Wisconsin Center District

Financial Statements and
Supplementary Information

December 31, 2021 and 2020

Wisconsin Center District

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INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report

To the Board of Directors of
Wisconsin Center District

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Wisconsin Center District (District), as of and for the years ended December 31, 2021 and 2020, 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 financial statements referred to above present fairly, in all material respects, the financial position of the Wisconsin Center District as of December 31, 2021 and 2020, and the changes in financial position and its cash flowsfor the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (GAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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 opinion.

Emphasis of Matter

As discussed in Note 16 to the financial statements, the District's financial statements have been prepared assuming that the Wisconsin Center District will continue as a going concern. Management's evaluation of the events and conditions and management's plans to mitigate these matters are also described in Note 16. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and GAS, we:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2022 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
May 20, 2022

MANAGEMENT’S DISCUSSION AND ANALYSIS

WISCONSIN CENTER DISTRICT

Management's Discussion and Analysis

Years ended December 31, 2021, 2020 and 2019

(Unaudited)

The Wisconsin Center District (the District) is a political subdivision, unit of local government body corporate and politic, and municipality existing under the laws of the State of Wisconsin. The District is a "local exposition district" created under, and with the taxing powers described in 1993 Wisconsin Act 263. As management, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2021, along with comparative information for 2020 and 2019.

Financial Highlights

Year Ended December 31, 2021

- The assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources of the District at December 31, 2021 by $144,160,255 (net position). Of this amount, $50,723,260 is restricted for debt service and $194,240,062 is associated with net investment in capital assets. This leaves a deficit of $100,803,067 for unrestricted net position.

- The District's December 31, 2021 total net position of $144,160,255 reflected a decrease of $18,502,479 from December 31, 2020 balance of $162,662,734.

Year Ended December 31, 2020

- The assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources of the District at December 31, 2020 by $162,662,734 (net position). Of this amount, $49,042,385 is restricted for debt service and $201,759,458 is associated with net investment in capital assets. This leaves a deficit of $88,139,109 for unrestricted net position.

- The District's December 31, 2020 total net position of $162,662,734 reflected a decrease of $30,865,600 from December 31, 2019 balance of $193,528,334.

Year Ended December 31, 2019

- The assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources of the District at December 31, 2019 by $193,528,334 (net position). Of this amount, $32,934,458 is restricted for debt service and $222,653,461 is associated with net investment in capital assets. This leaves a deficit of $62,049,585 for unrestricted net position.

- The District's December 31, 2019 total net position of $193,528,334 reflected an increase of $2,151,533 from December 31, 2018 balance of $191,376,801.

Overview of the Financial Statements

The District follows enterprise fund reporting; accordingly the financial statements are presented using the economic resources measurement focus and the full accrual basis of accounting. Financial statements offer short and long-term financial information about the activities and operations of the District. These statements are presented in a manner similar to a private business.

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise four components: 1) statements of net position, 2) statements of revenues, expenses, and changes in net position, 3) statements of cash flows and 4) notes to the basic financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

The statements of net position present information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Additionally, unrestricted net position represents amounts available for spending at the District's discretion. Such information may be useful in evaluating near-term financing requirements.

The statements of revenues, expenses, and changes in net position present information showing how the net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected space and equipment rental revenues, labor service revenues).

The statements of cash flows, using the direct method, present information on the District's decrease in cash resulting from operating activities, non-capital financing activities, capital and related financing activities and investing activities.

The statements of net position, statements of revenues, expenses and changes in net position and statements of cash flows can be found on pages 11-15 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the District's financial statements. The notes to the financial statements can be found on pages 16-51 of this report.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of financial position. In the case of the District, assets and deferred outflows of resources were greater than liabilities and deferred inflows of resources by $144,160,255 at the close of the most recent fiscal year. This compares to $162,662,734 at the close of the previous year.

The table below presents a comparison of net position fiscal year ended December 31, 2021, along with comparative information for 2020 and 2019.

Condensed Statement of Net Position

	2021	2020	2019
Assets			
Current and other assets	$ 502,136,486	$ 515,175,806	$ 57,144,833
Capital assets and deferred outflows	543,724,268	533,717,276	542,860,446
Total Assets and deferred outflows	1,045,860,754	1,048,893,082	600,005,279
Liabilities			
Current liabilities	31,900,366	20,253,412	26,205,686
Long-term liabilities and deferred inflows	869,800,133	865,976,936	380,271,259
Total Liabilities and deferred inflows	901,700,499	886,230,348	406,476,945
Net Position			
Net investment in capital assets	194,240,062	201,759,458	222,653,461
Restricted	50,723,260	49,042,385	32,924,458
Unrestricted (deficit)	(100,803,067)	(88,139,109)	(62,049,585)
Total Net Position	$ 144,160,255	$ 162,662,734	$ 193,528,334

Changes in Net Position

A significant portion of the District's net position is the net investment in capital assets, which as of year ended was $194,240,062 ($201,759,458 and $222,653,461 at December 31, 2020 and 2019 respectively) and reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The District uses those capital assets to provide services; consequently, those assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves will not be used to liquidate these liabilities.

In addition, $50,723,260 ($49,042,385 and $32,924,458 at December 31, 2020, and 2019 respectively) of the District's net position represent resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted net position (deficit). This unrestricted net position balance is a deficit of $100,803,067 ($88,139,109 and $62,049,585 at December 31, 2020 and 2019 respectively). The deficit in unrestricted net position can be broken down into two components. The first component is an accumulation of interest costs on capital appreciation bonds, approximately $71,193,346 ($55,847,533 and $55,098,913 at December 31, 2020 and 2019 respectively). The second component is the accumulation of surpluses and deficits, excluding interest expense on capital appreciation bonds, since the creation of the District, approximately $29,609,721 in net deficit ($32,291,576 and $6,950,672 at December 31, 2020 and 2019 respectively).

Changes in Net Position (continued)

	2021	2020	2019
Operating Revenues			
Rental and labor service revenues	$ 5,045,918	$ 4,122,555	$ 6,607,182
Other	7,475,752	3,020,332	12,068,485
Total Operating Revenues	12,521,670	7,142,887	18,675,667
Operating Expenses			
Allocated operating expenses	6,990,703	5,868,475	9,774,348
Unallocated operating expenses	12,655,894	16,971,789	19,280,944
Depreciation and amortization	18,772,071	19,964,273	19,848,661
Total Operating Expenses	38,418,668	42,804,537	48,903,953
Nonoperating Income (Expenses)			
Net tax revenue	32,205,460	17,771,015	37,600,994
Bond amortization and interest expense	(34,151,367)	(21,607,076)	(17,435,535)
State of Wisconsin contribution	8,000,000	8,000,000	8,000,000
Grant revenue	983,835	395,308	-
Other	356,591	236,803	(438,539)
Net Nonoperating Income (Expense)	7,394,519	4,796,050	27,726,920
Capital Contribution	-	-	4,652,899
Increase in net position	(18,502,479)	(30,865,600)	2,151,533
Net Position - Beginning of Year	162,662,734	193,528,334	191,376,801
Net Position - End of Year	$ 144,160,255	$ 162,662,734	$ 193,528,334

Year Ended December 31, 2021

The 2021 total operating revenues of $12,521,670 reflects an increase of $5,378,783 (or 75.3%) when compared to the prior year total amount of $7,142,887. This increase in revenue is primarily attributable to the recovery of business following the depths of the Covid-19 pandemic in 2020 in which government shut downs prevented the District from booking and hosting meetings and conventions in its facilities.

The 2021 total operating expenses of $38,418,668 reflects a decrease of $4,385,869 (or 10.2%) when compared to the prior year amount of $42,804,537. While expenses incurred to operate the business increased year over year due to an increase in event activity, the District realized an overall decrease in this category primarily attributable to a reduced payment due Visit Milwaukee, which is driven primarily by prior year tax revenues.

The 2021 net non-operating income of $7,394,519 reflects an increase of $2,598,469 (or 54.2%) when compared to the prior year amount of $4,796,050. This change is primarily attributable to a recovery in tax collections. As government mandated lock downs lifted, and an effective vaccine became available, business activity in the restaurant and hotel markets in the City and County of Milwaukee increased. Such increase in tax revenues was partially offset by the District’s increase in bond interest expense as a result of the debt issued in December, 2020 to finance the expansion of the existing convention center.

Year Ended December 31, 2020

The 2020 total operating revenues of $7,142,887 reflects a decrease of $11,532,780 (or 61.8%) when compared to the prior year total amount of $18,675,667. This decrease in revenue is primarily attributable to the impacts of the Covid-19 pandemic and the resulting cancellation of all events in the District's three buildings beginning March 13th, the date a National Emergency was declared, through year end. Revenue streams earned from Deer District LLC also dried up as all events scheduled to occur at the Fiserv Forum cancelled or postponed in 2020 following the national emergency declaration.

The 2020 total operating expenses of $42,804,537 reflects a decrease of $6,099,416 (or 12.5%) when compared to the prior year amount of $48,903,953. This decrease is primarily attributable to cost cutting measures the District implemented following the National Emergency Declaration to mitigate the negative financial impacts of the Covid-19 shutdowns.

The 2020 net non-operating income of $4,796,050 reflects a decrease of $22,930,870 (or 82.7%) when compared to the prior year amount of $27,726,920. This change is primarily attributable to a decrease in tax revenue collections caused by the Covid-19 shutdowns, in which little to no business activity was occurring at City or County hotels and restaurants for most of the calendar year following the National Emergency Declaration. Additional, bond amortization and interest expense increased year over year as a result of the two debt transactions initiated by the District in 2020. The first transaction, closing on June 11, was in response to the Covid-19 National Emergency, which restricted existing debt to lower near term debt service payments as well as infused operating cash into the District. The second transaction, closing on December 15, financed the expansion of the Wisconsin Center. Ground breaking is expected to occur on this project in 4th quarter of 2021.

Year Ended December 31, 2019

The 2019 total operating revenues of $18,675,667 reflects an increase of $3,696,060 (or 24.7%) when compared to the prior year total amount of $14,979,607. This increase in revenue is primarily attributable to above average year of convention business as well as a full year of revenues earned from the Fiserv Forum in the form of District Ticket Surcharge and Rent [Fiserv Forum was substantially completed in August, 2018 and hosted its first event in September 2018, therefore revenues collected in 2018 were based on only a partial year].

The 2019 total operating expenses of $48,903,953 reflects an increase of $9,869,567 (or 25.3%) when compared to the prior year amount of $39,034,386. This increase is primarily attributable to higher depreciation driven by the Fiserv Forum.

The 2019 net non-operating income of $27,726,920 reflects a decrease of $$475,746 (or 1.7%) when compared to the prior year amount of $28,202,666. This change is primarily attributable to a decrease in interest income as District held less project funds in its account for the Fiserv Forum, and also incurred $1,524,730 in one-time non-capitalized arena development costs.

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets as of December 31, 2021, amounts to $532,845,491 (net of accumulated depreciation). At the end of the prior year, the investment was $522,218,386. Capital assets include land, buildings, improvements, and machinery and equipment. The total increase in the District's capital assets from 2020 to 2019 was $10,627,105 (or 2.03%).

A summary of capital Assets as of December 31, 2021 and the two prior years is as follows:

	2021	2020	2019
Land	$ 25,458,953	$ 25,458,953	$ 25,458,953
Construction in progress	31,330,920	2,568,332	353,685
Buildings and improvements, net	472,157,197	489,547,884	506,001,408
Machinery and equipment, net	3,898,421	4,643,217	5,181,908
Total	$ 532,845,491	$ 522,218,386	$ 536,995,954

Additional information on the District's capital assets can be found in note 6 on pages 31-32 of this report.

Long-term debt.

At December 31, 2021, the District had total bonded debt outstanding of $801,171,538 (net of unamortized bond premiums, discounts, and losses on refunding), of which $12,712,100 is current. At the end of the prior year, the District had total bonded debt outstanding of $809,003,611, of which $6,820,794 was current. This debt represents bonds secured by specified future tax collections of the District. In addition, the District had $71,193,346 in accrued interest at December 31, 2021 ($56,337,765 at prior year end) related to the capital appreciation bonds.

	2021	2020	2019
Long-Term Debt			
Bonded debt outstanding	$ 801,171,538	$ 809,003,611	$ 333,433,904
Accrued interest	71,193,346	56,337,765	55,543,895
Total	872,364,884	865,341,376	388,977,799
Current Portion of Long-Term Debt			
Bonded debt	(12,712,100)	(6,820,794)	(15,821,636)
Accrued interest	(6,010,798)	(5,856,513)	(5,690,512)
Total	(18,722,898)	(12,677,307)	(21,512,148)
Long-Term Portion	$ 853,641,986	$ 852,664,069	$ 367,465,651

Additional information on the District's long-term debt can be found in note 8 on pages 33 - 38 of this report.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Senior Vice President of Finance, Wisconsin Center District, 400 West Wisconsin Avenue, Milwaukee, WI 53203.

BASIC FINANCIAL STATEMENTS

Wisconsin Center District

Statements of Net Position
December 31, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents	$ 13,396,130	$ 6,824,684
Accounts receivable, less allowance for doubtful accounts of $137,010 in 2021 and $108,096 in 2020	3,012,974	1,059,466
Tax revenues receivable	6,591,691	3,196,283
Prepaid expenses and other current assets	201,737	63,594
Total current assets	23,202,532	11,144,027
Noncurrent Assets		
Restricted cash and cash equivalents	454,932,013	478,988,834
Restricted interest receivable	-	604,497
Prepaid insurance	24,001,941	24,438,448
Capital assets:		
Nondepreciable	56,789,873	28,027,285
Depreciable	476,055,618	494,191,101
Total noncurrent assets	1,011,779,445	1,026,250,165
Total assets	1,034,981,977	1,037,394,192
Deferred Outflows of Resources		
Deferred charges on refunding	7,429,124	7,634,799
Deferred outflows of resources related to OPEB	1,246,515	1,514,581
Deferred outflows of resources related to pensions	2,203,138	2,349,510
Total deferred outflows of resources	10,878,777	11,498,890
Liabilities		
Current Liabilities		
Accounts payable	8,033,176	1,038,053
Accrued expenses	1,784,189	2,193,622
Accrued interest payable	596,148	490,232
Concession improvement deposits	299,986	499,990
Due to Greater Milwaukee Convention and Visitor's Bureau	3,060,117	3,844,440
Current installments of accrued interest	5,414,650	5,366,281
Current installments of bonds payable	12,712,110	6,820,794
Total current liabilities	31,900,376	20,253,412
Long-Term Liabilities		
Net pension liability	5,727,000	4,252,000
Other postemployment benefits	5,468,637	5,448,516
Accrued interest expense, less current portion	65,778,696	50,481,252
Bonds payable, net, less current portion	788,459,428	802,182,817
Total long-term liabilities	865,433,761	862,364,585
Total liabilities	897,334,137	882,617,997
Deferred Inflows of Resources		
Unearned revenue	2,974,324	2,101,637
Deferred inflows of resources related to OPEB	363,038	239,714
Deferred inflows of resources related to pensions	1,029,000	1,271,000
Total deferred inflows of resources	4,366,362	3,612,351
Net Position		
Net investment in capital assets	194,240,062	201,759,458
Restricted for debt service	50,723,260	49,042,385
Unrestricted (deficit)	(100,803,067)	(88,139,109)
Total net position	$ 144,160,255	$ 162,662,734

See notes to the financial statements

Wisconsin Center District

Statements of Revenue, Expenses and Changes in Net Position
Years Ended December 31, 2021 and 2020

	2021	2020
Operating Revenue		
Space rentals	$ 3,422,704	$ 3,481,724
Equipment rentals	507,185	303,751
Commission on concession sales	1,409,754	-
Labor service revenue	1,116,029	337,080
Advertising revenue	500,397	517,683
Information technology revenue	543,531	316,275
Box office revenue	1,519,387	1,028,097
Parking revenue	574,336	268,108
Other	2,928,347	890,169
Total operating revenue	12,521,670	7,142,887
Operating Expenses		
Allocated expenses:		
Wages	3,141,164	2,253,631
Utilities	2,081,787	1,648,215
Building maintenance and repairs	641,329	692,448
Other	1,126,423	1,274,181
Total allocated operating expenses	6,990,703	5,868,475
Unallocated Expenses		
Administrative salaries and wages	3,502,468	2,868,854
Employee benefits	3,543,903	3,956,151
Advertising and promotion	3,647,849	8,413,374
Legal services	144,405	146,267
Insurance	785,255	726,728
Professional services	222,051	172,568
Depreciation	18,772,071	19,964,273
Other	809,963	687,847
Total unallocated operating expenses	31,427,965	36,936,062
Total operating expenses	38,418,668	42,804,537
Operating loss	$ (25,896,998)	$ (35,661,650)

See notes to the financial statements

	2021	2020
Nonoperating Income (Expense)		
Tax revenue:		
Additional room tax revenue	$ 11,770,911	$ 5,105,259
Basic room tax revenue	7,006,038	2,681,028
Food and beverage tax revenue	11,599,918	8,794,751
Rental car tax revenue	2,671,342	1,654,996
	33,048,209	18,236,034
State of Wisconsin administrative fee	(842,749)	(465,019)
Net tax revenue	32,205,460	17,771,015
State of Wisconsin and Milwaukee County contributions	8,000,000	8,000,000
Grant revenue	983,835	395,308
Interest income	356,591	236,803
Bond amortization and interest expense	(34,151,367)	(21,607,076)
Total nonoperating income	7,394,519	4,796,050
Change in net position	(18,502,479)	(30,865,600)
Net Position, Beginning	162,662,734	193,528,334
Net Position, Ending	$ 144,160,255	$ 162,662,734

See notes to the financial statements

Wisconsin Center District

Statements of Cash Flows
Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows From Operating Activities		
Receipts from customers	$ 8,574,578	$ 11,127,365
Payments to suppliers	(13,047,775)	(9,894,520)
Payments to employees	(6,643,632)	(9,266,146)
Net cash flows from operating activities	(11,116,829)	(8,033,301)
Cash Flows From Noncapital Financing Activities		
Receipts from additional room tax	11,770,911	5,105,259
Receipts from grants	983,835	395,308
Payment of tax collection administrative fee	(842,749)	(465,019)
Net cash flows from noncapital financing activities	11,911,997	5,035,548
Cash Flows From Capital and Related Financing Activities		
Receipts from basic room tax	7,006,038	2,681,028
Receipts from food and beverage tax	11,599,918	8,794,751
Receipts from rental car tax	2,671,342	1,654,996
Contribution from State of Wisconsin and Milwaukee County	8,000,000	8,000,000
Debt issued - refunding	23,600,000	55,669,867
Debt issued - construction	-	470,190,304
Principal payment on bonds payable - refunding	(23,050,000)	(41,435,000)
Principal payment on bonds payable	(6,110,794)	(7,091,636)
Interest paid on bonds payable	(19,787,473)	(22,512,415)
Debt issuance costs paid	(550,000)	(28,907,549)
Capital assets purchased	(22,620,662)	(5,153,360)
Net cash flows from capital and related financing activities	(19,241,631)	441,890,986
Cash Flows From Investing Activities		
Interest paid to bond holder	-	(604,497)
Interest income	961,088	236,803
Net change in cash and cash equivalents	(17,485,375)	438,525,539
Cash and Cash Equivalents, Beginning	485,813,518	47,287,979
Cash and Cash Equivalents, Ending	$ 468,328,143	$ 485,813,518

See notes to the financial statements

Wisconsin Center District

Statements of Cash Flows
Years Ended December 31, 2021 and 2020

	2021	2020
Reconciliation of Operating Loss to Net Cash Flows From Operating Activities		
Operating loss	$ (25,896,998)	$ (35,661,650)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation and amortization	18,772,071	19,964,273
Change in operating assets and liabilities:		
Accounts receivable	(5,348,916)	3,788,393
Prepaid expenses and other assets	(138,143)	(36,949)
Accounts payable and other liabilities	(3,107,304)	2,849,221
Advanced customer deposits	2,811,578	(528,414)
Pension and OPEB related deferrals and liabilities	1,790,883	1,591,825
Net cash flows from operating activities	$ (11,116,829)	$ (8,033,301)
Reconciliation of Cash and Cash Equivalents to the Statements of Net Position		
Unrestricted cash and cash equivalents	$ 13,396,130	$ 6,824,684
Restricted cash and cash equivalents	454,932,013	478,988,834
Cash and Cash Equivalents, Ending	$ 468,328,143	$ 485,813,518
Noncash Investing, Capital and Financing Activities		
Acquisition of capital assets through accounts payable	$ 6,836,364	$ 57,848
Accrued interest on capital appreciation bonds	$ 20,569,787	$ 15,317,975
Amortization of premiums and loss on refunding	$ (1,832,146)	$ 7,954,378

See notes to the financial statements

1. Summary of Significant Accounting Policies

Wisconsin Center District (the District) is a political subdivision, unit of local government body corporate and politic, municipality existing under the laws of the State of Wisconsin. The District is a local exposition district created under, and with the taxing powers described in 1993 Wisconsin Act 263. The District is a separate unit of government, distinct from the City and County of Milwaukee and from the State of Wisconsin. The District's geographical boundaries include Milwaukee County and portions of some cities and villages that are not within Milwaukee County. The District was created to assume ownership of certain existing convention facilities and to construct an expansion of such facilities.

On July 31, 1995, the City of Milwaukee and the Milwaukee Exposition and Convention Center and Arena (MECCA) transferred all real and personal property of MECCA (net assets totaling $17,441,794) to the District. The District accepted operating responsibility and assignment of all contracts in effect with respect to the MECCA property including an agreement to fund the operations of the Greater Milwaukee Convention and Visitors Bureau, now known as Visit Milwaukee, which shares responsibility for marketing the District's facilities.

The facilities conveyed to the District were located at and around 500 West Kilbourn Avenue in downtown Milwaukee and included three distinct facilities for public gatherings, private meetings, conventions, trade shows, and other expositions: (1) the Milwaukee Auditorium (now known as the Miller High Life Theatre), originally constructed in 1908 with approximately 38,000 square feet of space used for performing arts presentations, (2) a 10,000 seat arena now known as the UW-Milwaukee Panther Arena (the Arena), constructed in 1952 with approximately 44,000 square feet of flat surface space used primarily for sporting events and concerts, and (3) a convention center (the Convention Hall), built in 1974 with approximately 350,000 gross square feet of space, including meeting rooms, three large exhibit halls and a ballroom.

In 1999, the District constructed a convention center, now known as the Wisconsin Center, to significantly enhance the economies of the City of Milwaukee, Milwaukee County, and the State of Wisconsin, and allow the District to compete effectively with other regional, national and international convention facilities for convention and business meetings by providing more and higher quality space and upgraded convention center amenities.

In 2016, law changes established the ownership of a new NBA quality arena (Arena) in Milwaukee with the Wisconsin Center District. Construction was completed on the Arena in 2019 and capital assets reflect the full value of the Arena, including contributions made by Deer District LLC and the Greater Milwaukee Foundation, pursuant to the Arena Finance, Funding, and Construction Funds Escrow Agreement.

In 2020, the District issued debt for the purpose of funding an expansion of the Wisconsin Center. The expansion will increase the size of the exposition hall by 60 percent to a total of 300,000 contiguous square feet, include a new fourth floor ballroom and will add no less than 24 new meeting rooms and 400 parking spaces. The completion of the expansion is expected during the first quarter of 2024.

The District expects the construction of the expansion will necessitate over 1,100 construction jobs onsite and as many off-site, generating more than $100 million in wages to boost the economy. Additionally, the plan includes a 31 percent minority-owned-business clause and 40 percent of on-site construction jobs will be dedicated to the Residents Preference Program for City residents.

After completion, expanded operations are expected to bring in more than 100,000 new visitors annually to Milwaukee, nearly double visitor spending within five years, and support approximately 2,000 full time Wisconsin jobs. The District expects the expansion to serve as an economic catalyst of the community recovery from the Covid-19 pandemic.

Reporting Entity

The accounting policies of the Wisconsin Center District conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB). 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 District has not identified any organizations that meet this criteria.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The District is presented as an enterprise fund. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business or where the governing body has decided that the determination of revenues earned, costs incurred and net income is necessary for management accountability.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Deposits and Investments

For purposes of the statement of cash flows, the District considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investment of the District funds is restricted by Wisconsin state statutes. Available investments are limited to:

a. Time deposits in any credit union, bank, savings bank or trust company.

b. Bonds or securities of any county, city, drainage district, technical college district, village, town or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics District or the Wisconsin Aerospace District.

c. Bonds or securities issued or guaranteed by the federal government.

d. The local government investment pool.

e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.

f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.

g. Repurchase agreements with public depositories, with certain conditions.

Additional restrictions may arise from local charters, ordinances, resolutions and grant resolutions.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note 4. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income.

The District has not adopted a formal investment policy as of December 31, 2021.

Receivables

Receivables represent amounts due from tax collections and other organizations. Receivables are stated at their estimated net realizable value.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses. Prepaid insurance is the surety bond insurance.

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

The revenue bonds also require redemption accounts. These accounts are set aside for payment of principal and interest due on revenue bonds.

Capital Assets

Capital assets, which include property, buildings, and equipment, along with related improvements, are reported in the Statement of Net Position. Capital assets are assets with an initial cost of more than $500, and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

	Building	Improvements	Furniture, Machinery and Equipment
Wisconsin Center	50 years	10 - 20 years	5 - 20 years
Miller-High Life Theatre	20 years	8 - 20 years	5 - 20 years
UW-Milwaukee Panther Arena	50 years	5 - 22 years	5 - 20 years
FiServ Arena	40 years	20 years	N/A

The District's policy is to expense interest incurred on bond obligations relating to construction in progress during the course of the project.

Reclassifications

Certain reclassifications have been made to the prior year financial statements to conform to current year presentation.

Deferred Outflows of Resources

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

Deferred Inflows of Resources

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

Pensions

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

Other Post-Employment Benefits

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, the District OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

Long-Term Obligations

Long-term debt and other obligations are reported as District liabilities. Bond premiums and discounts, are amortized over the life of the bonds using the straight-line method. Gains or losses on prior refunding's are amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. The balance at year end for premiums and discounts is shown as an increase or decrease in the liability section of the statement of net position. The balance at year end for the loss on refunding is shown as a deferred outflow in the statement of net position.

Unearned Revenue

Unearned revenue represents advertising and naming rights revenue received prior to being earned, as well as advance rent deposits and ticket receipts for events that have not yet occurred. The revenue is recognized as earned over the period of the respective contract.

Net Position

Net Investment in Capital Assets

Consists of all capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction and improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination.

Restricted Net Position

Consists of net position with constraints placed on their use by either 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position

Consists of all other net positions that do not meet the definitions of restricted or net investment in capital assets.

When both restricted and unrestricted resources are available for use, generally it is the District's policy to use restricted resources first, and then unrestricted resources when they are needed.

Classification of Revenue

The District has classified its revenues as either operating or nonoperating. Operating revenue includes activities that have the characteristics of exchange transactions. Nonoperating revenues include interest income on investments and activities that have characteristics of nonexchange transactions including federal, state and local grants and tax revenues.

Operating Expenses

The District reports operating expenses as allocated and unallocated. Expenses reported as allocated are specific costs allocated to events. The District has not allocated employee benefits, but rather reports all benefit costs as unallocated.

Effect of New Accounting Standards on Current Period Financial Statements

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

- Statement No. 87, *Leases*
- Statement No. 91, *Conduit Debt Obligations.*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code, Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32.*

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

2. Marketing and Promotional Agreement

The District has an agreement with Visit Milwaukee through 2025 which provided that the District would fund Visit Milwaukee based upon tax collections and revenue generation for advertising and promotion services directly benefiting the District.

The District incurred expense of $3,376,682 and $8,181,806 in 2021 and 2020, respectively, related to Visit Milwaukee and this agreement.

3. Tax Revenue

Pursuant to its limited taxing authority, the District is authorized to impose the following taxes:

Basic Room Tax

The District imposes the Basic Room Tax at the rate of 2.5 percent on the gross receipts derived from the rental of rooms and lodging to transients by hotelkeepers, motel operators, and other persons furnishing accommodations available to the public. The Basic Room Tax is imposed on all such lodging within Milwaukee County. Under the Authorizing Legislation, the District Board adopted a resolution providing that if the balance for the Junior Debt Service Reserve Fund is less than the applicable special debt service reserve fund requirement, the Basic Room Tax will become 3 percent as of the succeeding January 1, April 1, July 1 or October 1 and such tax rate is irrepealable if any bonds issued by the District and secured by a special debt service reserve fund are outstanding.

The District voted to impose the Basic Room Tax at a rate of 3 percent on April 2, 2020, by a vote of a majority of the District Board. This rate was effective January, 2021.

Additional Room Tax

The District imposes the Additional Room Tax at the rate of 7 percent on the gross receipts derived from the rental of rooms and lodging to transients by hotelkeepers, motel operators, and other persons furnishing accommodations available to the public. The tax is imposed on all such lodging within the City of Milwaukee. Under the Authorizing Legislation, the District has no authority to increase the 7 percent Additional Room Tax rate.

Local Food and Beverage Tax

The District imposes the Local Food and Beverage Tax at the rate of 0.50 percent on the gross receipts derived from the sales of food and beverages that are subject to the Wisconsin sales or use tax. The tax is imposed on all such sales within Milwaukee County. Under the Authorizing Legislation, the District may not increase the rate of the Local Food and Beverage Tax beyond 0.50 percent.

Local Rental Car Tax

The District imposes the Local Rental Car Tax at the rate of 3 percent on the gross receipts derived from the rental (for a period of 30 days or less) on motor vehicles designed and used primarily for carrying persons, by establishments engaged in business within Milwaukee County which are primarily engaged in the short-term rental of passenger cars without drivers.

Under the Authorizing Legislation, the maximum rate for the Local Rental Car Tax is 4 percent. The tax rate can increase to 4 percent only if the State of Wisconsin makes a payment to restore the District's Junior Debt Service Reserve Fund under Section 229.50(7) of the Wisconsin Statute and the District Board then votes to increase such tax rate.

These District taxes are imposed on a seller's taxable receipts. Each of the District's taxes are collected, administered and enforced for the District by the Wisconsin Department of Revenue (the Department). Each taxpayer is required to report its liability for District taxes to the Department, and remit the full amount of such taxes, on or before the last day of the month following the end of such taxpayer's reporting period. The Department is required to remit to the District the tax amounts collected, less a 2.55 percent statutory deduction which is retained by the Department to cover its administrative expenses. The District has entered into an agreement with the Department under which the Department will remit the net amounts collected, less the statutory deduction, by the 20th of each month.

The proceeds of the Additional Room Tax may be used for any lawful purpose of the District once sufficient restricted tax revenues are available on deposit to fund annual debt obligations.

4. Deposits and Investments

Deposits and investments are presented in the financial statements as follows:

	2021	2020	
Deposits	$ 123,475,896	$ 92,330,669	Custodial credit risk
Petty Cash	108,775	4,234	N/A
U.S. Treasuries	331,291,131	376,714,536	Custodial credit and interest rate risk
U.S. Agencies	622,321	1,334,089	Credit, custodial credit, concentration of credit and interest rate risk
Guaranteed Investment Contract	12,830,020	15,429,990	Credit and concentration of credit risk
Total	$ 468,328,143	$ 485,813,518	
Unrestricted	$ 13,396,130	$ 6,824,684	
Restricted	454,932,013	478,988,834	
Total	$ 468,328,143	$ 485,813,518	

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

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of $400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered in computing custodial credit risk.

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 methods for recurring fair value measurements for the years ended December 31, 2021 and 2020 are as follows:

- Market Value

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
U.S. Agencies	$ -	$ 622,321	$ -	$ 622,321
U.S. Treasuries	331,291,131	-	-	331,291,131
Total	$ 331,291,131	$ 622,321	$ -	$ 331,913,452

	December 31, 2020			
	Level 1	**Level 2**	**Level 3**	**Total**
U.S. Agencies	$ -	$ 1,334,089	$ -	$ 1,334,089
U.S. Treasuries	376,714,536	-	-	376,714,536
Total	$ 376,714,536	$ 1,334,089	$ -	$ 378,048,625

Custodial Credit Risk

Deposits

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

As of December 31, 2021, $123,225,896 of the District's total deposit bank balances of $123,475,896 was exposed to custodial credit risk as uninsured and uncollateralized.

As of December 31, 2020, $92,080,669 of the District's total deposit bank balances of $92,330,669 was exposed to custodial credit risk as uninsured and uncollateralized.

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

As of December 31, 2021, $331,663,452 of the District's total investment bank balances of $344,743,472 was exposed to custodial credit risk as uninsured and uncollateralized.

As of December 31, 2020, $377,798,625 of the District's total investment bank balances of $393,478,615 was exposed to custodial credit risk as uninsured and uncollateralized.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a district's investment in a single issuer. At December 31, 2021, the investment portfolio had concentration of investments greater than 5 percent of the total portfolio as follows:

Issuer	Investment Type	Percentage of Portfolio
U.S. Bank	Guarantee contracts	94 %

At December 31, 2020, the investment portfolio concentration of investments greater than 5 percent of the total portfolio was none.

Credit Risk

Credit risk is the risk that, an issuer or other counterparty to an investment will not fulfill its obligations to the District. The District does not have a formal policy addressing this type of investment risk.

The District's investments in US agencies of $622,321 and $1,334,089 are rated AAA by Moody's as of December 31, 2021 and 2020, respectively.

The District invests in guaranteed investment contracts (GIC); these types of investments are not rated. As of December 31, 2021 and 2020, the District had $12,830,020 and $15,429,990, respectively, in these types of investments.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment, the District's investments for the years ended December 31, 2021 and 2020 are as follows:

	2021	
Investment Type	**Fair Value**	**Weighted Average Maturity (Years)**
U.S. Agencies	$ 224,499	Less than one year
U.S. Agencies	397,822	1 to 5 years
	$ 622,321	
U.S. Treasuries	$ 331,037,996	Less than one year
U.S. Treasuries	253,135	1 to 5 years
	$ 331,291,131	

	2020	
Investment Type	**Fair Value**	**Weighted Average Maturity (Years)**
U.S. Agencies	$ 711,769	Less than one year
U.S. Agencies	622,321	1 to 5 years
	$ 1,334,089	
U.S. Treasuries	$ 376,461,401	Less than one year
U.S. Treasuries	253,135	1 to 5 years
	$ 376,714,536	

5. Restricted Assets

Restricted assets consist of deposits, U.S. Agencies, U.S. Treasuries and Guaranteed Investment Contracts and are summarized as follows:

	2021	2020
1996AB Bonds - Revenue Fund Restricted Tax Revenue Account	$ 24,529,522	$ 16,786,034
1996AB Bonds - Unrestricted Tax Revenue Account	704,386	189,355
1996AB Bonds - Operating Reserve	2,500,000	2,500,003
1996AB Bonds - Interest Account	386	2,217,098
1996AB Bonds - Surplus RDM	736	736
1996AB Bonds - Principal Account	-	7
1996AB Bonds - Capital maintenance	1,209,198	1,173,982
1996AB Bonds - Bond Expense Account	1,300	1,200
1999 Junior Debt Service - Reserve Fund	12,830,020	12,829,990
1999 Bonds - Principal Account	9	9
1999 Bonds - Bond Expense account	1,300	1,200
1999 Bonds - Surplus Account	9	-
2003 Bonds - Bond Expense	1,300	1,200
2013A Bonds - Reserve Account	-	3,065,427
2013A Bonds - Interest Account	-	21,745
2013A Bonds - Bond expense account	-	1,200
2013A Dedicated Theatre Bonds - Principal Account	-	3
2016 Appropriation Revenue Bonds - Interest Account	1,852,220	1,933,645
2016 Appropriation Revenue Bonds - Admin Expenses Account	8,289	9,033
2016 Appropriation Revenue Bonds - Principal Account	12,844	12,844
2016A Senior Dedicated Bonds - Principal Account	3	2
2016A Senior Dedicated Bonds - Bond Expense Account	1,300	1,200
2016B Junior Dedicated Tax Revenue Bonds - Bond Expense Account	1,300	1,200
2016B Junior Dedicated Tax Revenue Bonds - Taxable Capitalized Interest Account	-	6,895
2016B Junior Dedicated Tax Revenue Bonds - Taxable Reserve Account	3,215,002	3,174,782
2020A Senior Dedicated Tax Revenue Bonds - Principal Account	4,575	4,154
2020A Senior Dedicated Tax Revenue Bonds - Construction Account	2,459,149	7,349,759
2020A Senior Dedicated Tax Revenue Bonds - Taxable Capitalized Interest Account	1,021,598	2,042,894
2020A Senior Dedicated Tax Revenue Bonds - Bond Expense Account	700	-
2020B Junior Dedicated Tax Revenue Bonds - Principal Account	6,506	6,505
2020B Junior Dedicated Tax Revenue Bonds - Taxable Capitalized Interest Account	2,446,246	4,891,765
2020B Junior Dedicated Tax Revenue Bonds - Interest Account	-	6
2020B Junior Dedicated Tax Revenue Bonds - Debt service reserve account	1,693,475	1,693,368
2020B Junior Dedicated Tax Revenue Bonds - Bond Expense Account	700	-
2020C Senior Dedicated Tax Revenue Bonds - Construction Account	127,631,817	134,523,903
2020C Senior Dedicated Tax Revenue Bonds - Taxable COI Account	-	48,382
2020C Senior Dedicated Tax Revenue Bonds - Bond Expense Account	100	-
2020D Junior Dedicated Tax Revenue Bonds - Construction Account	270,408,589	284,398,802
2020D Junior Dedicated Tax Revenue Bonds - Taxable COI Account	-	100,506
2020D Junior Dedicated Tax Revenue Bonds - Bond Expense Account	100	-
2021A Junior Dedicated Tax Revenue Bonds - Taxable COI Account	29,318	-
2021A Junior Dedicated Tax Revenue Bonds - Debt service reserve account	2,360,016	-
	$ 454,932,013	$ 478,988,834

Pursuant to the terms of the General Resolution for the 1996 Series A and Series B bonds, the 2016 Series A and B bonds, the 2020 Series A and B bonds and 2020 Series C and D bonds, the District maintains the required trust funds, which are held and administered by the bond trustee. The District's management assures the District is in compliance with the terms of the General Resolution.

Project Fund Construction Account

The trustee disburses funds from the account upon receipt of a requisition or certificate of a District representative specifying that the amount requisitioned will be applied to pay or reimburse the District for payment and cost of the Project costs financed from the proceeds of the applicable series of Bonds.

Junior Debt Service Reserve Fund

An initial deposit to the Junior Debt Service Reserve Fund was made by the bond trustee from the proceeds of each series of Junior Bonds in an amount sufficient to satisfy the Junior Debt Service Reserve Fund requirement. If on any payment date the amount on deposit in the Junior Debt Service Reserve Fund is less than the requirement, the bond trustee is to promptly notify the District and withdraw from other funds in the following order: (a) the Revenue Fund Restricted Tax Revenues Account; (b) the Revenue Fund Unrestricted Tax Revenues for the amount of the deficiency.

Revenue Fund Restricted Tax Revenues Account

All tax revenue restricted for the District's debt service on bond obligations are deposited into this account, including the Basic Room Tax, Local Food and Beverage Tax and Local Rental Car Tax.

Unrestricted Tax Revenue Account

Tax revenue that is unrestricted are deposited into this account, including the Additional Room Tax.

1996AB Interest Account

A semi-annual transfer is made from the Revenue Fund Restricted Tax Revenues Account into this account for the semi-annual interest payment on the 1996AB Bonds. Interest income derived from the investment of amounts on deposit in this account remain in the account and are credited against the amount next due to be transferred from the Revenue Fund. On each interest payment date, the trustee withdraws from this account an amount sufficient to pay the interest coming due on the 1996AB Bonds.

Capital Maintenance

This account was established to fund capital maintenance requirements.

Operating Reserve Account

This account was established and required by the 1996 bond issuance.

1996AB Bonds - Surplus Account

This account was established and required by the 1996 bond issuance. These are funds established as a surplus/reserve amount for the 1996AB Bonds.

1996AB Bonds - Surplus RDM

This account was established and required by the 1996 bond issuance. These are funds established as a surplus/reserve amount for the 1996AB Bonds.

1996AB Bonds - Principal Account

Amounts deposited into the Principal Account are for making principal payments on the indicated Bond series. The accounts are funded by transfer from the Revenue Fund Restricted Tax Revenue Account.

1999 Bonds - Principal Account

Amounts deposited into the Principal Accounts are for making principal payments on the indicated Bond series. The accounts are funded by transfer from the Revenue Fund Restricted Tax Revenue Account.

2013A Bonds - Cost of Issuance Account

This account was established and required by the 2013 bond issuance. These are funds available for the costs of issuance of the 2013A Bonds.

2013A Bonds - Interest Account

A semi-annual transfer is made from the Revenue Fund Restricted Tax Revenues Account into this account for the semi-annual interest payment on the 2013A Bonds. Interest income derived from the investment of amounts on deposit in this account remain in the account and are credited against the amount next due to be transferred from the Revenue Fund. On each interest payment date, the trustee withdraws from this account an amount sufficient to pay the interest coming due on the 2013A Bonds.

2013A Dedicated Theatre Bonds - Principal Account

This account was established and required by the 2013 bond issuance. Amounts deposited into the Principal Accounts are for making principal payments on the indicated Bond series. The accounts are funded by transfer from the Revenue Fund Restricted Tax Revenue Account.

2016 Appropriation Revenue Bonds - Principal Account

This account was established and required by the 2016 bond issuance. Amounts deposited into the Principal Accounts are for making principal payments on the indicated Bond series. The accounts are funded by annual appropriations made by the State of Wisconsin.

2016 Appropriation Revenue Bonds - Admin Expenses Account

This account was established and required by the 2016 bond issuance. These are funds available for the costs of issuance of the 2016 Bonds.

2016A Senior Dedicated Bonds - Principal Account

This account was established and required by the 2016 bond issuance. Amounts deposited into the Principal Accounts are for making principal payments on the indicated Bond series. The accounts are funded by transfer from the Revenue Fund Restricted Tax Revenue Account.

2016A Junior Dedication Tax Revenue Bonds - Construction Account

This account was established and required by the 2016 bond issuance. These are funds utilized for the construction of the new Arena project.

2016B Junior Dedicated Tax Revenue Bonds - Taxable Capitalized Interest Account

This account was established and required by the 2016 bond issuance. These are funds utilized to make interest payments on the 2016B Bonds through December 15, 2018.

2016B Junior Dedicated Tax Revenue Bonds - Taxable Construction Account

This account was established and required by the 2016 bond issuance. These are funds utilized for the construction of the new Arena project.

2016B Junior Dedicated Tax Revenue Bonds - Taxable COI Account

This account was established and required by the 2016B bond issuance. These are funds available for the costs of issuance of the 2016B Bonds.

2016B Junior Dedicated Tax Revenue Bonds - Taxable Reserve Account

This account was established and required by the 2016 bond issuance. These are funds established as a reserve amount for the 2016B Bonds.

2020A Senior Dedicated Tax Revenue Bonds - Principal Account

This account was established and required by the 2020 bond issuance. Amounts deposited into the Principal Accounts are for making principal payments on the indicated Bond series. The accounts are funded by transfer from the Revenue Fund Restricted Tax Revenue Account.

2020A Senior Dedicated Tax Revenue Bonds - Construction Account

This account was established and required by the 2020 bond issuance. These are funds utilized for capital maintenance projects that are part of, or were previously a part of, the District's annual capital maintenance budget or which are or were otherwise approved by the Board of Directors for the expansion of the existing exposition center of the District.

2020A Senior Dedicated Tax Revenue Bonds - Taxable Capitalized Interest Account

This account was established and required by the 2020 bond issuance. These are funds utilized to make interest payments on the 2020A Bonds through December 15, 2022.

2020B Junior Dedicated Tax Revenue Bonds - Principal Account

This account was established and required by the 2020 bond issuance. Amounts deposited into the Principal Accounts are for making principal payments on the indicated Bond series. The accounts are funded by transfer from the Revenue Fund Restricted Tax Revenue Account.

2020B Junior Dedicated Tax Revenue Bonds - Taxable Capitalized Interest Account

This account was established and required by the 2020 bond issuance. These are funds utilized to make interest payments on the 2020B Bonds through December 15, 2022.

2020B Junior Dedicated Tax Revenue Bonds – Debt Service Account

This account was established and required by the 2020 bond issuance. These are funds utilized to make debt payments in the instance sufficient cash flows do not exist. There is a defined fund balance that are required to be held in the account.

2020B Junior Dedicated Tax Revenue Bonds - Interest Account

A semi-annual transfer is made from the Capitalized Interest Account into this account for the semi-annual interest payment on the 2020B Bonds. Interest income derived from the investment of amounts on deposit in this account remain in the account and are credited against the amount next due to be transferred from the Capitalized Interest Account. On each interest payment date, the trustee withdraws from this account an amount sufficient to pay the interest coming due on the 2020B Bonds.

2020C Senior Dedicated Tax Revenue Bonds - Construction Account

This account was established and required by the 2020 bond issuance. These are funds utilized for the expansion of the existing exposition center of the District.

2020C Senior Dedicated Tax Revenue Bonds - Taxable COI Account

This account was established and required by the 2020C bond issuance. These are funds available for the costs of issuance of the 2020C Bonds.

2020D Junior Dedicated Tax Revenue Bonds - Construction Account

This account was established and required by the 2020D bond issuance. These are funds utilized for the expansion of the existing exposition center of the District.

2020D Junior Dedicated Tax Revenue Bonds - Taxable COI Account

This account was established and required by the 2020D bond issuance. These are funds available for the costs of issuance of the 2020D Bonds.

2021A Junior Dedicated Tax Revenue Bonds – Debt Service Reserve Account

This account was established and required by the 2021 bond issuance. These are funds utilized to make debt payments in the instance sufficient cash flows do not exist. There is a defined fund balance that are required to be held in the account.

2021A Junior Dedicated Tax Revenue Bonds – Taxable COI Account

This account was established and required by the 2021A bond issuance. These are funds available for the costs of issuance of the 2021A Bonds.

6. Capital Assets

Capital asset activity for the years ended December 31, 2021 and 2020 was as follows:

	2021			
	Balance January 1, 2021	**Additions**	**Deletions**	**Balance December 31, 2021**
Capital assets not being depreciated:				
Land	$ 25,458,953	$ -	$ -	$ 25,458,953
Construction in progress	2,568,332	28,778,138	15,550	31,330,920
Total capital assets not being depreciated	28,027,285	28,778,138	15,550	56,789,873
Capital assets being depreciated:				
Buildings and improvements	676,928,286	432,154	-	677,360,440
Furniture, machinery and equipment	15,742,332	204,732	298	15,946,766
Total capital assets being depreciated	692,670,618	636,886	298	693,307,206
Less accumulated depreciation for:				
Buildings and improvements	187,380,402	17,822,841	-	205,203,243
Furniture, machinery and equipment	11,099,115	949,230	-	12,048,345
Total accumulated depreciation	198,479,517	18,772,071	-	217,251,588
Total capital assets being depreciated, net	494,191,101	(18,135,185)	298	476,055,618
Total capital assets, net	$ 522,218,386	$ 10,652,953	$ 15,848	$ 532,845,491

	2020			
	Balance January 1, 2020	**Additions**	**Deletions**	**Balance December 31, 2020**
Capital assets not being depreciated:				
Land	$ 25,458,953	$ -	$ -	$ 25,458,953
Construction in progress	353,685	2,214,647	-	2,568,332
Total capital assets not being depreciated	25,812,638	2,214,647	-	28,027,285
Capital assets being depreciated:				
Buildings and improvements	674,423,413	2,525,709	20,836	676,928,286
Furniture, machinery and equipment	15,290,223	452,109	-	15,742,332
Total capital assets being depreciated	689,713,636	2,977,818	9,316	692,670,618
Less accumulated depreciation for:				
Buildings and improvements	168,422,005	18,973,473	15,076	187,380,402
Furniture, machinery and equipment	10,108,315	990,800	-	11,099,115
Total accumulated depreciation	178,530,320	19,964,273	15,076	198,479,517
Total capital assets being depreciated, net	511,183,316	(16,986,455)	(5,760)	494,191,101
Total capital assets, net	$ 536,995,954	$ (14,771,808)	$ (5,760)	$ 522,218,386

7. Concession Improvements Deposits

The District renewed a contract with Levy effective July 1, 2018 through June 30, 2023. Under this renewed contract, the District pays a flat annual fee of $165,000 per year. Levy retains a variable incentive fee equal to 3 percent of gross revenues for the duration of the renewed contract.

Over the period of the contracts, Levy made several deposits to the District, totaling $2,300,000. The unamortized balance is recognized as revenue on a monthly basis over a 120 month amortization period for the deposit beginning in July 2008 and ending June 2018 and over a 60 month amortization period for the deposit beginning July 2018 and ending in June 2023. A minimum of $100,000 of this deposit is to be used to upgrade concession stands. As of December 31, 2021 and 2020, the District has $299,986 and $499,990 remaining on deposit, respectively.

8. Long-Term Obligations

In February 1996, the District issued $63,455,548 in Senior Dedicated Tax Revenue Bonds, Series 1996A (1996 Senior Bonds). The bonds are special, limited obligations of the District payable from and secured by a pledge of tax revenues, bond proceeds and certain of the funds and other monies held under the General Resolution.

The 1996 Senior Bonds are capital appreciation bonds and bear interest compounded semi-annually on each June 15 and December 15 at approximate yields ranging from 3.90 percent to 5.8 percent. Installments of the bonds mature on December 15 of each year through 2027. Interest on each installment is payable only at maturity. The bonds are insured by MBIA Insurance Corporation and not subject to optional redemption prior to maturity.

February 1999, the District issued $125,775,000 in Junior Dedicated Tax Revenue Refunding Bonds, Series 1999 (1999 Junior Bonds). The 1999 Junior Bonds were issued in order to refund the outstanding balance of the 1996 Junior Bonds and also, to pay costs of issuance of the 1999 Junior Bonds. The bonds mature on December 15 of each year commencing 2012 through 2027. The bonds bear interest ranging from 4.25 percent to 5.25 percent. Interest on the bonds is payable semi-annually on June 15 and December 15. These bonds are insured by Financial Security Assurance, Inc. and are not subject to redemption prior to the state maturity.

The difference between the reacquisition price on the 1999 Junior Bonds and the net carrying amount of the old debt is reflected as an accounting loss of $9,460,975, which is recognized as a deferred outflow and amortized on a bonds outstanding method, which approximates an effective interest method, as a component of interest expense through the year 2027. The unamortized balance of the accounting loss was approximately $653,845 and $900,688 at December 31, 2021 and 2020, respectively.

The Junior Debt Service Reserve Fund, which secures the 1999 Junior Bonds, has been established as a special debt service reserve fund under Wisconsin Statues. The District Board has adopted resolutions which provide that the rates for two of the District taxes (the Basic Room Tax and the Local Food and Beverage Tax) will increase in the event the amount on deposit in the Junior Debt Service Reserve Fund is less than the Junior Debt Service Reserve Fund requirement on any payment date.

In June 2001, the District issued $30,000,000 in Variable Rate Demand Revenue Bonds, Series 2001A. These bonds were retired as discussed in the following paragraph. The Bonds were special, limited obligations of the District payable from and secured by a pledge of tax revenues and certain of the funds and other monies held under the indenture. The Milwaukee Theatre Renovation Debt Service Reserve Fund, which secures the Series 2001A Bonds, has been established as a special debt service reserve fund under Wisconsin Statutes. The bonds were to mature on December 15, 2026.

In March 2013, the District issued $28,235,000 Junior Dedicated Tax Revenue Refunding Bonds, Series 2013A. The proceeds from the sale of the Series 2013A Junior Bonds were used to refund the District's Variable Rate Demand Revenue Bonds, Series 2001A, to fund a deposit to the Series Reserve Account of the Junior Debt Service Reserve Fund, and to pay costs of issuance. The Series 2013A Junior Bonds are special, limited obligations of the District payable from and secured by a pledge of tax revenues and certain of the funds and other monies held under the indenture. The interest rates are from 3.5 percent. The bonds were paid in full on November 10, 2021.

In August 2003, the District issued $7,804,892 in Senior Dedicated Tax Revenue Refunding Bonds, Series 2003A. These bonds are capital appreciation bonds and bear interest compounded semi-annually on each June 15 and December 15 at approximate yields ranging from 5.73 percent to 5.76 percent. Installments of the bonds mature on December 15 of 2028 through 2032. Interest on each installment is payable only at maturity. The bonds are insured by Financial Security Assurance, Inc. and are not subject to optional redemption prior to maturity.

The difference between the reacquisition price on the 2003 Refunding Bonds and the net carrying amount of the old debt is reflected as an accounting loss of $2,145,164, which is recognized as a deferred outflow and amortized on a bonds outstanding method, which approximates an effective interest method, as a component of interest expense through the year 2027. The unamortized balance of the accounting loss was approximately $153,876 and $205,167 at December 31, 2021 and 2020, respectively.

In June 2016, the District issued $54,257,238 in Senior Dedicated Tax Revenue Bonds, Series 2016A (2016 Senior Bonds). The proceeds from the sale of the 2016 Senior Bonds were used for the purpose of financing a portion of certain of the costs associated with the initial construction and development of a sports and entertainment arena facility and related expenditures, and also to pay costs of issuance of the 2016 Senior Bonds. The bonds mature on December 15 of each year commencing 2016 through 2046. The bonds bear interest ranging from 2.00 percent to 5.00 percent. Interest on the bonds is payable semi-annually on June 15 and December 15. These bonds are insured by Financial Security Assurance, Inc. and are not subject to redemption prior to the stated maturity. The 2016 Senior Bonds are special, limited obligations of the District, and neither the full faith and credit nor the taxing power of the State of Wisconsin, the City of Milwaukee, the County of Milwaukee, or any political subdivision of the State of Wisconsin other than the District (with respect to the Tax Revenues) will be pledged to the payment of the principal of, premium, if any, or interest on the 2016 Senior Bonds.

The 2016 Senior Bonds are capital appreciation bonds and bear interest compounded semi-annually on each June 15 and December 15 at approximate yields ranging from .60 percent to 3.81 percent. Installments of the bonds mature on December 15 of each year through 2046. Interest on each installment is payable only at maturity. The bonds are insured by Assured Guaranty Municipal Corp.

In June 2016, the District also issued $108,065,000 Appropriation Revenue Bonds, Series 2016 (2016 Appropriation Bonds). The proceeds from the sale of the 2016 Appropriation Bonds were used for the purpose of financing a portion of certain of the costs associated with the initial construction and development of a sports and entertainment arena facility and related expenditures, and also to pay costs of issuance of the 2016 Appropriation Bonds. The bonds mature on December 15 of each year commencing 2016 through 2046. The bonds bear interest ranging from 2.00 percent to 5.00 percent. Interest on the bonds is payable semi-annually on June 15 and December 15. The 2016 Appropriation Bonds are special, limited obligations of the District, and neither the full faith and credit nor the taxing power of the State of Wisconsin, the City of Milwaukee, the County of Milwaukee, the District or any other political subdivision of the State of Wisconsin will be pledged to the payment of principal of and interest on the 2016 Appropriation Bonds.

In June 2016, the District also issued $35,000,000 Senior Ticket Surcharge and Annual Fee Revenue and Subordinate Unrestricted Tax Revenue Bonds, Series 2016A (2016 Senior II Bonds). The proceeds from the sale of the 2016 Senior II Bonds were used for the purpose of financing a portion of certain of the costs associated with the initial construction and development of a sports and entertainment arena facility and related expenditures, to pay costs of issuance of the 2016 Senior II Bonds, and to pay capitalized interest on the 2016 Senior II Bonds. The 2016 Senior II Bonds are one-term bonds with a final maturity on December 15, 2046, with annual mandatory sinking fund redemptions beginning on December 15, 2021. The bonds bear interest at 6.25 percent. Interest on the bonds is payable semi-annually on June 15 and December 15. The 2016 Senior II Bonds were refunded in 2016 by the $37,915,000 Junior Dedicated Tax Revenue Refunding Bonds, Series 2016B.

In September 2016, the District issued $37,915,000 Junior Dedicated Tax Revenue Refunding Bonds, Series 2016B (2016 Junior Bonds). The proceeds from the sale of the 2016 Junior Bonds were used to refund the 2016 Senior II bond issue. The bonds mature on December 15 of each year commencing 2016 through 2046. The bonds bear interest ranging from 4.05 percent to 4.59 percent. Interest on the bonds is payable semi-annually on June 15 and December 15.

In June 2020, the District issued $22,835,000 Senior Dedicated Tax Revenue Bonds, Series 2020A. The proceeds from the sale of the Series 2020A Senior Bonds will be used for the purpose of refunding the 1996A Senior 2020 bond maturity, funding certain preliminary costs associated with the exposition center expansion and costs associated with capital maintenance, funding the Senior Debt Service Reserve Fund for the Series 2020A bonds, to pay costs of issuance of the Series 2020A bonds, and to pay capitalized interest on the Series 2020A bonds. The bonds mature on December 15 of each year commencing 2020 through 2047. The bonds carry an interest rate of 4.473 percent. Interest on the bonds is payable semi-annually on June 15 and December 15.

In June 2020, the District issued $58,610,000 Junior Dedicated Tax Revenue Bonds, Series 2020B. The proceeds from the sale of the 2020 Junior Bonds will be used for the purpose of refunding a portion of the 1999 Junior bond issue, funding a Section 229.50 Account of the Junior Debt Service Reserve Fund, to pay costs of issuance of the Series 2020B bonds, and to pay capitalized interest on the Series 2020B bonds. The bonds mature on December 15 of each year commencing 2020 through 2050. The bonds carry an interest rate of 4.173 percent. Interest on the bonds is payable semi-annually on June 15 and December 15.

The Series 2020A and 2020B bonds are insured by Assured Guaranty Municipal Corp. and are subject to optional redemption and mandatory sinking fund redemption. The 2020 Series A and B Bonds are special, limited obligations of the District, and neither the full faith and credit nor the taxing power of the State of Wisconsin, the City of Milwaukee, the County of Milwaukee, or any political subdivision of the State of Wisconsin other than the District (with respect to the Tax Revenues) will be pledged to the payment of the principal of, premium, if any, or interest on the 2020 Series A and B Bonds.

In December 2020, the District issued $299,999,745 Junior Dedicated Tax Revenue Bonds, Series 2020D. The proceeds from the sale of the Series 2020D Junior Bonds will be used for the purpose of funding the development and construction of the exposition center expansion, funding a Section 229.50 Account of the Junior Debt Service Reserve Fund for the Series 2020D Junior Bonds, and to pay costs of issuance of the Series 2020D bonds.

The Series 2020D Junior Bonds are capital appreciation bonds and bear interest compounded semi-annually on each June 15 and December 15 at approximate yields ranging from 2.290 percent to 4.060 percent. Installments of the bonds mature on December 15 of each year beginning in 2027 through 2060. Interest on each installment is payable only at maturity. The bonds are insured by Assured Guaranty Municipal Corp.

In December 2020, the District issued $144,415,426 Senior Dedicated Tax Revenue Bonds, Series 2020C. The proceeds from the sale of the Series 2020C Senior Bonds will be used for the purpose of funding the development and construction of the exposition center expansion, funding the Senior Debt Service Reserve Fund for the Series 2020C Senior Bonds, and to pay costs of issuance of the Series 2020C bonds.

The Series 2020C Senior Bonds are capital appreciation bonds and bear interest compounded semi-annually on each June 15 and December 15 at approximate yields ranging from 2.420 percent to 4.010 percent. Installments of the bonds mature on December 15 of each year beginning in 2028 through 2060. Interest on each installment is payable only at maturity. The bonds are insured by Assured Guaranty Municipal Corp.

In November 2021 the District issued $23,600,000 Junior Dedicated Tax Revenue Refunding Bonds, Series 2021A. The proceeds from the sale of the Series 2021A Bonds will be used for the purpose of advance refunding the District’s outstanding Junior Dedicated Tax Revenue Refunding Bonds, Series 2013A, dated March 13, 2013; funding a Series Reserve Account for the Series 2021A Bonds; and paying costs of issuance. The Series 2021A Junior Bonds are special, limited obligations of the District payable from and secured by a pledge of tax revenues. The interest rates range from .969 percent to 2.845 percent. The bonds mature on December 15, 2032.

Outstanding long-term debt for the years ended December 31, 2021 and 2020 consist of the following:

	2021				
	Balance January 1, 2021	**Additions**	**Retirements**	**Balance December 31, 2021**	**Due Within One Year**
Senior Tax Revenue Bonds, Series 1996A	$ 10,005,472	$ -	$ 1,685,794	$ 8,319,678	$ 1,592,110
Accrued interest	32,183,042	1,826,659	5,714,206	28,295,495	5,807,890
	42,188,514	1,826,659	7,400,000	36,615,173	7,400,000
Senior Tax Revenue Refunding Bonds, Series 2003	7,804,892	-	-	7,804,892	-
Accrued interest	12,695,202	1,565,944	-	14,261,146	-
	20,500,094	1,565,944	-	22,066,038	-
Senior Tax Revenue Bonds, Series 2016A	51,257,238	-	-	51,257,238	-
Accrued interest	10,903,810	768,556	-	11,672,366	-
	62,161,048	768,556	-	62,929,604	-
Junior Tax Revenue Refunding Bonds, Series 1999	53,145,000	-	-	53,145,000	5,570,000
Junior Tax Revenue Refunding Bonds, Series 2016B	37,915,000	-	150,000	37,765,000	150,000
Junior Tax Revenue Refunding Bonds, Series 2013A	23,050,000	-	23,050,000	-	-
2016 Appropriation Bonds	89,080,000		4,275,000	84,805,000	4,470,000
Senior Revenue Refunding Bonds, Series 2020A	22,835,000	-	-	22,835,000	-
Junior Tax Revenue Refunding Bonds, Series 2020B	58,610,000	-	-	58,610,000	-
Senior Tax Revenue Refunding Bonds, Series 2020C	144,415,426	-	-	144,415,426	-
Accrued Interest	200,564	4,921,424	-	5,121,988	-
	144,615,990	4,921,424	-	149,537,414	-
Junior Tax Revenue Refunding Bonds, Series 2020D	299,999,745	-	-	299,999,745	-
Accrued Interest	355,147	11,487,204	-	11,842,351	-
	300,354,892	11,487,204	-	311,824,096	-
Junior Tax Revenue Refunding Bonds, Series 2021A	-	23,600,000	-	23,600,000	930,000
Premiums	10,885,838	-	2,271,279	8,614,559	-
Total	$ 865,341,376	$ 44,169,787	$ 37,146,279	$ 872,364,884	$ 18,520,000

	2020				
	Balance January 1, 2020	**Additions**	**Retirements**	**Balance December 31, 2020**	**Due Within One Year**
Senior Tax Revenue Bonds, Series 1996A	$ 11,812,108	$ -	$ 1,806,636	$ 10,005,472	$ 1,685,794
Accrued interest	35,063,543	2,712,863	5,593,364	32,183,042	5,856,513
	46,875,651	2,712,863	7,400,000	42,188,514	7,400,000
Senior Tax Revenue Refunding Bonds, Series 2003	7,804,892	-	-	7,804,892	-
Accrued interest	11,549,611	1,145,591	-	12,695,202	-
	19,354,503	1,145,591	-	20,500,094	-
Senior Tax Revenue Bonds, Series 2016A	51,757,238	-	500,000	51,257,238	-
Accrued interest	8,930,741	10,903,810	8,930,741	10,903,810	-
	60,687,979	10,903,810	9,430,741	62,161,048	-
Junior Tax Revenue Refunding Bonds, Series 1999	94,580,000	-	41,435,000	53,145,000	-
Junior Tax Revenue Refunding Bonds, Series 2016B	37,915,000	-	-	37,915,000	150,000
Junior Tax Revenue Refunding Bonds, Series 2013A	23,740,000	-	690,000	23,050,000	710,000
2016 Appropriation Bonds	93,175,000	-	4,095,000	89,080,000	4,275,000
Senior Revenue Refunding Bonds, Series 2020A	-	22,835,000	-	22,835,000	-
Junior Tax Revenue Refunding Bonds, Series 2020B	-	58,610,000	-	58,610,000	-
Senior Tax Revenue Refunding Bonds, Series 2020C	-	144,415,426	-	144,415,426	-
Accrued Interest	-	200,564	-	200,564	-
	-	144,615,990	-	144,615,990	-
Junior Tax Revenue Refunding Bonds, Series 2020D	-	299,999,745	-	299,999,745	-
Accrued Interest	-	355,147	-	355,147	-
	-	300,354,892	-	300,354,892	-
Premiums	12,649,666	-	1,763,828	10,885,838	-
Total	$ 388,977,799	$ 541,178,146	$ 64,814,569	$ 865,341,376	$ 12,677,307

Estimated payments of other post-employment benefits and net pension liability are not included in the debt service requirement schedules.

Aggregate maturities for the bonds for years subsequent to December 31, 2021 are as follows:

	Principal	Interest	Total
Years ending December 31:			
2022	$ 12,712,110	$ 34,829,802	$ 47,541,912
2023	13,478,606	34,780,409	48,259,015
2024	15,720,060	34,725,065	50,445,125
2025	17,621,102	34,576,718	52,197,820
2026	18,756,584	34,295,498	53,052,082
2027-2031	111,072,446	167,853,417	278,925,863
2032-2036	126,197,026	161,428,666	287,625,692
2037-2041	101,530,093	155,083,784	256,613,876
2042-2046	102,775,835	142,448,753	245,224,588
2047-2051	130,542,402	118,378,505	248,920,907
2052-2056	85,078,933	79,877,231	164,956,163
2057-2060	57,071,782	24,847,054	81,918,836
Total	792,556,979	$ 1,023,124,901	$ 1,815,681,878
Plus unamortized premium	8,614,559		
Plus accrued interest	71,193,346		
	$ 872,364,884		

The District has pledged future tax revenues, net of specified operating expenses, to repay revenue bonds issued in 1996 through 2020. Proceeds from the bonds provided financing for the various projects of the District, including the refunding of outstanding debt. The bonds are payable solely from revenues and are payable through 2060. Annual principal and interest payments on the bonds are expected to require 90 percent and 83 percent as of December 31, 2021 and 2020, respectively, of net revenues. The total principal and interest remaining to be paid on the bonds is $1,815,681,878 and $1,907,836,110 as of December 31, 2021 and 2020, respectively. Principal and interest paid for the current year and total net customer revenues were $26,439,529 and $33,202,822 and $14,664,693 and $(9,653,835) as of December 31, 2021 and 2020, respectively.

The District's outstanding long-term debt contains provisions that in an event of default, outstanding amounts become immediately due and payable.

Current Refunding

On November 10, 2021, the District issued $23,600,000 in tax revenue bonds with an average coupon rate of 2.59 percent of which $23,050,000 was used to refund $23,050,000 of outstanding tax revenue bonds with an average coupon rate of 4.89 percent.

The cash flow requirements of the refunded debt prior to the current refunding was $32,238,006 from 2021 through 2032. The cash flow requirements of the 2021A Tax Revenue Bonds is $28,331,340 from 2022 through 2032. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of $1,738,477.

9. Net Position

Net position reported on the statement of net position at December 31, 2021 and 2020, includes the following:

	2021	2020
Net investment in capital assets:		
Land	$ 25,458,953	$ 25,458,953
Construction in progress	31,330,920	2,568,332
Other capital assets, net of accumulated depreciation	476,055,618	494,191,101
Less long-term debt outstanding net of unspent bond proceeds and non-capital items	(338,605,429)	(320,458,928)
Total net investment in capital assets	$ 194,240,062	$ 201,759,458
Restricted for debt service	$ 50,723,260	$ 49,042,385

10. Employees Retirement System

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 District employees. The System provides retirement, disability and death benefits to plan members and beneficiaries. The City Charter assigns the District 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

For general employees participating prior to January 1, 2014, they are required to contribute, or have contributed on their behalf, a percentage of their annual earnable compensation equal to 5.5 percent of their annual pensionable income, and for general employee, participating on or after January 1, 2014, they are required to contribute 4 percent of their annual pensionable income. The City Charter assigns the District to establish and amend contribution requirements. The City Charter was amended so that various groups of represented and nonrepresented City employees hired on or after January 1, 2010 contribute 5.5 percent of their earnable compensation for pension benefits. The District's contributions to the System for the years ended December 31, 2021 and 2020, was $478,229 and $386,306, respectively, equal to the required contributions on behalf of the plan members for each year.

At December 31, 2021, the District reported a liability of $5,727,000 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actual valuation as of December 31, 2019 rolled forward to December 31, 2020. No material changes in assumptions of benefit terms occurred between the actuarial date and the measurement date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the District's proportion was 0.52416430 percent which was an increase of 0.05136930 percent from its proportion measured as of December 31, 2019.

At December 31, 2020, the District reported a liability of $4,252,000 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actual valuation as of December 31, 2018 rolled forward to December 31, 2019. No material changes in assumptions of benefit terms occurred between the actuarial 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, 2019, the District's proportion was 0.47279500 percent which was an increase of 0.08881649 percent from its proportion measured as of December 31, 2018.

For the year ended December 31, 2021 and 2020, the District recognized pension expense of $1,817,882 and $1,519,116, respectively.

At December 31, 2021, the District reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$ 501,000	$ 121,000
Changes in assumptions	628,000	-
Net differences between projected and actual earnings on pension plan investments	-	863,000
Changes in proportion and differences between employer contributions and proportionate share of contributions	747,000	45,000
Employer contributions subsequent to the measurement date	327,138	-
Total	$ 2,203,138	$ 1,029,000

$327,138 reported as deferred outflows related to pension resulting from the System employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	Deferred Outflow of Resources and Deferred Inflow of Resources (Net)
Years ending December 31:	
2022	$ 2,186,459
2023	1,614,958
2024	(2,929,975)
2025	(24,442)

At December 31, 2020, the District reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$ 448,000	$ 198,000
Changes in assumptions	1,269,000	-
Net differences between projected and actual earnings on pension plan investments	-	980,000
Changes in proportion and differences between employer contributions and proportionate share of contributions	194,000	93,000
Employer contributions subsequent to the measurement date	438,510	-
Total	$ 2,349,510	$ 1,271,000

$438,510 reported as deferred outflows related to pension resulting from the System employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	Deferred Outflow of Resources and Deferred Inflow of Resources (Net)
Years ending December 31:	
2021	$ 672,593
2022	301,543
2023	206,581
2024	(540,717)

Actuarial Assumptions

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

	2021	2020
Actual valuation date	January 1, 2020	January 1, 2019
Measurement date of net pension liability	December 31, 2020	December 31, 2019
Actual cost method	Entry age normal-level percentage of pay	Entry age normal-level percentage of pay
Amortization	Level percent of payroll, closed	Level percent of payroll, closed
Asset valuation method	5-year smoothing of differences between expected return on actuarial value and actual return on market value	5-year smoothing of differences between expected return on actuarial value and actual return on market value
Actuarial assumptions:		
Investment rate of return and discount rate	7.5%	7.5% per annum, compounded annually
Projected salary increases	General City 2.5% - 5.5% Police & Fire: 4.0% - 13.4%	General City 2.5% - 5.5% Police & Fire: 4.0% - 13.4%
Inflation assumption	2.5%	2.5%
Cost of living adjustments	Vary by employee group and decrement type see plan provisions)	Vary by employee group and decrement type see plan provisions)
Mortality Table	Pre-retirement mortality rates were based on the RP-2014 Healthy Non-Annuitant Mortality Table, projected generationally with Scale MP- 2016. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant Mortality Table, using 111% of rates for males and 110% of rates for females, projected generationally with Scale MP-2016. Disabled mortality rates are based on RP-2014 Disabled Mortality Table, using 102% of rates for males and 98% of rates for females, projected generationally using Scale MP-2016.	Pre-retirement mortality rates were based on the RP-2014 Healthy Non-Annuitant Mortality Table, projected generationally with Scale MP- 2016. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant Mortality Table, using 111% of rates for males and 110% of rates for females, projected generationally with Scale MP-2016. Disabled mortality rates are based on RP-2014 Disabled Mortality Table, using 102% of rates for males and 98% of rates for females, projected generationally using Scale MP-2016.
Experience Study	The actuarial assumptions used in this valuation, other than the longterm rate of return, are based on the results of the most recent experience study covering the five-year period ending December 31, 2016. The long-term rate of return is based on analysis performed by Cavanaugh Macdonald and presented to the Board in April 2019.	The actuarial assumptions used in this valuation, other than the longterm rate of return, are based on the results of the most recent experience study covering the five-year period ending December 31, 2016. The long-term rate of return is based on analysis performed by Cavanaugh Macdonald and presented to the Board in March 2019.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using Callan Associates' 10 year geometric capital market projections. Projected long term rates of return for each major asset class in the Retirement System's target asset allocation for the years ended December 31, 2021 and 2020, are summarized in the following tables:

	2021	
Asset Class	**Asset Allocation**	**Long-Term Expected Rate of Return**
Public equity	43.00 %	7.30 %
Fixed income	26.00	3.10
Real estate	7.70	5.60
Real assets	3.30	4.50
Private equity	10.00	10.60
Absolute return	10.00	2.90
	100.00	100.00

	2020	
Asset Class	**Asset Allocation**	**Long-Term Expected Rate of Return**
Public equity	47.00 %	7.30 %
Fixed income	25.00	3.10
Real estate	7.70	5.60
Real assets	3.30	4.50
Private equity	8.00	10.60
Absolute return	9.00	2.90
	100.00	100.00

Discount Rate

The discount rate used to measure the total pension liability for the years ended December 31, 2021 and 2020 was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from ERS agencies will be made at contractually required rates, actuarially determined. Based on those assumptions, the ERS fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. The cross over analysis produces a single rate of 7.50 percent for the year ended December 31, 2020 and 7.50 percent for the year ended December 31, 2019, 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 to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability as of allocation for the years ended December 31, 2021 and 2020, calculated using the discount rate percent as well as what the district's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.50 percent) or 1-percentage-point higher (8.5 percent), respectively, than the current rate (in thousands):

	2021		
	1% Decrease (6.50%)	**Current Discount (7.50%)**	**1% Increase (8.50%)**
District's proportionate share of the net pension liability	$ 9,940,000	$ 5,727,000	$ 2,225,000

	2020		
	1% Decrease (6.50%)	**Current Discount (7.50%)**	**1% Increase (8.50%)**
District's proportionate share of the net pension liability	$ 7,588,000	$ 4,252,000	$ 1,476,000

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.

11. Other Postemployment Benefits

General Information about the OPEB Plan

The District participates in the City of Milwaukee healthcare plan. The City is self-insured for benefits under the plan. The plan provides other postemployment benefits (OPEB) to its retirees for health insurance. The plan provides for benefits based on several employee groups. For purposes of the plan, the District's employees are classified as general City of Milwaukee employees.

Plan Description and Benefits Provided

The City plan is a single-employer defined benefit healthcare plan administered by both the City of Milwaukee and Milwaukee's Employee Retirement System (MERS) and United Health Care. The City of Milwaukee provides medical insurance benefits for substantially all retirees in accordance with terms set forth in labor contracts or by Common Council resolution. Retirees are eligible to enroll in any of the group plans offered by the City of Milwaukee to its active employees. Currently, a PPO plan, (aka the Basic Plan) and an EPO plan, (aka a Health Maintenance Organization (HMO) plan) are offered to active employees.

The plan provides full health insurance coverage to general City of Milwaukee employees hired prior to 1/1/14 who retire at age 55, but less than age 65, with 30 years of creditable service or age 60, but less than age 65, with 15 years of creditable service until the age of 65. For those employees hired after 1/1/14, they may retire at age 60 with 30 years of creditable service or are 65 with 15 years of creditable service. Management employees retiring beginning in 2004 at age 55, but less than 65, pay a portion of health insurance the same manner as active management employees, currently 12 percent.

After attaining the age of 65 and having completed a minimum of 15 years of creditable service, all retirees are eligible to enroll in a subsidized plan for medical insurance. The retiree pays 100 percent of the cost except for those grandfathered that retired prior to June 11, 2015. WCD contributes 25 percent subsidy of the premium for those retirees.

Employees Covered by Benefit Terms

At December 31, 2021, the District had 15 active members and 11 inactive plan members or beneficiaries currently receiving benefits. At December 31, 2020, the District had 17 active members and 12 inactive plan members or beneficiaries currently receiving benefits.

The District's total OPEB liability of $5,468,637 was measured as of December 31, 2021, and was determined by an actuarial valuation as of January 1, 2021. The District's total OPEB liability of $5,448,516 was measured as of December 31, 2020, and was determined by an actuarial valuation as of January 1, 2020.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	2021	2020
Inflation	2.50%	2.50%
Salary Increases	For general employees, salary increase rates start at 5.5% at age 20 and decrease steadily to 2.5% at age 45.	For general employees, salary increase rates start at 5.5% at age 20 and decrease steadily to 2.5% at age 45.
Healthcare cost trend rates	Pre-Medicare trend rates are 4.0% for 2022, 7.0% for 2023 and grade down in 0.25% increments to an ultimate trend rate of 4.25% in 2034. Post-Medicare trend rates are 6.0% for 2022, 8.0% for 2023 and grade down in 0.25% increments to an ultimate trend rate of 4.25% in 2038.	Pre-Medicare trend rates are 8.0% for 2020 and grade down in 0.50% increments to an ultimate trend rate of 4.50% in 2027. Post-Medicare trend rates are 9.50% for 2020 and grade down in 0.50% increments to an ultimate trend rate of 4.50% in 2030. Actual trend rates of 3.02% for pre-Medicare and 6.63% for post-Medicare are used in 2019.
Retirees' share of benefit related costs	45% of projected health insurance premiums for retirees.	45% of projected health insurance premiums for retirees.
Mortality	For regular retirees and for survivors, the RP-2014 Healthy Annuitant Mortality Table (using 111% of rates for males and 110% of rates for females) (base year 2006) projected generationally with Scale MP-2016. For duty and ordinary disability retirees, the RP-2014 Disability Mortality Table (using 102% of rates for males and 98% of rates for females) (base year 2006) projected generationally with Scale MP-2016 was used. For death in active service, the RP-2014 Nonannuitant Mortality Table (base year 2006) projected generationally with Scale MP-2016.	For regular retirees and for survivors, the RP-2014 Healthy Annuitant Mortality Table (using 111% of rates for males and 110% of rates for females) (base year 2006) projected generationally with Scale MP-2016. For duty and ordinary disability retirees, the RP-2014 Disability Mortality Table (using 102% of rates for males and 98% of rates for females) (base year 2006) projected generationally with Scale MP-2016 was used. For death in active service, the RP-2014 Nonannuitant Mortality Table (base year 2006) projected generationally with Scale MP-2016.

The discount rate was based on Fidelity's 20-Year Municipal GO AA Index as of each measurement date.

Changes in the Total OPEB Liability

	Total OPEB Liability 2021	Total OPEB Liability 2020
Balance - beginning of year	$ 5,448,516	$ 4,333,947
Changes for the year:		
Service cost	212,786	186,116
Interest on the Total OPEB liability	103,487	128,715
Difference between expected and actual experience	(81,583)	(17,136)
Difference due to change in proration percentage	52,014	321,033
Changes in assumptions	(132,235)	613,315
Benefit payments	(134,348)	(117,474)
Net changes	20,121	1,114,569
Balance - end of year	$ 5,468,637	$ 5,448,516

Changes of assumptions and other inputs reflect a change in the discount rate from 2.0 percent in 2020 to 1.84 percent in 2021 and a change in the healthcare cost trend rates. Changes of assumptions and other inputs reflect a change in the discount rate from 2.75 percent in 2019 to 2.00 percent in 2020.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District for the years ended December 31, 2021 and 2020, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	2021		
	1% Decrease (0.84%)	**Current Discount (1.84%)**	**1% Increase (2.84%)**
Total OPEB liability	$ 6,542,419	$ 5,468,637	$ 4,633,218

	2020		
	1% Decrease (1.00%)	**Current Discount (2.00%)**	**1% Increase (3.00%)**
Total OPEB liability	$ 6,754,219	$ 5,448,516	$ 4,800,227

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District for the years ended December 31, 2021 and 2020, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	2021		
	1% Decrease	Current Healthcare Cost Assumption	1% Increase
Total OPEB liability	$ 4,653,861	$ 5,468,637	$ 6,534,957

	2020		
	1% Decrease	Current Healthcare Cost Assumption	1% Increase
Total OPEB liability	$ 4,806,823	$ 5,448,516	$ 6,819,238

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

For the years ended December 31, 2021 and 2020, the District recognized OPEB expenses of $545,859 and $570,496, respectively.

At December 31, 2021, the District reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual noninvestment experience	$ -	$ 170,772
Difference in proration percentages	443,975	-
Changes in assumptions or other inputs	802,540	192,266
Total	$ 1,246,515	$ 363,038

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

Years ending December 31:	
2022	$ 229,586
2023	229,586
2024	230,641
2025	191,139
2026	7,855
Thereafter	(5,330)

At December 31, 2020, the District reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual noninvestment experience	$ -	$ 142,333
Difference in proration percentages	503,754	-
Changes in assumptions or other inputs	1,010,827	108,810
Total	$ 1,514,581	$ 239,714

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

Years ending December 31:	
2021	$ 255,665
2022	255,665
2023	255,665
2024	256,720
2025	217,218
Thereafter	33,934

12. Advertising Agreements

The District has negotiated advertising agreements with several corporations for the right to advertise on the Arena's main and auxiliary scoreboards and the digital signage on the walls of the Wisconsin Center's Exhibit Halls. The original terms of these agreements require varying annual payments and have expiration dates ranging through 2024. The District has negotiated trade agreements with several corporations for miscellaneous advertising in promotional material in exchange for equipment and rate reductions.

The District entered into an agreement with MillerCoors for advertising and naming rights in 2015, extending through 2022, with an option for renewal until 2025. The District recognized advertising and naming rights revenues of $108,333 and $108,333 in 2021 and 2020, respectively, for this advertising agreement.

For all advertising and naming rights revenues collectively, the District recognized $500,397 and $517,683 in 2021 and 2020, respectively, under the advertising and naming rights agreements.

In June of 2014, the District entered into a 10 year agreement with UW-Milwaukee, under the terms, the District granted UW-Milwaukee the right to change the name of the U.S. Cellular Arena to the UW-Milwaukee Panther Arena, the right to promote its business through comprehensive signage and pertinent marketing activities in exchange for significant financial support and the right to book priority. UW-Milwaukee is to pay a total of $3,425,000 to the District over the ten year term of the agreement.

13. Lease Agreements

The District has entered into a 30 year lease agreement with Deer District LLC to operate the Arena [currently known as the FiServ Forum]. Pursuant to the lease agreement Deer District LLC shall be responsible for paying, throughout the 30 year leasehold term all costs necessary to manage and operate the Arena including all costs of maintenance, capital repairs, replacements, additions, renovation, remodeling, removal, alteration, improvements, insurance and taxes.

For the rights to operate the Arena, the District recognized lease revenue in 2021 and 2020 in the amounts of $447,213 and $693,488, respectively.

Additionally, the District is paid a District Ticket Surcharge of $2.00 for each qualified ticket issued for publicly ticketed events occurring at the Arena, of which $.50 for each qualified ticket is paid to the State of Wisconsin. In 2021 and 2020, the District recognized District Ticket Surcharge revenue of $1,064,537 and $690,068, respectively.

14. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; workers compensation and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. 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.

15. Commitments and Contingencies

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

From time to time, the District is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the District's attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the District's financial position or results of operations.

The District has committed to contracts related to the expansion of the District facilities. The District has entered into a number of contracts totaling about $32,560,000 of which about $21,750,000 has been paid.

16. Going Concern

The accompanying audited financial statements have been prepared on the assumption that the District will continue as a going concern. In December 2019, a novel strain of coronavirus was reported in Wuhan, Hubei province, China. In the first several months of 2020, the virus, SARS-CoV-2 and resulting disease, COVID-19, spread to the United States, including to areas impacting the District.

As of April 20, 2022, the District continues to analyze and monitor the effects of these events. The total impact of COVID-19 on the District's operational and financial performance will depend in part on future developments, including the vaccination of the public and related governmental or other regulatory actions, as well as the development and spread of new variants of the disease.

The District showed significant signs of recovery in terms of both event activity and financial performance in fiscal year 2021. The District hosted 128 events on its campus, a 45 percent increase from pandemic lows that actualized in 2020. That positive momentum continues into 2022 in which the District has budgeted 251 events for the fiscal year, a 96 percent increase over 2021. Tenant team sport seasons resumed normal operations for the 2021/2022 season, as did activities at the Fiserv Forum.

Tax revenue collections in 2021 recovered to within 85 percent of the pre-pandemic highs from 2019. Through the first two months of 2022, tax revenue collections are outpacing 2021 by 25 percent.

As the District looks ahead beyond the current fiscal year, there is much to be optimistic about. Milwaukee is one of two finalists to host the 2024 Republican National Convention. Should the city be awarded this event, it would have a significant positive impact on the Districts net income, both in terms of tax revenues and income from operations.

Additionally, the District broke ground on its project to expand the current convention center footprint. Such project is expected to be completed in early 2024, which will allow the District to attract more and bigger conventions in the future.

Lastly, the meeting and convention business, as well as the sports and entertainment business, have adapted to a post-pandemic business environment. This was evidenced during the surge in Covid-19 cases in 4th quarter 2021 and early 1st quarter 2022 due to the prevalence of the omicron variant and the resulting increase in community spread. The District saw no impact to its business operations or event booking as a result, nor a negative impact on tax revenue streams. Additionally, there currently are no government mandates, restrictions, or limitations are in place that limits the District's ability to normally operate and host events.

District management expects cash balances to be sufficient to cover its working capital needs and debt service obligations over the next 12 months, and it has several mitigation strategies available should circumstances warrant. These strategies include drawing on an operating reserve fund with a current balance of $2.5 million, with such action authorized by the District Board in April, 2020. Additionally, the District and Visit Milwaukee continue to work closely to ensure both organizations are operating efficiently and effectively. Both parties are aware that part of the District's mitigation strategy includes a possible deferral of fees due Visit Milwaukee in 2022 should the District suffer an unexpected financial setback.

The District expects to continue to build on the successes of 2021 into the 2022 fiscal year and beyond and position itself to take full advantage of the completion of the expansion project in 2024.

17. Subsequent Event

A voluntary filing was posted on EMMA regarding an error the Trustee made during the course of managing the District's bond funds. Such error has been corrected, no funds ever left the trust, and after conferring with bond counsel, no additional action is necessary.

As of the date of this report, costs associated with the construction of the expansion of the convention center have risen above original budget estimates as a result of supply chain disruptions, above average price inflation on building materials, and a tight labor market. The District is pursuing various options to address such cost overruns including value engineering certain aspects of the project without impacting primary scope, pursuing any and all grant opportunities at a federal, state, and local municipality level, and exploring the possibility of issuing additional debt. The timeline of the project has not been impacted as a result of these budget constraints.

The District has evaluated subsequent events through May 20, 2022 which is the date that the financial statements were approved and issued.

REQUIRED SUPPLEMENTARY INFORMATION

Wisconsin Center District

Schedule of Changes in the Total OPEB Liability and Related Ratios -
Other Postemployment Benefits Obligation - District Retiree Benefits Plan
Year Ended December 31, 2021

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	$ 212,786	$ 186,116	$ 136,311	$ 136,033
Interest	103,487	128,715	132,287	111,310
Differences between expected and actual experience	(81,583)	(17,136)	(167,725)	(496)
Difference due to change in proration percentage	52,014	321,033	338,015	-
Changes of assumptions	(132,235)	613,315	715,649	(191,208)
Benefit payments	(134,348)	(117,474)	(122,566)	(97,779)
Net Change in Total OPEB Liability	20,121	1,114,569	1,031,971	(42,140)
Total OPEB Liability, Beginning	5,448,516	4,333,947	3,301,976	3,344,116
Total OPEB Liability, Ending	$ 5,468,637	$ 5,448,516	$ 4,333,947	$ 3,301,976
Covered-Employee Payroll	$ 1,067,618	$ 1,172,117	$ 1,134,035	1,169,486
Total OPEB Liability as a Percentage of Covered-Employee Payroll	512.23%	464.84%	382.17%	282.34%

Note: This schedule is to show information for 10 years.
However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

See notes to required supplementary information

Wisconsin Center District

Schedule of Employer Contributions - Other Postemployment Benefits Obligation -
District Retiree Benefits Plan
Year Ended December 31, 2021

	2021	2020	2019	2018
Employer Contributions				
Actuarially determined contribution	$ -	$ -	$ -	$ -
Contributions in relation to the actuarially determined contribution	-	-	-	-
	$ -	$ -	$ -	$ -
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Covered-Employee Payroll	$ 1,067,618	$ 1,172,117	$ 1,134,035	$ 1,169,486
Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%

Note: This schedule is to show information for 10 years.
However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

See notes to required supplementary information

Wisconsin Center District

Schedule of Proportionate Share of the Net Pension Liability - City of Milwaukee Employee's Retirement System
Year Ended December 31, 2021

ERS Fiscal Year Ending 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 the Total Pension Liability
12/31/14	0.4724990%	$ 534,000	$ 2,492,000	21.43%	97.76%
12/31/15	0.4452734%	1,873,000	2,386,000	78.50%	91.87%
12/31/16	0.4584119%	1,953,000	2,677,000	72.95%	91.98%
12/31/17	0.4430224%	1,606,000	2,557,000	62.81%	93.70%
12/31/18	0.3839785%	5,141,000	2,205,000	233.15%	78.71%
12/31/19	0.4727950%	4,252,000	2,489,000	170.83%	84.83%
12/31/20	0.5241643%	5,727,000	3,126,000	183.21%	83.79%

Wisconsin Center District

Schedule of Employer Contributions - City of Milwaukee Employees' Retirement System
Year Ended December 31, 2021

District Fiscal Year Ending Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	$ 355,500	$ 355,500	$ -	$ 3,961,063	8.97%
12/31/16	367,387	367,387	-	4,065,887	9.04%
12/31/17	396,188	396,188	-	4,217,087	9.39%
12/31/18	344,739	344,739	-	4,319,375	7.98%
12/31/19	380,313	380,313	-	5,470,162	6.95%
12/31/20	438,510	438,510	-	3,759,981	11.66%
12/31/21	327,138	327,138	-	5,067,756	6.46%

See notes to required supplementary information

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

1. Employees' Retirement System (ERS)

The amounts presented in relation to the schedule of employer's proportionate share of the net pension 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.

Change of assumptions. No significant change in assumptions were noted from the prior year.

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

2. Other Post-Employment Benefits - District Retiree Benefits Plan

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

Changes in benefit terms. There were no changes of benefit terms for District.

Changes in Assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 2.0 percent in 2020 to 1.84 percent in 2021 and a change in the healthcare cost trend rates. Changes of assumptions and other inputs reflect a change in the discount rate from 2.75 percent in 2019 to 2.00 percent in 2020.

OTHER AUDITORS' REPORT

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Board of Directors of
Wisconsin Center District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Wisconsin Center District (the District), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 20, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2021-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The District's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baker Tilly US, LLP

Milwaukee, Wisconsin
May 20, 2022

Finding 2021-001: Internal Control Over Financial Reporting

Criteria: Generally accepted auditing standards AU-C section 265 requires the communication of significant deficiencies and material weaknesses in the year end reporting process.

Condition: The District's personnel do not have the necessary technical expertise in governmental accounting and reporting to process all necessary year-end journal entries and prepare the financial statements and in accordance with generally accepted accounting principles.

Effect: Information provided to management throughout the year may not be presented in accordance with generally accepted accounting principles.

Cause: Due to staffing and financial limitations, the District chooses to contract with the auditors to prepare the annual financial statements.

Recommendations: Management should evaluate the cost benefit relationship of continuing to use the services of the audit firm to prepare financial statements. Management should continue to review and closely monitor the financial affairs of the organization.

Management's Response: Management agrees with the finding and has determined that due to the size of the organization and the limited number of accounting and administrative personnel, it is not cost effective to hire additional personnel or use the services of another CPA firm to prepare the organization's financial statements.