



COUNTY OF MILWAUKEE  
INTEROFFICE COMMUNICATION

Office of the Comptroller

DATE : February 9, 2015  
TO : Supervisor Marina Dimitrijevic, Chairwoman, County Board of Supervisors  
FROM : Scott B. Manske, Comptroller  
SUBJECT: Bi-Annual Review of Trust and Agency Funds

**Policy**

In accordance with Resolution 86-779(a)(a), the Comptroller's Office is required to perform a bi-annual review of all trust and agency funds. The primary purpose of the review is to determine if the purpose for which the fund was established still exists. In addition, the Comptroller's Office reviewed the funds currently recorded in the County's financial accounting system to determine if the funds were properly authorized in accordance with Administrative Policy R-528 Agency Fund Policies.

**Background**

Trust and agency funds are established to account for assets held by the County in a trustee capacity.

Trust funds

Trust funds are established to account for money that is restricted for a specific purpose. The use of funds may be restricted by County ordinance, County resolution, State statutes, third-party contracts, grant agreements, court orders, or donor stipulations. Typically, assets held in trust funds are available for operating use; however, the trust assets will only be used for operations in compliance with trust agreements. The trust funds included in this report are referred to as Special Revenue Funds in the County's Comprehensive Annual Financial Report.

As of December 31, 2012, the County had 30 trust accounts with assets totaling \$55,145,868. The following is a summary of the significant trust accounts held by the County:

<u>Trust Name</u>	<u>12/31/12</u>
Airport PFC Trust	\$23,519,496
Stabilization Trust ERS	6,848,188
Midwest Airlines Trusts (2 accounts)	5,850,634
BHD Compensated Absences Trust	5,639,620
DTPW OPEB Trust	4,361,482
BHD Title XIX Capitation	4,032,911
DTPW Compensated Absences Trust	2,340,687

Parks Trusts (16 accounts)	1,082,365
Zoo Trusts (2 accounts)	913,975
Other trust balances (4 accounts)	<u>556,510</u>
Total Trust Account Balances	<u>\$55,145,868</u>

Agency funds

Agency funds are established to account for money, which the County collects on behalf of other entities. The Combined Court Related Operations department uses the most agency funds. The Courts collects a variety of fines, forfeitures and other fees on behalf of the State and other municipalities. In addition, the Courts holds funds on behalf of parties in legal matters before the Courts.

As of December 31, 2012, the County had 159 agency accounts with assets totaling \$20,020,007. The Courts agency funds comprised 100 accounts and \$12,686,919 of this total.

File Review

In addition to reviewing the trust and agency accounts to determine if the purpose for which they were established still exists, this office performed a file review of all trust and agency accounts during 2013 and 2014. The file review verified that the fund was established properly and that transactions were properly authorized.

**Action Recommended**

The attached schedule provides a listing of all trust and agency accounts, the account balance, the responsible department, and a recommendation as to whether the account should be closed. The Comptroller's Office is recommending the closure of three agency funds. The requested closure of these accounts has been confirmed with each of the appropriate departments. If a balance remains in an account that is approved for closure, it will be closed out to the department in which the trust was held.

It is requested that the Finance, Personnel and Audit Committee recommend that the County Board approve the attached resolution, to close the trust and agency accounts listed in the resolution, as the purpose for which these accounts were established no longer exists.



Scott B. Manske  
Comptroller

Attachments

cc: Chris Abele, County Executive

Supervisor Willie Johnson, Jr., Co-Chairman, Finance, Personnel & Audit  
Committee

Supervisor Theo Lipscomb, Sr., Co-Chairman, Finance, Personnel & Audit  
Committee

Finance, Personnel and Audit Committee

Teig Whaley-Smith, Director, Department of Administrative Services

Josh Fudge, Director, Office of Performance, Strategy and Budget

Janelle Jensen, Committee Clerk, County Clerk

Department Heads