to future grant funding and will be repaid upon receipt of such funds.

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, the District 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, 2023, the District's investment in commercial paper was rated A-2 by Moody's Investor's Service, A+ by Standard & Poors, and A+ by Fitch Ratings. The money market funds are rated from A2 by Moody's Investor's Service, A+ by Standard & Poors, and AA- 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. The District 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, 2023, the District had the following investments, shown with their maturities.

Maturities (in Years)

Investment Type	Fair Value	Less Than 1
Commercial Paper	$ 22,558,076	$ 22,558,076
Pooled Fixed Income Funds	15,921,171	15,921,171
Pooled Equity Funds	175,480,584	175,480,584
Pooled Bond Funds	94,577,891	94,577,891
	$ 308,537,722	$ 308,537,722

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 $8,380,683. Of the $8,380,683 bank balance, $1,008,746 was covered by the Federal Depository Insurance Corporation (FDIC) and the state of Wisconsin Public Deposit Guarantee Fund, and $7,371,937 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, $7,371,937 is uninsured and collateralized by securities held by a third party not in the District's name.

The District has $22,558,076 invested in overnight commercial paper that is uninsured and uncollateralized.

The money market funds total $94,708,659 of which $77,080,596 is uninsured and uncollateralized and $17,628,063 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. The District's deposits with the City Treasurer for investments are all insured or collateralized on June 30, 2023.

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

The valuation method for recurring fair value measurements are based on inputs other than quoted prices that are observable for securities, either directly or indirectly.

	June 30, 2023			
Investment Type	**Level 1**	**Level 2**	**Level 3**	**Total**
Commercial Paper	$ 22,558,076	$ -	$ -	$ 22,558,076
Pooled Fixed Income Funds	15,921,171	-	-	15,921,171
Pooled Equity Funds	175,480,584	-	-	175,480,584
Pooled Bond Funds	94,577,891	-	-	94,577,891
	$ 308,537,722	$ -	$ -	$ 308,537,722

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 ASC 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 Bank of Montreal (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, 2023, the SWIB Core Fund strategic targets were 44% to Global Stocks, 43% to Fixed Income, 10% to Real Estate, and 18% to Alterative Investments. The Strategic target allocations total 115% reflecting the possibility of introducing leverage into the portfolio. On June 30, 2023, 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 or Total Public Fixed Income) exceeds plus or minus 4% of its target allocation, a rebalancing exercise will be initiated. The ASC plan's investment portfolio (the Fund) has two investment managers: 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. The District 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. The District 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, 2023 and the fair value at SWIB as of June 30, 2023:

Investment	Duration (Years)	Fair Value	
SWIB Core and Variable Funds	Details on the SWIB fixed income investments as of 12/31/22 are included below.	$	44,556,693
Money market accounts (at BMO)	0.08	$	713,794
Mutual Funds (at BMO)	3.80	$	2,248,895

SWIB information provided within the accompanying financial statements is as of December 31, 2022. There has been no significant change in SWIB's investment strategies, asset allocations and investment pricing methods from December 31, 2022 to June 30, 2023. Based on SWIB information, the District feels the information presented for SWIB Investments as of December 31, 2022 is a fair representation for June 30, 2023.

The following schedule displays the duration or weighted average maturity of the investments by type of investment at SWIB as of December 31, 2022:

SWIB Investments	Duration (Years)	Fair Value		
Asset Backed Securities	2.3	$	1,350	Million
Commercial Paper	20 days	$	380	Million
Corporate Bonds and Private Placements	5.4	$	10,313	Million
Foreign Gov't/Agency Bonds	6.9	$	1,250	Million
Leveraged Loans	0.7	$	1,913	Million
Municipal Bonds	8.0	$	138	Million
Repurchase Agreements	13 days	$	809	Million
Time Deposits	61 days	$	20	Million
U.S. Government Agencies	5.7	$	1,344	Million
U.S. TIPS	6.6	$	21,650	Million
U.S. Treasury Securities	8.6	$	4,239	Million
Commingled Funds	20 days to 4.4	$	5,141	Million

Note: On December 31,2022, SWIB's Core Fund and Variable Fund had $114.0 billion and $8.4 billion in assets, respectively. As of June 30, 2023, the ASC plan's assets were invested 85% in the SWIB Core Fund, 9% in the SWIB Variable Fund, and 6% 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, 2022 and in the separate accounts managed by BMO on June 30, 2023. For SWIB, the schedule displays the lowest credit rating assigned by several nationally recognized statistical rating organizations.

Ratings*	SWIB 12/31/2022	BMO 6/30/2023
P-1 or A-1	0.0%	N/A
P-2 or A-2	0.7%	N/A
UST and AGY	N/A	N/A
AAA/Aaa	0.9%	24.1%
AA/Aa	57.1%	N/A
A	3.3%	N/A
BBB/Baa	8.7%	N/A
BB/Ba	6.2%	N/A
B	8.6%	N/A
CCC/Caa	1.0%	N/A
Commingled Funds & Mutual Funds	9.9%	75.9%
Not-Rated	3.6%	0%

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

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 ASC plan does not have a deposit or investment policy specifically related to custodial credit risk. The ASC 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 $310.5 million on December 31, 2022. In total, these deposits represented 0.25% of the combined assets of the SWIB Core and Variable Funds, on December 31, 2022.

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 $1.6 billion as of

December 31, 2022. 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 1.3% of the combined assets of the SWIB Core and Variable Funds on December 31, 2022.

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 SWIB Funds.

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, 2022, $14.9 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 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 ASC 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, 2023, the ASC plan's interest in the SWIB Core Trust was approximately 0.035% and the ASC plan's interest in the plan net position of the Variable Trust was approximately 0.050%. 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, 2022 (in thousands):

	12/31/2022
Future contracts (Notional)	$ 4,084,917
Foreign currency spot and forward contracts – Receivable (Fair Value)	3,605,496
Foreign currency spot and forward contracts – Payable (Fair Value)	(3,554,492)
OTC Derivative Investments subject to Counterparty Credit Risk – Receivable (Fair Value)	9,963,669
OTC Derivative Investments subject to Counterparty Credit Risk – Payable (Fair Value)	5,601
Options – puts (Notional)	(3,601)
Options – calls (Notional)	(22,147)

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, 2023.

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 sponsor 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 ASC plan's investments held at BMO at fair value as of June 30, 2023.

	June 30, 2023			
Investment Type	**Level 1**	**Level 2**	**Level 3**	**Total**
Money market accounts	$ -	$ 713,794	$ -	$ 713,794
Mortgage-back securities	-	-	-	-
Mutual Funds:				
Short-Term Investment Grade Bond Funds	-	-	-	-
Intermediate-Term Investment Grade Bond Funds	2,248,895	-	-	2,248,895
Investments at Fair Value	$ 2,248,895	$ 713,794	$ -	$ 2,962,689

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 Teachers Supplemental 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 Teachers Supplemental 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 Bank of Montreal (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, 2023, the SWIB Core Fund strategic targets were 44% Global Stocks, 43% to Fixed Income, 10% to Real Estate, and 18% to Alternative Investments. The strategic target allocations total 115% reflecting the possibility of introducing leverage into the portfolio. On June 30, 2023, 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 or Total Public Fixed Income) exceeds plus or minus 4% of its target allocation, a rebalancing exercise will be initiated. The Teachers Supplemental plan's investment portfolio (the Fund) has two investment managers: 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. The District 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. The District 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, 2023 and at the fair value at SWIB as of June 30, 2023.

Investment	Duration (Years)		Fair Value
SWIB Core and Variable Funds	Details on the SWIB fixed income investments are as of 12/31/22 are included below.	$	162,634,917
Money market accounts and cash equivalents (at BMO)	0.08	$	2,990,960
Mutual Funds (at BMO)	3.80	$	8,866,846

SWIB information provided within the accompanying financial statements is as of December 31, 2022. There has been no significant change in SWIB's Investment strategies, asset allocations and Investment pricing methods from December 31, 2022 to June 30, 2023. Based on the SWIB information, the District feels the information presented for SWIB Investments as of December 31, 2022 is a fair representation for June 30, 2023.

The following schedule displays the duration or weighted average maturity of the investments by type of investment at SWIB as of December 31, 2022.

SWIB Investments	Duration (Years)	Fair Value		
Asset Backed Securities	2.3	$	1,350	Million
Commercial Paper	20 days	$	380	Million
Corporate Bonds and Private Placements	5.4	$	10,313	Million
Foreign Gov't/Agency Bonds	6.9	$	1,250	Million
Leveraged Loans	0.7	$	1,913	Million
Municipal Bonds	8.0	$	138	Million
Repurchase Agreements	13 days	$	809	Million
Time Deposits	61 days	$	20	Million
U.S. Government Agencies	5.7	$	1,344	Million
U.S. TIPS	6.6	$	21,650	Million
U.S. Treasury Securities	8.6	$	4,239	Million
Commingled Funds	20 days to 4.4	$	5,141	Million

Note: On December 31, 2022, SWIB's Core Fund and Variable Fund had $114 billion and $8.4 billion in assets, respectively. As of June 30, 2023, the Plan's assets were invested 85% in the SWIB Core Fund, 9% in the SWIB Variable Fund, and 6% 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, 2022 and in the separate accounts managed by BMO on June 30, 2023. For SWIB, the schedule displays the lowest credit rating assigned by several nationally recognized statistical rating organizations.

Ratings*	SWIB 12/31/2022	BMO 6/30/2023
P-1 or A-1	0.0%	N/A
P-2 or A-2	0.7%	N/A
UST and AGY	N/A	N/A
AAA/Aaa	0.9%	25.2%
AA/Aa	57.1%	N/A
A	3.3%	N/A
BBB/Baa	8.7%	N/A
BB/Ba	6.2%	N/A
B	8.6%	N/A
CCC/Caa	1.0%	N/A
Commingled Funds	9.9%	
& Mutual Funds		74.8%
Not-Rated	3.6%	0%

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

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 Teachers Supplemental 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 $310.5 million on December 31, 2022. In total, these deposits represented 0.25% of the combined assets of the SWIB Core and Variable Funds on December 31, 2022.

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 $1.6 billion as of December 31, 2022. 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 1.3% of the combined assets of the SWIB Core and Variable Funds on December 31, 2022.

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 SWIB Funds.

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, 2022, $14.9 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 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, 2023, the Plan's interest in the plan net position of the SWIB Core Trust was approximately 0.128% and the Plan's interest in the plan net position of the Variable Trust was approximately 0.191%. 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, 2022 (in thousands):

	12/31/2022
Future contracts (Notional)	$ 4,084,917
Foreign currency spot and forward contracts – Receivable (Fair Value)	3,605,496
Foreign currency spot and forward contracts – Payable (Fair Value)	(3,554,492)
OTC Derivative Investment subject to Counterparty Credit Risk – Receivable (Fair Value)	9,963,669
OTC Derivative Investment subject to Counterparty Credit Risk – Payable (Fair Value)	5,601
Options – puts (Notional)	(3,451)
Options – calls (Notional)	(22,147)

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, 2023.

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 Teachers Supplemental plan's investments held at BMO at fair value as of June 30, 2023.

	June 30, 2023			
Investment Type	**Level 1**	**Level 2**	**Level 3**	**Total**
Money market accounts	$ -	$ 2,990,960	$ -	$ 2,990,960
Mutual Funds:				
Short-Term Investment Grade Bond Funds	-	-	-	-
Intermediate-Term Investment Grade Bond Funds	8,866,846	-	-	8,866,846
Investments at Fair Value	$ 8,866,846	$ 2,990,960	$ -	$ 11,857,806

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, 2023 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	$	16,873,807	970,612	—	—	$ 17,844,419
Intergovernmental-federal		394,100,662	—	1,991,956	15,360,992	411,453,610
Intergovernmental-state/other		17,130,302	—	—	—	17,130,302
Gross receivables		428,104,771	970,612	1,991,956	15,360,992	446,428,331
Less allowance for uncollectibles		(2,200,298)	—	—	—	(2,200,298)
Total receivables, net	$	425,904,473	970,612	1,991,956	15,360,992	$ 444,228,033

District expects to collect all receivables within one year except for $970,612.

(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, 2023 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	$ —	$ —	13,506,734	$ 13,506,734
School Nutrition Services Fund	6,093,431	—	—	6,093,431
Construction Fund	62,866,571	—	—	62,866,571
Total	$ 68,960,002	—	13,506,734	$ 82,466,736

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, 2023 represent transfer in/out balances among all funds:

Fund Transferred To	Fund Transferred From	Amount	Reason
Construction	General	$60,000,000	To fund construction trust payment
Nonmajor-Debt Service	General	28,242,841	To fund current year debt service
General	Nonmajor-Categorically Aided Programs	7,097,566	To fund current year expenditures

(5) Capital Assets

Capital assets activity for the year ended June 30, 2023 was as follows:

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 30,271,824	$ —	$ 53,492	$ 30,218,332
Construction in progress	3,970,965	30,723,871	13,783,050	20,911,786
Total capital assets, not being depreciated	34,242,789	30,723,871	13,836,542	51,130,118
Capital assets, being depreciated:				
Buildings	1,241,280,807	13,783,050	5,684,888	1,249,378,969
Leasehold improvements	3,685,329	—	—	3,685,329
Furniture and equipment	64,576,027	2,446,779	15,083,281	51,939,525
Total capital assets, being depreciated	1,309,542,163	16,229,829	20,768,169	1,305,003,823
Less accumulated depreciation for:				
Buildings	(632,926,591)	(24,997,950)	(3,622,617)	(654,301,924)
Leasehold improvements	(2,065,550)	(183,694)	-	(2,249,244)
Furniture and equipment	(55,870,129)	(2,747,165)	(15,083,281)	(43,534,013)
Total accumulated depreciation	(690,862,270)	(27,928,809)	(18,705,898)	(700,085,181)
Total capital assets, being depreciated, net	618,679,893	(11,698,980)	2,062,271	604,918,642
Capital assets, net	$ 652,922,682	$ 19,024,891	$ 15,898,813	$ 656,048,760

MILWAUKEE PUBLIC SCHOOLS

Notes to Basic Financial Statements

For the Year Ended June 30, 2023

Depreciation expense for governmental activities for the year ended June 30, 2023 was charged to functions/programs as follows:

Governmental activities:		
Instruction	$	14,256,762
Community services		615,892
Pupil and staff services		4,030,239
General, administration and central services		2,373,449
Business services		5,467,647
School nutrition		1,184,820
Total depreciation	$	27,928,809

(5A) Intangible Assets

Intangible assets activity for the year ended June 30, 2023 was as follows:

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
Governmental activities:				
Intangible assets, not being amortized:				
Work in progress	$ 189,629	$ 10,920	$ -	$ 200,549
Total intangible assets, not being amortized	189,629	10,920	-	200,549
Intangible assets, being amortized:				
Software	$ 52,258,716	$ -	$ —	$ 52,258,716
Total intangible assets, being amortized	52,258,716	-	—	52,258,716
Less accumulated amortization for:				
Software	$ (50,050,927)	$ (644,296)	$ —	$ (50,695,223)
Total accumulated amortization	(50,050,927)	(644,296)	—	(50,695,223)
Total intangible assets being amortized	2,207,789	(644,296)	—	1,563,493
Intangible assets, net	$ 2,397,418	$ (633,376)	$ -	$ 1,764,042

Amortization expense for governmental activities for the year ended June 30, 2023 was charged to functions/programs as follows:

Governmental activities:	
Instruction	$ 328,892
Community services	14,208
Pupil and staff services	92,975
General, administration and central services	54,754
Business services	126,134
School nutrition	27,333
Total amortization	$ 644,296

(6) Short-term Borrowings

On an interim basis, to finance the District's general operating expenses pending receipt of state school aid payments, the District has the ability to draw on a line of credit by the City of Milwaukee. There were no draws on the line of credit for the fiscal year ended June 30, 2023.

(7) Long-term Obligations

The City school bonds, capital appreciation notes and promissory notes outstanding at June 30, 2023 totaled \$306,793,337. This balance represents bonds, capital appreciation notes and promissory notes, the debt service of which is being reimbursed by the District to the City from the District's property tax levy.

MILWAUKEE PUBLIC SCHOOLS

Notes to Basic Financial Statements

For the Year Ended June 30, 2023

Long-term obligations activity for the year ended June 30, 2023 was as follows:

	Original amount	July 1, 2022	Additions	Reductions	Balance June 30, 2023	Amount due in one year
General Obligation Bonds:						
4.0%, due in installments to March 2025	$ 3,175,000	2,425,000	—	785,000	1,640,000	810,000
Plus: Premium on Issuance	387,059	35,222	—	23,378	11,844	—
5.0%, due in installments to April 2024	1,236,560	494,624	—	247,312	247,312	247,312
Qualified School Construction Bonds:						
1.18%, due in annual installments to December 2025	12,000,000	2,775,000	—	925,000	1,850,000	925,000
Less: Discount on issuance	(450,000)	(84,375)	—	(28,125)	(56,250)	—
5.25%, due in annual installments August 15th 2014 to February 2027	37,300,000	15,250,000	—	2,450,000	12,800,000	2,450,000
Neighborhood Schools Initiative Bonds (NSI), 3.5%–4.875%, due in annual installments to June 2023	218,570,000	9,915,000	—	9,915,000	—	—
Plus: Premium on 2013A issuance	6,627,903	1,104,208	—	1,104,208	—	—
Plus: Premium on 2017 issuance	3,221,503	228,083	—	228,083	—	—
Pension debt refinancing:						
Capital appreciation note, due in annual installments beginning April 1, 2005 through April 1, 2023	46,715,000	4,955,000	—	4,955,000	—	—
Less: Discount	(25,232,986)	(229,255)	—	(229,255)	—	—
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)	(60,457,078)	—	(3,231,814)	(57,225,264)	—
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	6,250,000
Promissory Notes - RACM 2015 - 2017 QSCB, QZAB, QECB, Energy Efficiency	129,118,000	110,107,233	—	3,956,538	106,150,695	5,541,538
Total intergovernmental cooperation agreement debt		$ 327,893,662	—	21,100,325	306,793,337	16,223,850

	Balance at July 1, 2022	Additions	Reductions	Balance at June 30, 2023	Amount due in one year
Intergovernmental cooperation agreements with the City of Milwaukee (from previous page)	$ 327,893,662	—	21,100,325	306,793,337	16,223,850
Accrued compensated absences	13,082,617	7,630,266	7,615,574	13,097,309	6,600,000
Net OPEB Liability	579,869,520	50,786,239	87,615,874	543,039,885	—
Net Pension Liability	109,186,165	246,091,381	—	355,277,546	—
Workers' compensation claims	1,165,901	4,678,575	4,504,432	1,340,044	1,300,000
General insurance claims	277,485	—	90,000	187,485	—
Life insurance benefits	500,000	—	—	500,000	500,000
Liability for other long-term benefits	285,051	183,700	—	468,751	—
Total long-term obligations	$ 1,032,260,401	309,370,161	120,926,205	1,220,704,357	24,623,850

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.

Aggregate scheduled debt service requirements for the retirement of the intergovernmental cooperation agreement debt as of June 30, 2023 are as follows:

	Principal	Interest	Total
Fiscal year ended June 30:			
2024	$ 16,223,850	13,478,287	29,702,137
2025	24,336,538	12,967,551	37,304,089
2026	15,466,539	12,330,897	27,797,436
2027	16,761,538	10,869,522	27,631,060
2028	19,829,321	9,399,049	29,228,370
2029 – 2033	99,182,911	39,335,452	138,518,363
2034 – 2038	103,027,694	26,232,916	129,260,610
2039 – 2043	63,109,616	12,096,558	75,206,174
2044	6,125,000	28,634	6,153,634
Total	$ 364,063,007	136,738,866	500,801,873

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 SOFR rate (Secured Overnight Financing Rate) plus 0.11448% plus 25 basis points (0.25%) and is adjusted monthly. The SOFR interest rate was 5.141% as of June 30, 2023.

Starting in 2015, the District entered into seven series of promissory notes in the aggregate principal amount of $129,118,000 to fund certain remodeling, renovation and equipping projects at District schools. The financing vehicles for the promissory notes 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 $1.6 million of restricted cash and investments under this promissory note arrangement.

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 2023 was $43,773,838,500 and the 5% debt limit was $2,188,691,925. No referendum-approved debt is outstanding at June 30, 2023.

The District has pledged future Intradistrict Aid revenues to repay $9,915,000 in Neighborhood School Initiative Bonds due fiscal year ending 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 32.4% of net revenues at the point of the highest bondholder debt service payment, due August 1, 2023. Principal and interest paid for the year ended June 30, 2023 was $10,113,300 while the Intradistrict Aid revenues were $31,235,483. These bonds were paid in full as of June 30, 2023.

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, 2023 and the changes in fair value of such derivative instruments for the year then ended as reported in the 2023 financial statements are as follows (amounts in thousands; gains shown as positive amounts, losses as negative):

	2023 Change in Fair Value		Fair Value, End of 2023		
	Classification	Amount	Classification	Amount	Notional Amount
Governmental activities					
Interest Rate Derivatives:					
Pay-fixed interest rate swaps	Deferred outflow	$(10,656)	Derivative	($17,052)	$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, 2023, 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 SOFR +0.11448% + 20 basis points, pay SOFR +0.11448% + 25 basis points.	($2,766)	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 SOFR +0.11448% + 20 basis points, pay SOFR +0.11448% + 25 basis points.	($6,453)	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 SOFR +0.11448% + 20 basis points, pay SOFR +0.11448% + 25 basis points.	($7,833)	AA/Aa2/A+
						Total Fair Value	($17,052)	

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 the District 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 SOFR plus 0.11448% plus 20 basis points (0.20%). Conversely, the District pays the bond's index linked coupon rate of SOFR plus 0.11448% plus 25 basis points (0.25%).

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, 2023, 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 SOFR increases, the District's net payment on the swap increases. Alternatively, on its pay-fixed, receive-variable interest rate swap, as SOFR or the Security Industry and Financial Markets Associations (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, 2023 the swap's currently have a cumulative negative fair value of $17.052 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, 2023, 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:				
2024	$ 6,250,000	$ 7,060,549	$ 134,043	$ 13,444,592
2025	6,325,000	6,714,736	127,477	13,167,213
2026	6,250,000	6,368,234	120,899	12,739,133
2027	6,250,000	6,024,142	114,367	12,388,509
2028	6,250,000	5,680,050	107,834	12,037,884
2029 - 2033	31,250,000	23,238,860	441,184	54,930,044
2034 - 2038	31,150,000	14,641,595	277,967	46,069,562
2039 - 2043	31,000,000	6,095,025	115,712	37,210,737
2044	6,125,000	28,101	533	6,153,634
Totals	$ 130,850,000	$ 75,851,292	$ 1,440,016	$ 208,141,308

(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 2022 rate information was received September 14, 2021 and the 2023 rate information was received September 21, 2022. 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, 2023 premium rates are 77% lower than the monthly premium for the EPO plan, 77% lower than the monthly premium for the PPO/Indemnity Plan, and 76% 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 the District. All benefit eligible employees receive life insurance valued at one times their annual base salary. Effective July 1, 2018, the District 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	
		2023	2022
Beginning of year liability	$	23,181,457	19,311,456
Current year claims and changes in estimate		176,373,766	171,615,503
Claim payments		(173,251,438)	(167,745,502)
End of year liability	$	26,303,785	23,181,457

The District has recognized the liability for health and dental benefits, which totaled $23,433,230 and $20,473,142 as of June 30, 2023 and 2022, respectively, in the general fund. The District has also recognized a liability of $374,275 and $479,878 as of June 30, 2023 and 2022, 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 an 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 WRS' 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
2013	(9.6) %	9.0 %
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. 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 $25,456,752 in contributions from the District.

Contribution rates for the plan year ended as reported on June 30, 2023 are:

Employee Category	Employee	Employer
General (including teachers, executives and elected officials)	6.50%	6.50%

At June 30, 2023, the District reported a liability of $116,859,094 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. No material changes in assumptions 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, 2022, the District's proportion was 2.20584425% which was a decrease of 0.02224169% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized pension revenue of $57,969,635.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 186,120,331	$ 244,520,322
Changes in assumptions	22,979,335	-
Net differences between projected and actual earnings on pension plan investments	198,516,611	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	755,545	452,495
Employer contributions subsequent to the measurement date	15,522,045	-
Total	$ 423,893,867	$ 244,972,817

The District reported $15,522,045 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended June 30:	Net Deferred Outflows/ (Inflows) of Resources
2024	$ 6,668,696
2025	33,916,042
2026	34,828,181
2027	87,986,086

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

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net Pension Liability:	December 31, 2022
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1%-5.6%
Mortality:	2020 WRS Mortality Table
Post-retirement Adjustments*:	1.7%

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

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total pension liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

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 %**
Public Equity	48%	0.1	0.1
Public Fixed Income	25	5.3	2.7
Inflation Sensitive	19	3.6	1.1
Real Estate	8	5.2	2.6
Private Equity/Debt	15	9.6	6.9
Total Core Fund***	115	7.4	4.8
Variable Fund Asset			
US Equities	70	7.2	4.6
International Equities	30	8.1	5.5
Total Variable Fund	100	7.7	5.1

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

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

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

Single discount rate. A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 4.05% (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, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.80% expected rate of return implies that a dividend of approximately 1.7% 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 6.80 percent, as well as what the district's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
District's proportionate share of the net pension liability (asset)	$ 387,851,522	$ 116,859,094	$ (69,560,456)

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, 2023, the District reported a payable to the pension plan of $1,940,557, 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, 2022, 2021, and 2020, were $10,624,899, $10,396,102 and $10,279,115, respectively, equal to the required contributions on behalf of the plan members for each year.

At June 30, 2023 the District reported a liability of $190,555,000 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to December 31, 2022. No material changes in assumptions 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, 2022 the District's proportion was 12.52565540% which was an increase of 0.261353000% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized pension expense of $19,154,566.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,617,000	$ 494,000
Changes in assumptions	3,626,000	-
Net differences between projected and actual earnings on pension plan investments	40,643,000	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,140,000	-
Employer contributions subsequent to the measurement date	13,449,115	-
Total	$ 64,475,115	$ 494,000

The District reported $13,449,115 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended June 30:	Net Deferred Outflows / (Inflows) of Resources
2024	$ (1,628,241)
2025	11,607,683
2026	10,844,528
2027	29,708,030

Actuarial assumptions. The last actuarial valuation was performed as of January 1, 2022, and the amounts were used to roll-forward the total pension liability to the plan's year-end December 31, 2022, and was determined using the following actuarial assumptions, applied to all prior periods included in the measurement:

Actuarial valuation date	January 1, 2022
Measurement Date of Net Pension Liability	December 31, 2022
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 3.0% - 7.5% Police & Fire 3.0% - 19.0%
Inflation Assumption	2.50%
Cost of living Adjustments	Vary by Employee Group and decrement type as explained in summary of plan provisions
Mortality Table	Pre-retirement mortality rates for General employees were based on the Pub-2010 Below Median General Employee Mortality Table with a one-year age setback for males and a two-year age set forward for females, projected generationally using SOA Scale MP-2021. Post-retirement mortality rates for General retirees were based on the Pub-2010 Below Median General Retiree Mortality Table with a one-year age setback for males and a two-year age set forward for females, projected generationally using SOA Scale MP-2021. Disabled mortality rates for General employees were based on the Pub-2010 Non-Safety Disabled Retiree Mortality Table with a one-year age setback for males and a two-year age set forward for females, projected generationally using SOA Scale MP-2021.
Experience Study	The actuarial assumptions used in January 1, 2022 valuation were based on the results of the most recent experience study covering the five-year period ending December 31, 2021.

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, covering the five-year period ending December 31, 2021, which was adopted by the ERS Pension and Annuity Board in February 2023. 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, 2022, are listed in the table below:

Asset Class	Asset Allocation	Long-term Expected Real Rate of Return*
Public Equity	44.0%	7.30%
Fixed Income & Cash	23.0%	3.10%
Real Estate	9.7%	5.10%
Real Assets	3.3%	4.60%
Private Equity	10.0%	10.00%
Absolute Return	10.0%	3.60%
	100.0%	

**Rates provided by System's investment consultant, Callan Associates*

Discount Rate. The discount rate used to measure the total pension liability was 7.50%. 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%, 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%, 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%) or 1 - percentage-point higher (8.50%) 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	$ 293,955,087	$ 190,555,000	$ 104,393,447

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 ASC 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 for the ASC 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 Council), be an exempt employee excluded by the Council’s 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 ASC plan or the date they become a participant in the WRS. Certain classified participants represented by the Council or any exempt employee excluded by the Council’s 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 ASC 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 ASC 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 ASC plan and either the System or WRS, of 70% of average monthly compensation. The benefit paid under this ASC 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 ASC plan by decreasing the benefits paid and increasing the funded status of the ASC 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 Council to amend the plan effective July 1, 2003 as follows:

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

- Close the ASC 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 ASC plan and replace it with a new provision that suspends benefits paid from the ASC 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 ASC plan at its June 2004 regular meeting.

The amendments to the ASC 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 ASC 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 ASC 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 Supplemental plan; and
- Has consented in writing to the amendment of the ASC plan as provided in a Negotiating Note between the Board and the Council 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 Supplemental plan, for the periods beginning on and after July 1, 2004, except for the purpose of computing the Alternate Benefit for certain Teachers Supplemental plan participants as a result of Wisconsin Act 11 discussed above.

The ASC 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 ASC plan, a lump-sum death benefit of the value of the participant's employee contribution account is provided to the participant's beneficiary.

The ASC 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 ASC plan.

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

Accrued ASC 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 ASC plan for reasons that include termination of employment. These employer contributions are applied to reduce the cost of the ASC plan and not to increase benefits otherwise payable to eligible participants.

At June 30, 2023, the district reported a net pension liability of $1,841,378 for the ASC plan. The net pension asset was measured as of June 30, 2023.

Milwaukee Board of School Directors Supplemental Early Retirement Plan for Teachers

The Teachers Supplemental 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 Teachers Supplemental plan on the later of the effective date of the Teachers Supplemental 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 Teachers Supplemental plan provisions:

- Enrollment in the Teachers Supplemental plan was closed to any employees hired or rehired or transferred or demoted to the teacher unit covered under the Teachers Supplemental 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 Teachers Supplemental 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 Teachers Supplemental 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 Teachers Supplemental plan.

The Teachers Supplemental 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 Teachers Supplemental 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 Teachers Supplemental plan does not provide for any postretirement increases.

Accrued Teachers Supplemental 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 Teachers Supplemental plan for reasons that include termination of employment. These employer contributions are applied to reduce the cost of the Teachers Supplemental plan and not to increase benefits otherwise payable to eligible participants.

At June 30, 2023, the district reported a net pension liability of $46,022,074 for the Teachers Supplemental plan. The net pension liability was measured as of June 30, 2023.

<u>Milwaukee Board of School Directors Early Retirement Supplement and Benefit Improvement Plan</u>

For the year ended June 30, 2023, the district recognized pension expense of $184,750.

At June 30, 2023, 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	$ 894,923	$ -

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
2024	$ (174,624)
2025	(398,197)
2026	1,510,494
2027	(42,750)

Changes in the Net Pension Liability at June 30, 2023:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a)-(b)
Balance at 6/30/22	$ 49,991,327	$ 47,881,529	$ 2,109,798
Changes for the year:			
Service cost	83,661	-	83,661
Interest	3,224,809	-	3,224,809
Difference between expected and actual experience	78,900	-	78,900
Assumption changes	-	-	-
Contributions employer	-	402,639	(402,639)
Net investment income	-	3,313,221	(3,313,221)
Benefit payments, including refunds	(4,750,404)	(4,750,404)	-
Administrative expense	-	(60,070)	60,070
Net changes	$ (1,363,034)	$ (1,094,614)	$ (268,420)
Balance at 6/30/23	$ 48,628,293	$ 46,786,915	$ 1,841,378

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

For the year ended June 30, 2023, the district recognized pension expense of $826,140.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 723,421
Changes in assumptions	-	-
Net differences between projected and actual earnings on pension plan investments	4,057,318	-
Total	$ 4,057,318	$ 723,421

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
2024	$ (952,142)
2025	(1,057,322)
2026	5,412,537
2027	(69,176)

Changes in the Net Pension Liability at June 30, 2023:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fidiciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at 6/30/22	$ 222,381,370	$ 170,462,003	$ 51,919,367
Changes for the year:			
Interest	14,321,816	-	14,321,816
Difference between expected and actual experier	(1,473,081)	-	(1,473,081)
Assumption changes	-	-	-
Contributions employer	-	7,082,595	(7,082,595)
Net investment income	-	11,738,164	(11,738,164)
Benefit payments, including refunds	(17,756,411)	(17,756,411)	-
Administrative expense	-	(74,731)	74,731
Net changes	$ (4,907,676)	$ 989,617	$ (5,897,293)
Balance at 6/30/23	$ 217,473,694	$ 171,451,620	$ 46,022,074

Actuarial Assumptions

In March 2019, the actuary for both the ASC and Teachers Supplemental plans 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, 2022 and data rolled forward to June 30, 2023, 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, 2022	July 1, 2022
Measurement date of Net Pension Liability	June 30, 2023	June 30, 2023
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, 2022 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	48.00%	5.00%
Fixed Income	25.00%	2.70%
Inflation Sensitive Assets	19.00%	1.10%
Real Estate	8.00%	2.60%
Private Equity/Debt	15.00%	6.90%
Cash	(15.00)%	0.00%
Portfolio Target Allocation	85.00%	

Asset Class

SWIB Variable Fund	Actual Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	70.00%	4.60%
International Equity	30.00%	5.50%
Portfolio Target Allocation	9.00%	
BMO Fund		
Intermediate Fixed Income	100.00%	
Portfolio Target Allocation	6.00%	
Long-Term Inflation Assumption		2.50%

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	48.00%	5.00%
Fixed Income	25.00%	2.70%
Inflation Sensitive Assets	19.00%	1.10%
Real Estate	8.00%	2.60%
Private Equity/Debt	15.00%	6.90%
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%	4.60%
International Equity	30.00%	5.50%
Portfolio Target Allocation	10.00%	

BMO Fund		
Intermediate Fixed Income	100.00%	
Portfolio Target Allocation	5.00%	
Long-Term Inflation Assumption		2.50%

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, 2023:

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 Liability (Asset)	$6,012,321	$1,841,378	($1,763,298)

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	$65,969,700	$46,022,074	$28,967,695

Total Pension Expense

The total pension expense for all plans recognized by the District for the year ended June 30, 2023 was $78,135,091.

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

GENERAL INFORMATION ABOUT THE OPEB PLAN

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

Management of the OBEB 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 OPEB 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, 2023

Assets		Other Post Employment Benefits Trust
Investments (note 2)		
Money market accounts	$	21,016,339
Fixed Income		110,411,017
Equity Funds		175,480,585
Receivables-interest and contributions		6,602,270
Total assets		313,510,211
Liabilities		
Accounts payable and accrued expenses		2,718,577
Total liabilities		2,718,577
Net Position		
Net Position restricted for:		
Other post employment benefits trust		310,791,634
Total net position	$	310,791,634

MILWAUKEE PUBLIC SCHOOLS
Statement of Changes in Fiduciary Net -OPEB
For the Year Ended June 30, 2023

		Other Post Employment Benefits Trust
Additions:		
Employer contributions	$	64,543,995
Participants contributions		4,176,089
Unrealized Gains/(Loss) on Investments, net		23,869,005
Net investment income from other investments		(2,012,244)
Total investment income:		21,856,761
Total additions		90,576,845
Deductions:		
Benefits paid to participant's or beneficiaries		50,261,631
Administrative expenses		524,648
Total deductions		50,786,279
Changes in net position		39,790,566
Net position—beginning of year		271,001,068
Net position—end of year	$	310,791,634

Benefits provided. The OPEB 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 OPEB 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, 2023, the OPEB plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	6,666
Active plan members	4,309
	10,975

The OPEB 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 OPEB 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, 2023, the District's average contribution rate was 27.02 percent of covered-employee payroll. OPEB 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, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021, projected to a measurement date of June 30, 2023.

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of July 1, 2021, 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 30 or more years of service. Salary increase includes wage inflation assumption.
Investment rate of return	Short-term account earns 2.50% per year. Long-term account earns 6.50% per year.
Healthcare cost trend rates	Actual trend used for fiscal year 2022. For fiscal years after 2023, trend starts at 8.00% and gradually decreases to an ultimate trend of 4.25%. Additional trend of 1.49% is added to Medicare trend from 2023 to 2038 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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2019 – June 30, 2021.

The long-term expected rate of return on OPEB plan investments was determined using a phase in of the short-term assumed rate of 2.50% and the long-term rate of 6.50% 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 OPEB 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 OPEB 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, 2023:

Asset Class	Target Allocation
Pre-Funding Assets	
US Stock - Large Cap	20.00%
US Stock - Small Cap	19.00%
International Equity	11.00%
Emerging Mkts Eq	10.00%
US Corporate Bonds	14.67%
Government Bonds	8.33%
TIPS	2.00%
High Yield	5.00%
International Debt	5.00%
Real Estate	5.00%
Portfolio Allocation	**95.00%**
Liquidity Assets	
Short-Term Government Securities	100.00%
Portfolio Allocation	**5.00%**
Total Portfolio	**100.00%**

On August 25, 2016, the District 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, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 7.62 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%. 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, 2023:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balance at 6/30/22	$ 850,870,588	$ 271,001,068	$ 579,869,520
Changes for the year:			
Service Cost	5,539,199	-	5,539,199
Interest	47,657,980	-	47,657,980
Benefit terms	-	-	-
Difference between expected and actual experience	(4,150,706)	-	(4,150,706)
Changes assumptions	-	-	-
Employer Contributions	-	64,543,995	(64,543,995)
Net investment income	-	21,332,113	(21,332,113)
Benefit payments, including refunds	(46,085,542)	(46,085,542)	-
Net changes	$ 2,960,931	$ 39,790,566	$ (36,829,635)
Balance at 6/30/23	$ 853,831,519	$ 310,791,634	$ 543,039,885

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

	1% Decrease (4.75%)	**Discount Rate (5.75%)**	**1% Increase (6.75%)**
Net OPEB liability	$ 642,509,052	$ 543,039,885	$ 460,348,972

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

	1% Decrease (3.25%)	**Healthcare Cost Trend Rates (4.25%)**	**1% Increase (5.25%)**
Net OPEB liability	$ 460,564,048	$ 543,039,885	$ 636,509,144

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, 2023, the District contributed $64,543,995 (including pre-funding contributions) to the OPEB plan. For fiscal year ending June 30, 2023, total member contributions to the OPEB plan were $4,176,089.

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

For the year ended June 30, 2023, the district recognized OPEB expense of $2,065,446. At June 30, 2023, the district reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 5,469,060
Changes in assumptions	-	36,109,940
Net differences between projected and actual earnings on OPEB plan investments	19,353,958	-
Total	$ 19,353,958	$ 41,579,000

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
2024	$ (22,229,530)
2025	(8,889,897)
2026	9,939,644
2027	(1,045,259)

(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, 2023, the District exceeded its revenue limitation by $7 million due to a referendum approved by the Board of Directors (Board) 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, 2023:

Fund		Excess Expenditures
General Fund:		
Special & Contingent Funds	$	30,595,181
Building Operations - Sites		3,352,554
Facilities		40,585
College Access Centers		13,162
Positive Behavior Intervention and Support		4,402
High Schools		155,021
Middle Schools		23,629
Common School Fund		11,052
Tech-Licenses & Equipment		8,410,462
Transportation Operations		9,099,903
Substitute Costs		5,340,085
Office of School Adminstration		632,557
Office of Academics		602,000
Tenant Costs, Utilities		1,639,324
District Insurance & Judgements		2,679,552
Office of Human Resources		499,861
Camp		4,573,023

The General Fund's total expenditures were less than total budget revised 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, 2023 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 $551.1 million of encumbrances outstanding as of June 30, 2023 of which $527.1 million are contractual commitments. The encumbrances and contract commitments by major and non-major funds are as follows:

	Encumbrance totals at 6/30/2023	Contract Commitments at 6/30/2023
Major Funds		
General Fund	$ 549,459,232	$ 525,985,554
Construction Fund	862,841	429,197
Nutrition Fund	305,622	218,874
Total Major Funds	$ 550,627,695	$ 526,633,625
Non-Major Funds	463,814	432,185
Total Encumbrances and Contract Commitments	$ 551,091,509	$ 527,065,810

(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 the District entered into a long-term lease of the station in 2008. The District 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) Effect of New Accounting Standards on Current Period Financial Statements

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

- Statement No. 99, *Omnibus* – remaining portions will be applicable for fiscal year 2024
- Statement No. 100, *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62. – this will be applicable for fiscal year 2024
- Statement 101, *Compensated Absences* – this is applicable for fiscal year 2025
- Statement 102, *Certain Risk Disclosures* – this is applicable for fiscal year 2025
- Statement 103, *Financial Reporting Model Improvements* – this is applicable for fiscal year 2026
- Statement 104, *Disclosure of Certain Capital Assets* – this is applicable for fiscal year 2026

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

(15) Subsequent Events

(a) Suspension of Head Start

On April 29, 2024, the District was notified by the U.S. Department of Health and Human Services, Administration for Children and Families, Office of Head Start (OHS) of the suspension of federal funding for the Head Start program, effective May 21, 2024, due to noncompliance identified during OHS's monitoring review conducted in January 2023, March 2023, and July 2023. The noncompliance issues identified during those monitoring reviews include (1) failure to maintain the required classroom teacher/child ratio, which resulted in the inability of the program staff to address the basic health and safety needs of children; (2) lack of supervision and child maltreatment; and (3) multiple safety incidents related to lack of supervision, respectively. Additional safety incidents occurred in the program between November 2023 and February 2024.

(b) Referendum

On April 2, 2024 voters authorized the District, beginning 2024-25 school year, to exceed the revenue limit by $140 million for the 2024-25 school year; by an additional $51 million for the 2025-26 school year; by an additional $47 million for the 2026-27 school year; and by an additional $14 million (for a total of $252 million) for the 2027-28 school year and thereafter, for the recurring purposes of sustaining educational programming, including offering career and technical education programs, attracting and retaining certified educators, and further improving art, music, physical education and language programs.

(c) Corrective Action Plan

Due to the Milwaukee Public Schools' financial data and reports being overdue to the Wisconsin Department of Public Instruction (DPI), DPI implemented a Corrective Action Plan (CAP) in consultation and collaboration with various stakeholders inside of the District. The Corrective Action Plan details steps that MPS will take to address its submission of all of its delayed financial reports. It also includes a plan to address reports due at a later date and process improvements that will ensure accurate and timely financial reporting in the near and long term of the District.

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REQUIRED SUPPLEMENTARY INFORMATION

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MILWAUKEE PUBLIC SCHOOLS

Required Supplementary Information

For the Year Ended June 30, 2023

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
12/31/2022	2.20584425 %	$ 116,859,094	$ 391,571,644	29.84 %	95.72 %
12/31/2021	2.22808594	(179,587,826)	387,719,122	46.32	106.02
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
12/31/2022	12.5256554000 %	$ 190,555,000	$ 72,567,510	262.59 %	78.41 %
12/31/2021	12.2643024000	55,157,000	71,914,067	76.70	93.46
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 as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
6/30/2023	100 %	$ 1,841,378	$ 6,904,162	26.67 %	96.21 %
6/30/2022	100	2,109,798	7,674,874	27.49	95.78
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
6/30/2023	100 %	$ 46,022,073	$ 123,577,544	37.24 %	78.84 %
6/30/2022	100	51,919,364	135,143,910	38.42	76.65
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, 2023

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
6/30/2023	$ 26,756,772	$ 26,756,772	$ -	$ 391,571,644	6.83 %
6/30/2022	25,581,020	25,581,020	-	387,719,122	6.60
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

Employees' 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
6/30/2023	$ 18,918,232	$ 18,918,232	$ -	$ 72,567,510	26.07 %
6/30/2022	10,279,115	10,279,115	-	71,914,067	14.29
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
6/30/2023	$ 523,177	$ 402,639	$ 120,538	$ 6,904,162	7.68 %
6/30/2022	894,304	554,917	339,387	7,674,874	11.65
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

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
6/30/2023	$ 7,317,799	$ 7,082,595	$ 235,204	$ 123,577,544	5.9 %
6/30/2022	7,979,462	7,286,185	693,277	135,143,910	5.9
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

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, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	$ 83,661	$ 96,960	$ 111,553	$ 123,418	$ 154,532	$ 187,143	$ 226,072	$ 283,894	$ 276,863	$ 267,144
Interest on the total pension liability	3,224,809	3,308,879	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	78,900	(53,174)	(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	(4,750,404)	(4,697,789)	(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	(1,363,034)	(1,345,124)	(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	49,991,327	51,336,451	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)	$48,628,293	$49,991,327	$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	$ 402,639	$ 554,917	$ 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	3,313,221	(4,095,535)	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	(4,750,404)	(4,697,789)	(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	(60,070)	(31,600)	(61,660)	(53,629)	(63,435)	(56,599)	(65,920)	(62,511)	(58,374)	(56,590)
Net Change in Plan Fiduciary Net Position	(1,094,614)	(8,270,007)	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	47,881,529	56,151,536	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)	$46,786,915	$47,881,529	$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)	$ 1,841,378	$ 2,109,798	$ (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	96.21%	95.78%	109.38%	90.85%	90.94%	93.58%	92.58%	87.50%	91.70%	96.10%
Covered payroll	$ 6,904,162	$ 7,674,874	$ 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	26.67%	27.49%	-57.36%	47.76%	39.83%	23.96%	26.71%	41.87%	25.13%	11.60%

Notes to Schedule:

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 LIABILITY/(ASSET) AND RELATED RATIOS
As of June 20, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest on the total pension liability	14,321,816	14,627,051	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	(1,473,081)	(1,725,676)	(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	(17,756,411)	(17,598,105)	(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	(4,907,676)	(4,696,730)	(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	222,381,370	227,078,100	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)	$ 217,473,694	$ 222,381,370	$ 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	$ 7,082,595	$ 7,286,185	$ 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	11,738,164	(14,330,284)	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	(17,756,411)	(17,598,105)	(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	(74,731)	(34,010)	(158,975)	(150,628)	(151,966)	(152,014)	(156,826)	(174,658)	(145,726)	(176,226)
Net Change in Plan Fiduciary Net Position	989,617	(24,676,214)	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	170,462,003	195,138,217	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)	$ 171,451,620	$ 170,462,003	$ 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)	$ 46,022,074	$ 51,919,367	$ 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	78.84%	76.65%	85.93%	69.51%	67.61%	68.33%	65.45%	60.70%	62.70%	64.12%
Covered payroll	$ 123,577,544	$ 135,143,910	$ 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	37.24%	38.42%	18.58%	39.35%	38.71%	32.57%	33.62%	36.54%	33.42%	29.62%

Notes to Schedule:

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, 2023

	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Service cost	$ 5,539,199	$ 5,874,647	$ 6,464,767	$ 5,337,504	$ 3,214,967	$ 3,415,121	$ 4,101,247
Interest on the total OPEB liability	47,657,980	47,444,808	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	(4,150,706)	(4,196,505)	(2,759,596)	21,294,097	(8,091,913)	30,739,181	2,563,048
Changes of assumptions	-	(63,098,044)	(37,100,751)	(59,720,979)	-	(96,779,146)	-
Benefit payments	(46,085,542)	(48,728,836)	(48,375,661)	(46,667,016)	(44,135,647)	(47,544,292)	(52,906,009)
Net Change in Total OPEB Liability	2,960,931	(62,703,930)	(32,601,267)	64,744,662	(6,626,828)	(67,538,336)	(642,218)
Total OPEB Liability - Beginning	850,870,588	913,574,518	946,175,785	881,431,123	888,057,951	955,596,287	956,238,505
Total OPEB Liability - Ending (a)	$ 853,831,519	$ 850,870,588	$ 913,574,518	$ 946,175,785	$ 881,431,123	$ 888,057,951	$ 955,596,287
Plan Fiduciary Net Position							
Contributions - employer	$ 64,543,995	$ 77,635,159	$ 103,771,665	$ 77,190,615	$ 58,235,819	$ 53,242,638	$ 33,755,421
Net investment income	21,332,113	(39,785,264)	42,585,332	7,840,886	8,355,586	8,512,126	3,910,328
Benefit payments	(46,085,542)	(48,728,836)	(48,375,661)	(46,667,016)	(44,135,647)	(47,544,292)	(52,906,009)
Net Change in Plan Fiduciary Net Position	39,790,566	(10,878,941)	97,981,336	38,364,485	22,455,758	14,210,472	(15,240,260)
Plan Fiduciary Net Position - Beginning	271,001,068	281,880,009	183,898,673	145,534,188	123,078,430	108,867,958	124,108,219
Plan Fiduciary Net Position - Ending (b)	$ 310,791,634	$ 271,001,068	$ 281,880,009	$ 183,898,673	$ 145,534,188	$ 123,078,430	$ 108,867,959
Net OPEB Liability - Ending (a) - (b)	$ 543,039,885	$ 579,869,520	$ 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	36.40%	31.85%	30.85%	19.44%	16.51%	13.86%	11.39%
Covered payroll *(1)*	$ 238,909,400	$ 256,895,400	$ 252,923,400	$ 301,739,000	$ 323,210,126	$ 355,843,000	$ 387,681,000
Net OPEB liability as a percentage of covered payroll	227.30%	225.72%	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.

MILWAUKEE PUBLIC SCHOOLS
Post-Employment Life and Healthcare Insurance Benefits
Required Supplementary Information
SCHEDULE OF EMPLOYER CONTRIBUTIONS
As of June 30, 2023

	2023	2022	2021	2020	2019	2018	2017
Actuarially contractual determined contribution	$ 61,079,192	$ 58,022,534	100,941,823	$ 94,430,221	$ 90,020,711	$ 88,022,745	$ N/A
Contributions in relation to the actuarially determined contribution	64,543,995	77,635,159	103,771,665	77,190,616	58,235,819	53,242,638	33,755,421
Contribution deficiency (excess)	$ (3,464,803)	$ (19,612,625)	(2,829,842)	$ 17,239,605	$ 31,784,892	$ 34,780,107	$ N/A
Covered payroll	$ 238,909,400	$ 256,895,400	$ 252,923,400	$ 301,739,000	$ 323,210,100	$ 355,843,000	$ 387,681,000
Contributions as a percentage of covered payroll	27.02%	30.22%	41.03%	25.58%	18.02%	14.96%	8.71%

Notes to Schedule

Valuation date: July 1, 2021

Measurement date: June 30, 2023

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 calendar year 2022. For fiscal years on and after 2023, trend starts at 8.00% and gradually decreases to an ultimate trend of 4.25%. Additional trend of 1.49% is added to Medicare cost from 2023 to 2038 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 30 or more years of service. Salary increase includes wage inflation assumption.
Investment rate of return	Short-term account earns 2.50% per year. Long-term account earn 6.50% 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 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. 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, 2023

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%
2022	-12.97%
2023	7.62%

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

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%

- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

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.

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

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

(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 changes in the assumptions based on the most recent experience study covering the five-year period ending December 31, 2021. Several changes to the demographic actuarial assumptions, salary increases and mortality tables occurred. See Note 9 for more information on specific assumptions for the Employees' Retirement System.

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 (ASC and Teachers Supplemental)

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. 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.

(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. There were no changes of benefit terms.

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.

See Independent Auditors' Report.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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MILWAUKEE PUBLIC SCHOOLS

Nonmajor Governmental Funds

Special Revenue Fund

Special Revenue - 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, 2023

Assets	Special Revenue Categorically Aided Programs	Debt Service	Total
Receivables due from other governmental units	$ 15,360,992	$ —	$ 15,360,992
Total assets	15,360,992	—	15,360,992
Liabilities, Deferred inflow of resources and Fund Balances			
Liabilities:			
Accounts Payable	30,005	—	30,005
Due to other funds	13,506,734	—	13,506,734
Total liabilities	13,536,739	—	13,536,739
Deferred inflows of Resources (note 1(o))			
Unavailable revenue	1,824,253	—	1,824,253
Unearned revenue	—	—	—
Total deferred inflow of resources	1,824,253	—	1,824,253
Fund balances:			
Unassigned	—	—	—
Total fund balances	—	—	—
Total liabilities, deferred inflows of resources and fund balances	$ 15,360,992	$ —	$ 15,360,992

MILWAUKEE PUBLIC SCHOOLS

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

For the Year Ended June 30, 2023

	Special Revenue Categorically Aided Programs	Debt Service	Total
Revenues:			
Property taxes	$ —	$ 8,992,081	$ 8,992,081
Other federal aid	27,177,659	—	27,177,659
Total revenues	27,177,659	8,992,081	36,169,740
Expenditures:			
Instructional services—			
Special curriculum	9,139,762	—	9,139,762
Pupil and staff services	10,940,331	—	10,940,331
Debt service:			
Principal	—	19,747,611	19,747,611
Interest	—	17,466,811	17,466,811
Bond administrative fees	—	20,500	20,500
Total expenditures	20,080,093	37,234,922	57,315,015
Excess of revenues over (under) expenditures	7,097,566	(28,242,841)	(21,145,275)
Other financing sources (uses):			
Transfers In/(Out)	(7,097,566)	28,242,841	21,145,275
Total other financing sources/(uses)	(7,097,566)	28,242,841	21,145,275
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, 2023

	Budgeted amounts Adopted	Budgeted amounts Revised	Actual (GAAP basis)
Revenues:			
Federal aid:			
Other federal aid	$ 28,316,558	$ 27,177,659	$ 27,177,659
Total revenues	28,316,558	27,177,659	27,177,659
Expenditures:			
Instructional services—			
Special curriculum	7,869,192	12,370,328	9,139,762
Pupil and staff services	20,447,366	14,807,331	10,940,331
Total expenditures	28,316,558	27,177,659	20,080,093
Excess of revenues over (under) expenditures	—	—	7,097,566
Other financing uses			
Transfers Out	—	—	(7,097,566)
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, 2023

	Budgeted amounts		Actual
	Adopted	Revised	(GAAP basis)
Revenues:			
Property taxes	$ 8,992,081	$ 8,992,081	$ 8,992,081
Total revenues	8,992,081	8,992,081	8,992,081
Expenditures:			
Debt service	37,234,871	37,234,871	37,234,922
Total expenditures	37,234,871	37,234,871	37,234,922
Excess of revenues over (under) expenditures	(28,242,790)	(28,242,790)	(28,242,841)
Other financing sources			
Transfers in	28,242,790	28,242,790	28,242,841
Total other financing sources	28,242,790	28,242,790	28,242,841
Net changes in fund balances	$ —	$ —	—
Fund balance—beginning of year			—
Fund balance—end of year			$ —

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, 2023

		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	$	713,794	2,990,960	20,928,294	24,633,048
Fixed Income		—	—	110,499,062	110,499,062
Equity Funds		—	—	175,480,584	175,480,584
Nongovernmental obligations		2,248,895	8,866,846	—	11,115,741
Investment with the State of Wisconsin		44,556,693	162,634,917	—	207,191,610
Receivables-interest and contributions		112	417	6,602,270	6,602,799
Total assets		47,519,494	174,493,140	313,510,210	535,522,844
Liabilities					
Accounts payable and accrued expenses		732,579	3,041,520	2,718,576	6,492,675
Total liabilities		732,579	3,041,520	2,718,576	6,492,675
Net Position					
Net position restricted for pensions and other post employment benefits	$	46,786,915	171,451,620	310,791,634	529,030,169

MILWAUKEE PUBLIC SCHOOLS

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

For the Year Ended June 30, 2023

		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	$	402,639	7,082,595	64,543,995	72,029,229
Participants contributions		—	—	4,176,089	4,176,089
Investment income:					
Net investment from the State of Wisconsin:					
Core Retirement Investment Trust Fund		2,665,147	9,312,087	—	11,977,234
Variable Retirement Trust Fund		650,613	2,462,156	—	3,112,769
Unrealized Gains/(Loss) on Investments, net		—	—	23,868,965	23,868,965
Net investment income (loss) from other investments		14,558	70,107	(2,012,244)	(1,927,579)
Total investment income (loss)		3,330,318	11,844,350	21,856,721	37,031,389
Investment expenses		(17,097)	(106,186)	—	(123,283)
Net investment income (loss)		3,313,221	11,738,164	21,856,721	36,908,106
Total additions		3,715,860	18,820,759	90,576,805	113,113,424
Deductions:					
Benefits paid to participant's or beneficiaries		4,724,211	17,756,412	50,261,591	72,742,214
Distribution of participant contribution accounts		26,193	—	—	26,193
Administrative expenses		60,070	74,730	524,648	659,448
Total deductions		4,810,474	17,831,142	50,786,239	73,427,855
Changes in net position		(1,094,614)	989,617	39,790,566	39,685,569
Net Position—Beginning of Year		47,881,529	170,462,003	271,001,068	489,344,600
Net Position—Ending of Year	$	46,786,915	171,451,620	310,791,634	529,030,169

MILWAUKEE PUBLIC SCHOOLS

Schedule of Charter School Authorizer Operating Costs

For the Year Ended June 30, 2023

OPERATING ACTIVITY		COST
Employee Salaries	$	436,065
Employee Benefits		233,208
Purchased Services		1,171
Supplies		894
TOTAL	**$**	**671,338**

STATISTICAL SECTION

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

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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. 111-115

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax. 116-121

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. 122-124

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. 125-129

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. 130-140

MILWAUKEE PUBLIC SCHOOLS
Statement of Net Position
Last Ten Fiscal Years

Governmental activities

	2023	2022	2021	2020	2019	2018 (a)	2017 (a)	2016	2015	2014(a)
Net investment in capital assets	$ 520,681,592	$ 515,965,051	$ 518,219,631	$ 514,612,123	$ 516,188,955	$ 521,815,805	$ 521,306,420	$ 500,041,665	$ 489,612,270	$ 483,025,586
Restricted for debt service	3,424,530	1,734,126	1,613,969	1,504,629	505,000	197,549	-	14,368,921	16,570,259	9,914,758
Restricted for pensions	-	179,587,826	145,890,852	76,455,593	-	77,705,344	-	-	67,124,130	-
Restricted for self-insurance deposits	2,603,016	3,177,393	2,353,871	3,113,403	3,042,197	-	-	-	-	-
Restricted for long term capital investment fund	69,143,443	38,856,803	8,854,994	8,854,422	2,820,256	-	-	-	-	-
Restricted for common school fund	3,468,895	764,542	295,666	-	-	-	-	-	-	-
Restricted for trust funds	95,377	99,884	97,635	-	-	-	-	-	-	-
Restricted for school nutrition services	-	-	-	1,103,267	14,124,105	-	-	-	-	-
Unrestricted (Deficit)	(652,508,654)	(882,711,780)	(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)
Total net position	$ (53,091,801)	$ (142,526,155)	$ (380,043,809)	$ (575,328,286)	$ (515,234,588)	$ (423,745,487)	$ (175,746,108)	$ (79,373,227)	$ (70,615,988)	$ (149,057,876)

(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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses:										
Instruction	$ 754,177,428	622,042,256	577,232,278	697,882,053	652,139,250	593,089,063	724,642,011	681,195,330	647,364,824	666,593,314
Support services:										
Community services	32,358,642	26,633,681	24,073,540	31,999,076	38,436,371	30,629,716	31,770,798	27,789,456	29,311,872	27,612,053
Pupil and staff services	211,196,780	203,142,264	211,926,977	166,272,237	158,679,260	149,961,599	150,132,613	128,939,561	131,798,496	127,673,917
General, administration, and central services	124,650,727	108,878,825	108,924,396	121,069,716	134,765,188	124,577,548	125,109,527	112,898,587	98,125,128	101,276,207
Business services	288,417,631	196,593,560	145,038,456	179,205,970	182,654,935	176,621,387	180,855,290	169,413,167	160,678,353	167,752,510
School nutrition services	62,796,563	48,987,003	31,291,852	53,890,721	54,838,294	49,719,699	49,625,471	50,101,295	47,234,192	43,656,550
Interest on long-term debt	16,131,564	17,131,782	17,477,779	17,947,044	18,473,894	18,743,854	22,489,948	17,660,687	16,331,690	20,088,560
Bond issuance costs		-	-	-	-	33,114	407,528	-	-	-
Loss on sale/disposal of assets		-	-	-	-	-	-	-	-	-
Total support services	$ 735,551,907	601,367,115	538,733,000	570,384,764	587,847,942	550,286,917	560,391,175	506,802,753	483,479,731	488,059,797
Total expenses	$ 1,489,729,335	1,223,409,371	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
Program revenues:										
Charges for services:										
Instruction	$ 28,648,619	22,305,104	23,107,751	18,626,600	16,893,121	14,305,797	11,587,754	8,619,364	7,144,293	7,347,485
Community services	2,710,747	2,032,413	665,023	3,510,396	4,681,757	4,698,959	4,781,636	4,365,200	4,144,116	1,904,323
Business services	6,457,018	5,005,232	4,800,263	6,870,391	6,998,292	6,645,835	6,006,239	5,398,788	5,068,641	4,899,266
Nutrition services	421,440	373,200	39,792	545,040	710,211	724,006	666,619	1,164,444	802,764	3,127,925
Operating grants and contributions:										
Instruction	495,478,366	387,818,062	312,546,496	242,886,473	231,713,796	213,842,096	202,268,798	184,229,896	201,995,731	202,656,277
Community services	6,827,275	3,416,342	2,632,991	9,257,771	9,913,144	11,937,638	5,331,144	5,559,121	6,141,526	5,865,138
Pupil and staff services	16,417,095	25,805,423	20,741,651	20,024,242	18,832,411	17,714,954	17,860,161	18,367,601	22,295,180	20,743,806
Business services	2,710,366	1,787,944	7,762,360	7,569,890	7,408,731	7,861,714	7,495,159	5,580,111	7,056,988	6,747,421
Nutrition services	58,325,053	48,935,212	14,847,034	43,451,940	51,437,723	53,213,246	53,349,946	52,242,705	49,190,624	41,820,458
Capital grants and contributions:										
Instruction	17,257,678	10,411,218	9,758,721	10,409,910	10,861,018	10,360,627	16,064,716	16,348,227	849,132	3,546,175
Total program revenues	$ 635,253,657	507,890,150	396,902,082	363,152,652	359,450,204	341,304,872	325,412,172	301,875,457	304,688,995	298,658,274
Net (expense)/revenue	$ (854,475,678)	(715,519,221)	(719,063,196)	(905,114,164)	(880,536,988)	(802,071,108)	(959,621,014)	(886,122,626)	(826,155,560)	(855,994,837)
General revenues and other changes in net position:										
Taxes:										
Property taxes levied for general purposes	$ 274,622,268	264,064,780	267,168,599	226,471,228	219,062,424	242,639,539	257,702,427	268,759,174	271,012,144	270,306,782
Property taxes levied for construction	1,816,630	2,923,868	4,636,466	1,511,274	1,511,274	3,904,580	1,100,000	10,600,000	9,600,000	9,600,000
Property taxes levied for debt service	8,992,081	8,995,897	8,945,336	9,680,142	9,816,475	5,570,269	2,366,738	4,209,121	4,600,529	2,477,582
Property taxes levied for community services	34,725,000	29,725,000	27,225,000	25,225,000	20,000,000	20,000,000	20,000,000	17,065,872	17,065,872	17,065,871
Other taxes	52,787	2,052,116	42,848	51,495	326,576	597,492	840,809	810,337	1,837,208	53,662
Federal and state aid not restricted to a specific purpose:										
General (equalization aid)	551,187,310	572,686,571	536,097,290	520,297,205	531,143,819	523,855,062	516,742,805	509,173,092	505,323,745	500,659,964
Other	61,313,514	68,053,856	61,412,045	58,483,121	57,999,368	56,105,633	62,102,128	61,046,450	58,305,357	58,682,525
Interest and investment earnings	778,711	4,261,054	231,802	883,444	789,874	1,295,467	1,321,804	4,349,251	2,913,071	2,541,815
Gain on sales of capital assets	-	-	-	-	75,136	-	-	332,510	-	111,363
Other	10,421,731	273,733	1,445,247	2,417,557	1,138,121	1,744,974	1,071,422	1,019,580	932,736	497,674
Total general revenues	$ 943,910,032	953,036,875	907,204,633	845,020,466	841,863,067	855,713,016	863,248,133	877,365,387	871,590,662	861,997,238
Change in net position	$ 89,434,354	237,517,654	188,141,437	(60,093,698)	(38,673,921)	53,641,908	(96,372,881)	(8,757,239)	45,435,102	6,002,401

MILWAUKEE PUBLIC SCHOOLS
Fund Balance, Governmental Funds
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Nonspendable										
Inventories and other assets	$ 1,649,388	1,564,734	1,622,075	1,458,761	1,998,722	2,073,707	1,886,572	1,643,145	1,026,248	973,880
Prepaid items	1,877,160	14,115	26,852	566,482	206,055	37,788	3,440,257	9,453,791	5,236,234	5,908,136
Noncurrent advances	-	-	-	-	-	-	-	-	-	2,736,923
Noncurrent receivables	-	166,831	356,795	327,053	1,535,963	1,596,592	1,482,010	923,445	573,763	671,498
Nutrition	3,284,470	2,550,004	4,870,642	-	-	-	-	-	-	-
Restricted										
Self-insurance deposits	2,603,016	3,177,393	2,353,871	3,113,403	3,042,197	3,890,011	3,240,153	8,069,749	7,243,936	5,550,712
Debt service	3,872,060	2,204,908	2,107,450	2,020,389	1,042,637	762,365	642,270	18,438,783	20,759,322	10,395,435
Common school funds	3,468,895	764,542	295,666	-	-	-	-	-	-	-
Scholarship & other trust funds	95,377	99,884	97,635	-	-	-	-	-	-	-
Flex spending	-	-	-	-	-	-	292,095	228,216	273,097	263,746
Assigned	-	5,614,247	5,614,247	5,483,590	5,483,590	5,483,590	2,810,155	975,383	2,732,369	2,421,323
Unassigned (deficit)	(86,560,159)	6,374,906	50,647,242	25,030,949	25,749,371	23,595,128	28,414,710	40,566,631	41,791,865	49,871,027
Total general fund	$ (69,709,793)	22,531,564	67,992,475	38,000,627	39,058,535	37,439,181	42,208,222	80,299,143	79,636,834	78,792,680
Other Governmental Funds										
Restricted										
Debt service	$ -	-	-	-	-	1,419	-	-	-	3,657,983
Long term capital investment fund	69,143,443	38,856,803	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	766,099	18,955,703	18,954,763	33,736,218	56,743,971	78,473,037	78,832,821	20,444,142	40,228,316	-
Committed										
Construction	70,627,256	39,089,476	37,249,143	2,930,913	2,231,887	6,786,798	3,737,681	21,010,508	9,207,227	18,002,317
Assigned	-	-	-	9,707,146	3,673,900	2,270,094	-	-	-	-
Unassigned (deficit)	(3,284,470)	(2,550,004)	(4,870,642)	-	-	-	-	-	-	(2,736,923)
Total all other governmental funds	$ 137,252,328	94,351,978	60,188,258	56,331,966	79,594,119	104,066,759	96,849,014	49,082,420	50,224,972	18,923,377
General + Other Gevernmental Funds	$ 67,542,535	116,883,542	128,180,733	94,332,593	118,652,654	141,505,940	139,057,236	129,381,563	129,861,806	97,716,057

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues:										
Property tax levy	$ 320,155,979	305,709,545	307,975,401	262,887,644	250,390,173	272,114,388	281,169,165	300,634,166	302,278,545	299,450,235
Other taxes	111,866	2,110,150	110,343	114,322	326,576	597,492	840,809	810,337	72,837	79,171
Lunchroom sales	421,440	373,200	39,792	545,040	709,946	723,832	666,617	1,164,437	802,753	3,112,692
Other local sources	38,131,878	41,104,419	33,298,114	35,669,806	33,248,396	32,612,667	30,206,030	24,708,014	20,881,176	17,998,591
Microsoft Settlement Refunds	-	-	-	-	-	-	-	5,918,672	-	1,557,605
State aid:										
Equalization aid	551,187,310	572,686,571	536,097,290	520,297,205	531,143,819	523,855,062	516,742,805	509,173,092	505,323,745	500,659,964
Special classes	59,927,733	55,046,098	56,570,576	45,536,402	45,107,974	46,082,609	48,340,685	50,423,437	53,338,018	53,565,720
Integration	31,457,538	31,193,609	30,451,254	30,302,079	30,367,359	30,368,152	33,145,802	31,692,817	32,247,348	33,522,834
Other state aid	103,113,068	107,462,608	109,974,583	114,291,324	112,491,855	84,878,199	68,218,662	59,234,848	60,425,803	52,813,148
Federal aid:										
Education Consolidation Improvement Act	66,716,272	78,234,818	74,571,216	63,361,014	69,195,068	70,743,913	76,904,906	68,908,095	77,649,649	89,387,237
School nutrition services	50,440,749	48,935,627	12,242,996	41,301,576	49,266,457	50,927,013	51,232,829	49,598,103	46,739,199	40,115,810
Erate refunds	10,894,459	5,729,795	5,645,700	6,108,522	5,805,226	5,836,244	4,237,974	9,682,625	-	-
Other federal aid	236,881,206	103,694,323	122,115,933	61,543,267	65,115,483	70,864,068	64,475,049	61,369,218	69,073,018	69,125,693
Miscellaneous	15,010,270	4,180,846	1,081,707	833,200	1,062,440	2,053,402	864,375	1,284,082	1,231,850	567,085
Interest and investment earnings	7,141,930	4,886,555	4,307,223	4,842,050	5,040,299	5,302,257	5,454,864	4,349,251	2,913,071	2,541,815
Total revenues	$ 1,491,591,698	1,361,348,164	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

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

		2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenditures:											
Instructional services:											
Undifferentiated curriculum	$	415,570,392	403,761,893	386,867,508	348,494,552	350,475,544	351,822,598	369,393,609	339,332,220	346,521,378	350,611,296
Regular and other curriculum		203,232,600	179,829,297	150,903,041	132,375,585	129,834,427	134,543,176	137,132,552	136,707,351	137,364,946	140,829,291
Special curriculum		153,503,684	154,848,517	174,376,087	162,489,541	154,593,611	149,773,284	148,780,813	152,478,100	162,957,532	167,157,217
Total instructional services		772,306,676	738,439,707	712,146,636	643,359,678	634,903,582	636,139,058	655,306,974	628,517,671	646,843,856	658,597,804
Community services		31,351,337	26,172,847	22,605,739	29,186,475	32,844,657	29,562,731	29,120,113	27,347,401	29,162,858	26,962,332
Pupil and staff services		203,834,404	199,957,142	198,135,156	151,266,677	142,493,753	144,325,673	135,823,969	126,867,497	132,154,096	126,212,196
General and school building administration		123,834,753	109,491,819	103,703,047	108,716,268	121,735,702	118,247,463	112,522,003	111,159,224	99,027,539	99,204,832
Business services		278,498,101	192,497,107	137,158,974	166,154,647	168,769,315	177,596,772	173,743,893	169,127,014	160,159,754	163,583,290
School nutrition services		61,306,838	48,247,527	29,539,314	50,838,777	50,355,390	49,365,227	46,971,470	48,841,829	46,653,985	42,699,913
Capital Outlay		33,181,570	21,581,988	29,697,074	27,085,003	36,598,463	40,412,547	41,396,795	38,460,201	39,116,285	14,690,949
Debt service:											
Principal		19,747,611	19,017,855	17,641,998	18,693,152	18,658,245	15,391,555	54,677,630	14,648,669	21,671,993	12,955,845
Interest		17,466,811	18,127,832	17,748,204	18,404,243	18,434,918	18,581,798	22,303,962	14,797,376	13,523,580	13,963,568
Bond issuance cost		20,500	18,776	19,300	19,323	20,950	33,114	407,528	8,762	61,999	36,434
Total expenditures	$	1,541,548,601	1,373,552,600	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
Excess of revenues over (under) expenditures	$	(49,956,903)	(12,204,436)	26,086,686	(26,090,792)	(25,543,904)	(32,696,640)	(89,773,765)	(824,450)	(15,398,933)	5,590,437
Other financing sources (uses) (note 7):											
Long-Term Debt Issued	$	-	-	-	-	-	34,933,000	56,185,000	-	-	-
Proceeds from Sale of Capital Assets		615,896	907,245	335,100	-	844,183	200,000	3,747,618	120,245	1,406,273	122,538
Premium on debt issued		-	-	-	-	-	-	3,221,503	-	387,058	-
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	-
Contribution for capital improvements		-	-	-	-	-	-	7,200,317	-	-	-
Total other financing sources (uses), net	$	615,896	907,245	618,414	1,770,731	2,690,618	35,145,344	99,449,438	344,207	47,544,682	122,538
Net change in fund balance	$	(49,341,007)	(11,297,191)	26,705,100	(24,320,061)	(22,853,286)	2,448,704	9,675,673	(480,243)	32,145,749	5,712,975
Debt service as a percentage of noncapital expenditures		2.5%	2.7%	2.9%	3.1%	3.1%	2.9%	6.3%	2.6%	3.1%	2.4%

MILWAUKEE PUBLIC SCHOOLS

Assessed and Equalized Valuation—City of Milwaukee

(in thousands)

The assessed and equalized valuations for the past 32 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
2021	....	32,045,469	114,840	35,338,274
2022	....	36,391,902	4,346,433	39,448,239

(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														
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
2021	8.85	33.8	10.08	38.5	1.13	4.3	4.54	17.4	0.00	0.0	1.56	6.0	26.16	100.0
2022	10.20	36.7	10.15	36.5	1.11	4.0	4.73	17.0	0.00	0.0	1.64	5.9	27.83	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 ACFR

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)
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
2022	7.71	0.08	0.84	8.63
2023	7.10	0.05	0.87	8.01

Tax Levies for School Purposes
Last Ten Years

Budget Year (a)	School Operations	Construction	Extension	Total
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
2022	273,060,677	2,923,868	29,725,000	305,709,545
2023	283,614,349	1,816,630	34,725,000	320,155,979

(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 of Milwaukee Fiscal Year 2022 Assessed Value	City of Milwaukee Fiscal Year 2022 Percentage of Total Assessed	City of Milwaukee Fiscal Year 2013 Assessed Value	City of Milwaukee Fiscal Year 2013 Percentage of Total Assessed
Northwestern Mutual Life Ins.	$ 580,999	1.60 %	$ 176,204	0.70 %
Mandel Group (includes Park LaFayette)	382,678	1.06	113,530	0.45
Berrada Properties	361,310	1.00	-	-
Weidner Investments	267,311	0.74	-	-
US Bank Corp	257,670	0.71	243,891	0.97
Komatsu Mining	213,428	0.59	-	-
Irgens	211,509	0.58	-	-
Katz Properties	161,503	0.45	-	-
Metropolitan Associates	152,112	0.42	93,710	0.37
Marcus Corp	149,205	0.41	113,688	0.45
NNN 411 East Wisconsin LLC	-	-	88,399	0.35
100 E Wisconsin Ave Joint Venture	-	-	76,288	0.30
Gorman & Co	-	-	68,773	0.27
Towne Realty	-	-	66,368	0.27
Riverbend Place	-	-	58,146	0.23
	$ 2,737,725	7.56 %	$ 1,098,997	4.36 %

Source: City of Milwaukee ACFR

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

				City of Milwaukee					
				Collected for the Levy Year (B)		Collections		Total Collections to Date	
Budget Year*	Taxes Levied for the Fiscal Year (Original Levy) (D)	Purchased and Adjustments (A)	Total Adjusted Levy	Current Tax Collections	Percent Original Levy Collected	Purchased Delinquents Original Levy Year (C)	Total Adjusted Levy in Subsequent Years	Amount	Percentage of Adjusted Levy
2013	$304,700	$35,744	$340,444	$293,489	96.32%	$16,237	$18,326	$339,816	99.82%
2014	307,246	21,567	328,813	296,107	96.37%	13,875	17,968	328,036	99.76%
2015	312,216	17,855	330,071	302,084	96.76%	12,471	14,238	329,041	99.69%
2016	312,091	17,483	329,574	302,628	96.97%	10,907	14,627	328,339	99.63%
2017	318,867	22,775	341,642	309,345	97.01%	15,266	14,674	339,890	99.49%
2018	325,152	15,318	340,470	316,357	97.30%	7,544	14,918	338,425	99.40%
2019	333,909	17,769	351,678	325,692	97.66%	10,921	11,248	349,087	99.26%
2020	346,409	23,224	369,633	338,689	97.77%	14,463	12,088	366,259	99.09%
2021	362,346	20,441	382,787	355,626	98.15%	11,827	10,605	378,402	98.50%
2022	361,603	21,355	382,958	354,834	98.13%	11,508	-	366,053	95.59%

Milwaukee Public Schools		
Budget Year*	Total Tax Levy	Percentage of Levy
2013	$299,451	100.00
2014	302,279	100.00
2015	300,635	100.00
2016	281,170	100.00
2017	272,115	100.00
2018	250,391	100.00
2019	262,888	100.00
2020	307,976	100.00
2021	305,710	100.00
2022	320,156	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 ACFR 2022.

(B) Tax collections begin in December for the succeeding Budget Year. Prior years' amounts in this column have been revised to reflect activity in ACFR 2022.

(C) Collections of (A) in the year purchased. Prior years' amounts in this column have been revised to reflect activity in ACFR 2022.

(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 ACFR 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
2013	$24,450,181	$871,919	$25,322,100	$26,421,932	$10.25	95.8%
2014	24,169,993	864,166	25,034,159	26,089,611	10.58	96.0%
2015	24,084,276	740,266	24,824,542	26,138,108	10.71	95.0%
2016	24,412,067	850,895	25,262,962	25,980,470	10.61	97.2%
2017	25,167,918	842,552	26,010,470	27,042,047	10.75	96.2%
2018	26,115,350	822,010	26,937,360	26,903,885	10.76	100.1%
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%
2021	31,209,507	721,122	31,930,629	31,475,102	10.09	101.4%
2022	31,381,297	664,173	32,045,470	35,338,274	10.16	90.7%

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

Source: City of Milwaukee ACFR

MILWAUKEE PUBLIC SCHOOLS

Computation of Direct and Overlapping Debt-Governmental Activities

December 31, 2022

(in thousands)

Name of governmental unit		Net debt outstanding	Estimated Percentage Applicable		Estimated Share of Overlapping Debt
Debt Repaid with property taxes					
Direct debt:					
City of Milwaukee	$	1,065,721	100%	$	1,065,721
Overlapping debt:					
Milwaukee Area Technical College District		97,950	36%		35,262
County of Milwaukee		436,005	45%		196,202
Milwaukee Metropolitan Sewerage Area		728,183	46%		334,964
Total overlapping debt					566,428
Total district and overlapping debt				$	1,632,149

Sources: City of Milwaukee ACFR (December 31, 2022); Milwaukee Public Schools ACFR (June 30, 2022).

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]
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%	$42
2022	20,895,471	979,065	19,916,406	0.05%	$34
2023	16,492,906	1,329,256	15,163,650	0.03%	N/A

Other Governmental Activities Debt

		Pension Debt Revenue Bonds						
Fiscal Year	QZAB Revenue Bonds	Capital Appreciation Bonds	Variable Rate Debt	NSI Revenue Bonds	Promissory Notes	Total Primary Government	Percentage of Personal Income[2]	Per Capita
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	1.41%	$622
2021	-	54,793,667	130,850,000	21,327,538	113,978,771	345,380,828	1.61%	$590
2022	-	54,793,667	130,850,000	11,247,291	110,107,233	326,914,597	N/A	$566
2023	-	53,299,736	130,850,000	-	106,150,695	305,464,081	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 ACFR

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
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
2022	30,925,725	9,090,000	578,400	3.20
2023	31,235,483	9,915,000	198,330	3.09

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)**	**Unemploymen Rate (F)**
2013	596,500	$ 38,460,362	$ 40,252	33.7	78,502	10.0%
2014	595,993	39,758,839	41,591	33.8	77,391	7.8%
2015	595,787	41,178,967	43,107	34.0	75,568	6.4%
2016	594,667	41,181,743	43,297	34.2	76,856	5.5%
2017	591,076	42,279,261	44,681	34.3	77,215	4.5%
2018	595,555	44,346,651	47,044	34.6	75,081	4.0%
2019	590,547	45,398,877	48,239	35.2	74,633	4.3%
2020	587,072	48,377,271	51,561	35.2	71,867	9.3%
2021	587,976	51,904,010	55,927	35.2	69,115	6.5%
2022	577,309	Not available	Not available	35.4	68,435	4.2%

(A) *The December 31, 2013 through 2022 City of Milwaukee populations are a final estimate from the Wisconsin Department of Administration. (The population data 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 2022 ACFR.*

(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 2022 ACFR.*

(D) *Milwaukee County median age of the 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) *City of Milwaukee unemployment rate is the annual average from the State of Wisconsin Department of Workforce Development.*

Source: City of Milwaukee ACFR

MILWAUKEE PUBLIC SCHOOLS
Principal Employers
Current Year and Nine Years Ago

	2022 Estimates (1)			2013		
Employer	**Employees**	**Rank**	**Percentage of Total Employment**	**Employees**	**Rank**	**Percentage of Total Employment**
Advocate Aurora Health	29,503	1	6.67 %	24,462	1	5.57 %
Froedtert and Community Health	14,058	2	3.18	8,982	3	2.05
Ascension Wisconsin	10,449	3	2.36			
Roundy's Supermarkets Inc	7,800	4	1.76	8,400	4	1.91
Medical College of Wisconsin	6,554	5	1.48	5,417	5	1.23
GE Healthcare	6,000	6	1.36			
Quad Graphics	5,800	7	1.31			
Children's Hospital and Health System	5,309	8	1.20	4,447	9	1.01
Kohl's Coup	5,000	9	1.13			
Northwestern Mutual	5,000	10	1.13	5,000	6	1.14
Wheaton Franciscan Healthcare				11,171	2	2.55
ProHealth Care Inc				4,819	7	1.10
Columbia St. Mary's Health System				4,542	8	1.03
Rockwell Automation Inc				4,273	10	0.97
	95,473		21.58 %	81,513		18.56 %

(1) Reflects full-time equivalent employees of businesses and industrial firms; does not include government employers.
Note: Data includes all of Milwaukee County and areas contiguous to Milwaukee County.

Source: City of Milwaukee ACFR

MILWAUKEE PUBLIC SCHOOLS

Comparative per Capita Cost Statistics

Last Ten Fiscal Years

			Cost per pupil
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
2021 – 2022	....		19,386
2022 – 2023	....		22,292

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
2022	**	138,916	(464)	70,638	5,966	68,278	(6,430)	96,697	30,427	127,124	91.5
2023	**	136,710	(2,206)	69,814	(824)	66,896	(1,382)	85,655	33,505	119,160	87.2

* 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, 2023

Ages**	Males	Females	Total**	Attended public school	Attended parochial or private school	Did not attend school
Under 4	16,190	15,333	31,523	1,851	1,156	28,516
4 to 9	24,063	23,253	47,316	29,483	10,444	7,389
10 to 14	22,992	21,311	44,303	30,148	12,553	1,602
15 to 17	12,281	11,965	24,246	17,557	5,258	1,431
18 to 19	10,478	10,367	20,845	8,467	5,250	7,128
20	4,810	5,091	9,901	2,131	1,664	6,106
Grand total	90,814	87,320	178,134	89,637	36,325	52,172

** 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	Total
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
2022	622,042	26,634	203,142	108,879	196,594	48,987	17,132	1,223,410
2023	754,177	32,359	211,197	124,651	288,418	62,797	16,132	1,489,729

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
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
2022	29,716	467,763	10,411	307,762	640,740	274	4,261	1,460,927
2023	38,238	579,758	17,258	320,209	612,501	779	10,422	1,579,165

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
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
2022	738,440	26,173	199,957	109,492	192,497	48,248	21,582	37,164	1,373,553
2023	772,307	31,351	203,834	123,835	278,498	61,307	33,182	37,235	1,541,549

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
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
2022	305,710	373	43,214	766,389	236,595	4,181	4,886	1,361,348
2023	320,156	421	38,244	745,686	364,933	15,010	7,142	1,491,592

MILWAUKEE PUBLIC SCHOOLS
School Accommodations
Last Forty Years

	Instructional staff (a)	Number of school buildings (b)	Average school year daily membership
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
2021 – 2022	4,594	150	73,515
2022 – 2023	4,762	149	73,364

(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	2012 – 2013	2013 – 2014	2014 – 2015	2015 – 2016	2016 – 2017	2017 – 2018	2018 – 2019	2019 – 2020	2020 – 2021	2021 – 2022	2022 – 2023
Senior high and middle schools:											
Principals	18	20	18	23	20	23	23	24	21	20	24
Assistant principals	52	54	51	56	64	57	57	63	60	61	67
Teachers	1,406	1,425	1,204	1,392	1,376	1,268	1,245	1,223	1,131	976	1,015
Total	1,476	1,499	1,273	1,471	1,460	1,348	1,325	1,310	1,212	1,057	1,106
Elementary schools:											
Principals	84	92	88	92	93	93	93	90	78	89	94
Assistant principals	34	55	52	56	61	59	49	48	50	51	66
Teachers	2,616	2,898	2,961	2,912	2,831	2,755	2,707	2,662	2,561	2,430	2,582
Total	2,734	3,045	3,101	3,060	2,985	2,907	2,849	2,800	2,689	2,570	2,742
Special schools and classes:											
Principals	10	7	8	9	10	10	9	2	8	8	0
Assistant principals	7	8	9	11	9	9	9	9	7	10	1
Teachers	323	363	374	365	367	324	310	535	520	593	568
Total	340	378	391	385	386	343	328	546	535	611	569
Summary:											
Principals	112	119	114	124	123	126	125	116	107	117	118
Assistant principals	93	117	112	123	134	125	115	120	117	122	134
Teachers	4,345	4,686	4,539	4,669	4,574	4,347	4,262	4,420	4,212	3,999	4,165
Total	4,550	4,922	4,765	4,916	4,831	4,598	4,502	4,656	4,436	4,238	4,417
Superintendent, deputy and assistant superintendent, department directors and assistants, guidance and psychological counselors, librarians, and supervisors	409	463	476	484	510	514	478	395	452	362	495
Grand total	4,959	5,385	5,241	5,400	5,341	5,112	4,980	5,051	4,888	4,600	4,912

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

	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Total number of school age children according to city-wide child census	160,214	158,267	144,696	156,637	156,968	154,864	154,293	150,693	149,907	148,581
Enrollment for state aid:*										
Third Friday	84,597	83,126	80,617	80,843	79,017	77,562	76,805	74,462	70,623	68,896
Summer school	163	155	123	210	356	392	467	228	230	258
Total	84,760	83,281	80,740	81,053	79,373	77,954	77,272	74,690	70,853	69,154
Average number enrolled:										
Senior high	24,516	23,957	23,680	23,418	22,408	22,112	22,167	22,247	21,310	21,585
Junior high/middle	17,064	16,603	16,396	16,557	16,684	16,655	16,889	16,881	15,739	15,150
Elementary	45,259	44,419	43,389	43,874	42,836	42,175	41,144	37,602	36,466	36,629
Total	86,839	84,979	83,465	83,849	81,928	80,942	80,200	76,730	73,515	73,364
Average number attending:										
Senior high	20,807	20,771	20,035	19,701	18,698	18,695	18,040	18,175	15,692	16,352
Junior high/middle	15,491	15,531	15,311	15,400	15,434	15,408	15,505	15,238	13,089	13,028
Elementary	41,753	41,561	40,777	41,038	39,856	39,139	37,962	33,305	30,817	32,127
Total	78,051	77,863	76,123	76,139	73,988	73,242	71,507	66,718	59,598	61,507

* 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
2023	69,154	$1,489,729,335	$ 21,542	5,316	13.01:1
2022	70,853	1,223,409,371	$ 17,267	5,143	13.78:1
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

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

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

Year Ending June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Supervisory										
Officials, Admin., Mgrs.	109	107	101	92	91	106	103	102	96	103
Principals	118	117	107	116	125	125	123	124	117	120
Part time profess/Ins.	411	496	584	634	480	567	571	534	511	419
Total supervisory	638	720	792	842	696	798	797	760	724	642
Instruction										
Asst. Prin. - Teach	134	122	117	120	115	126	134	123	114	116
Elementary Clsrm. Teach	2,582	2,430	2,561	2,662	2,710	2,759	2,832	2,913	2,922	2,867
Secondary Clsrm. Teach	1,015	976	1,131	1,223	976	1,016	1,098	1,131	1,142	1,173
Other Clsrm. Teach	568	593	520	535	582	582	645	625	643	648
Other Prof. Staff	607	600	655	487	494	502	499	497	463	390
Teacher Aides	410	422	510	511	447	405	486	398	365	351
Total instruction	5,316	5,143	5,494	5,538	5,324	5,390	5,694	5,687	5,649	5,545
Student Services										
Guidance	94	114	111	117	93	94	105	97	93	94
Psychological	164	150	122	159	137	138	135	137	137	128
Librarian/Audiovisual	38	31	28	27	21	27	30	30	33	30
Consultants/Supervisors	89	83	111	161	136	149	137	118	117	72
Technicians	94	100	82	85	83	84	94	96	94	64
Total student services	479	478	454	549	470	492	501	478	474	388
Support and Administration										
Clerical/Secretarial	380	373	314	438	325	339	353	339	359	353
Service Workers	319	319	481	477	512	477	446	408	397	387
Craft Workers - Skilled	341	354	366	269	295	318	301	309	312	354
Laborers - Unskilled	52	42	58	53	52	53	55	52	53	69
All other Part-time	2,434	2,678	2,722	3,097	3,726	3,827	3,810	3,687	3,820	3,710
Total support and administration	3,526	3,766	3,941	4,334	4,910	5,014	4,965	4,795	4,941	4,873
Total	9,959	10,107	10,681	11,263	11,400	11,694	11,957	11,720	11,788	11,448

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

Year Ending June 30, 2023

	2023	2022	2021 (a)	2020	2019	2018	2017	2016	2015*	2014
Number of schools participating in:										
Lunch - regular schedule	154	154	150	157	159	161	163	156	158	163
Breakfast program	154	154	150	157	159	161	163	157	158	163
Snack program	47	47	26	67	66	70	68	66	70	93
Student lunches served:										
Free	6,948,265	6,149,002	1,052,098	6,531,625	8,964,543	9,327,118 [0	9,540,046	9,529,532	9,570,975	7,928,445
Reduced	-	-	-	-	-	-	-	-	-	368,321
Fully paid	-	-	-	-	-	-	-	-	-	684,351
Total	6,948,265	6,149,002	1,052,098	6,531,625	8,964,543	9,327,118	9,540,046	9,529,532	9,570,975	8,981,117
Non-federal program meals served:	74,862	67,403	5,366	127,871	199,673	208,262	226,439	325,722	288,695	301,692
Student breakfasts/snacks served:										
Free	4,776,529	4,160,388	1,026,083	4,950,060	6,340,017	6,739,982	7,004,583	6,956,879	6,434,123	5,365,033
Reduced	-	-	-	-	-	-	-	-	-	177,137
Fully paid	-	-	-	-	-	-	-	-	-	364,781
Total	4,776,529	4,160,388	1,026,083	4,950,060	6,340,017	6,739,982	7,004,583	6,956,879	6,434,123	5,906,951
Number of serving days:										
Regular schedule	195	176	203	139	203	229	218	204	204	204
Average daily participation:										
Student lunch	35,632	34,938	5,183	46,990	44,160	40,730	43,762	46,713	46,917	44,025
Adult lunch	384	383	26	920	984	909	1,039	1,597	1,415	1,479
Student breakfast	23,640	22,557	4,811	30,736	28,950	27,407	30,020	31,178	29,197	26,278
Student snacks	855	933	286	3,316	2,094	2,196	2,169	2,071	2,178	2,108
September 15 pupil count	68,896	70,623	74,462	76,805	77,562	79,017	80,843	80,617	83,126	84,597
Percentage of students daily eating school lunch	51.72%	49.47%	6.96%	61.18%	56.94%	51.55%	54.13%	57.94%	56.44%	52.04%

*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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Elementary Schools										
Number of Buildings	115	116	117	119	120	121	122	124	120	119
Square Footage	8,588,249	8,649,003	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
Capacity	53,995	54,275	57,937	55,777	56,229 (a)	56,602 (a)	57,054 (a)	57,452 (a)	58,399 (a	65,751
Enrollment	37,361	37,654	42,419	45,138	46,151	46,563	45,834	45,750	46,944	47,605
Middle Schools										
Number of Buildings	6	6	6	6	6	6	6	6	9	7
Square Footage	1,070,000	1,070,000	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
Capacity	5,393	5,393	5,393	5,393	5,393 (a)	5,393 (a)	5,393 (a)	5,393 (a)	7,586 (a	5,900
Enrollment	2,616	2,891	3,418	3,467	3,419	3,328	3,244	4,174	4,098	4,559
High Schools										
Number of Buildings	15	15	15	15	15	16	16	16	12	13
Square Footage	4,574,346	4,574,346	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
Capacity	18,362	18,362	18,362	18,362	18,362 (a)	18,512 (a)	18,512 (a)	18,512 (a)	15,403 (a	18,138
Enrollment	18,388	19,315	16,786	16,517	16,424	16,714	17,272	16,996	17,793	18,344
Other Schools										
Number of Buildings	13	13	13	13	13	13	13	13	19	22
Square Footage	1,958,914	1,958,914	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
Capacity	9,060	9,060	9,060	9,060	9,060 (a)	9,060 (a)	9,060 (a)	9,060 (a)	13,671 (a	17,507
Enrollment	14,058	14,172	9,672	9,636	9,112	8,838	10,504	8,668	8,556	7,994
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	20	20	21	21	21	21
Running Tracks	11	11	11	11	11	11	11	11	12	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	137	137	138	141	141	144

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

Note: Excludes leased sites

Enrollment figures do not agree with revised DPI figures. Enrollment figures are based on the Third-Friday State Aids with DPI Subgroups Summary report from the Data Warehouse which differs from the School Accomodations table that reports School Year Average Daily Memebership in the DPI General Aid Calculation.

MPS

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PUBLIC SCHOOLS

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