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MILWAUKEE COUNTY } s.s.

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Jun. 27, 2012

*Ann Richmond*

Ann Richmond, Publisher

Sworn to me this 27th day of June 2012

*David Ziemer*



David Ziemer

Notary Public, Milwaukee County, Wisconsin  
My Commission Is Permanent

PROOF OF PUBLICATION

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# Notice

FROM THE OFFICE OF  
**JOSPEH J. CZARNEZKI**  
 MILWAUKEE COUNTY CLERK  
 County Ordinance No. 12-15  
 File No. 12-418

### AN ORDINANCE

The County Board of Supervisors of the County of Milwaukee does ordain as follows:

**SECTION 1.** Section 34.07 (1) thru (67) of the General Ordinances of Milwaukee County is deleted in its entirety as follows:

**34.07 - Unreserved fund balance -**

(1) Prepare a report on the year-end unreserved fund balance (surplus/deficit) in the general fund of the county no later than June 1 of the following year, and make it available simultaneously to the county executive and county board, including an analysis of the changes in fund balances between years and disclose any differences, and their fiscal impact, in accounting transactions or policies with prior year's completion.

(2) All accounting and budgeting under the section shall be in accordance with generally accepted accounting principles (GAAP) for government as promulgated by the governmental accounting standards board.

(3) For the purpose of this section, words shall be defined in accordance with generally accepted accounting principles as follows:

(a) **Assets.** Resources owned or held by the county which have a monetary value.

(b) **Current assets.** Assets which are available, can be readily available by conversion to cash within one (1) year, or which will be used up within one (1) year to finance current operations or to pay current liabilities. (Examples include, but are not limited to, cash, temporary investments, taxes receivable which will be collected within one (1) year.)

(c) **Current liabilities.** Liabilities which are payable within one (1) year.

(d) **Encumbrances.** Commitment of an appropriation for future delivery of goods or services.

(e) **Fund.** A fiscal and accounting entity with a self-balancing set of accounts recording each and other financial resources, together with all related liabilities and residual balances which are segregated for the purpose of carrying on specific activities or obtaining certain objectives. (Examples of funds include enterprise, internal service, debt service, capital project, general, trust and agency.)

(f) **Fund balance.** Represents the fund equity of governmental funds.

(g) **General fund.** The fund used to account for all financial resources except those required to be accounted for in another fund.

(h) **Governmental fund.** A term used when referring to a government's general capital project, special revenue or debt service fund.

(i) **Liabilities.** Debt or other legal obligations arising out of transactions in the past which must be liquidated at some future date. The term does not include encumbrances.

(j) **Non-current item.** Receivable or payable after one (1) year.

(k) **Proprietary fund.** A term used when referring to a government's enterprise and internal service funds.

(l) **Reserve.** An account used to segregate a portion of fund balance that is not appropriated for expenditure for a specific future year.

(m) **Transfers.** Represent residual enterprisereserve of money from a fund receiving revenue to the fund through which resources are expended.

(n) **Unreserved fund balance.** Is the amount in the general fund which results when liabilities and reserves are deducted from assets.

(o) **Working capital.** Reflects the excess of current assets over current liabilities.

(4) The following reserve will be used to compute the unreserved fund balance (surplus/deficit) in the general fund:

(a) These reserves representing an amount set aside for future delivery of goods or services, whereby a contract has been entered into by departments, appropriation and estimated revenue appropriations authorized by the county board, offset by any related estimated revenue, for which the purpose of the capital appropriation remains. The Reserve for Carriers shall be considered to be either a Restricted Fund Balance or Committed Fund Balance, depending on the funding source for the carryover. Those capital projects funded by State or Federal funds, bond funds, or PFC funds shall be restricted fund balance.

(3) Reserve for Debt Service for the redemption or purchase of bonded obligations. Represents available appropriations authorized by the county board for the redemption or purchase of county bonds. However, any surplus of the previous fiscal year must be adopted by a vote of two-thirds of the members-elect of the county board.

(4) Reserve for future year appropriations. Represents the Available Fund Balance which is appropriated in the succeeding budget year. (For example, 1980 surplus appropriated in the 1982 budget.)

b) Those reserves that are not available for expenditure or not available to finance current operations are also a part of Unavailable Fund Balance, including the following:

(1) Reserve for imprest accounts. Represents imprest cash amounts established in various departments of the county, and is considered to be a restricted fund balance.

(2) Reserve for delinquent taxes receivable. Represents the noncurrent portion of taxes receivable due the county and is considered to be a restricted fund balance.

(3) Reserve for inventories. Represents the amount established for inventories of goods and supplies and is considered to be a non-spendable fund balance.

(4) Reserve for investments. Represents investments that exceeds book value. Since the County tends to hold their investments to maturity, the market gain is short-lived, and does not provide an overall surplus that should be used to offset appropriations. This is considered to be a Restricted Fund Balance.

(5) Reserve for other noncurrent assets and liabilities. Represents amounts segregated from fund balance which reflect the noncurrent portion of assets and liabilities.

(6) Reserves for Special Revenue Funds. Represents all reserves of Special Revenue Funds that has been restricted due to legal, contractual or other government legislation. County Board and County Executive shall be required to approve the establishment of any Reserves for Special Revenue Funds, and the reason for the restriction of fund balance.

(7) Reserves of Restricted General Fund Balance. Represents any portion of fund balance in the General Fund that is restricted from spending by outside legal or contractual agreement, or by legislative or other governmental body, that can impose a restriction on the County. The County Board shall annually be informed of any restrictions in General Fund Balance.

6) The Available fund balance is calculated by deducting liabilities and reserves under Ordinance 32.91.5) from assets in the general fund, after all transfers have been made between the general fund and other governmental and proprietary funds for fixed assets and accumulated depreciation and for operations of those funds. net of any restricted fund balances applicable to those proprietary funds.

7) The Available fund balance, prior to the adoption of the tax levy, may by members-elect of the county board, be appropriated in whole or part to provide for emergency needs pursuant to s. 59.60(9), Wis. Stats. Otherwise, the unreserved fund balance in the general fund shall be used in calculating the following year's tax levy.

8) All enterprise funds must submit a quarterly report to the committee on financial and audit, a tabulation of year-to-day expenses and revenues, and protected year-end expenses, and be provided for in the next year-end budget.

**SECTION 3.** This ordinance shall become effective upon passage and publication.

Adopted by the Milwaukee County Board of Supervisors  
 May 24, 2012

outside agencies. The Comptroller shall ensure that there are adequate funds in the department prior to the encumbering of any funds.

b) In accordance with Governmental Accounting Standards Board statements, proprietary fund types (Internal Service Funds and Enterprise Funds) fund balance is composed of the following:

(1) Unrestricted - amounts that are not constrained by outside creditors, agencies or governments.

(2) Restricted - Amounts that are restricted for certain purposes or in order to meet the intent of legal or contractual constraints from creditors, debtors, agencies, or governments, or by legal means from legislation from outside governments, or by judicial decisions.

(3) Invested in Capital Assets, Net (Related Debt) - Value of capital assets, net of depreciation, and unpaid debt obligations associated with the purchase of the capital assets.

2) Prepare a report on the year-end available fund balance (surplus/deficit) in the general fund of the county no later than June 1 of the following year, and make it available simultaneously to the county executive and county board, including an analysis of the changes in fund balance between years and disclose of any differences, and their fiscal impact, in accounting transactions or policies with prior year's completion.

3) All accounting and budgeting under this section shall be in accordance with generally accepted accounting principles (GAAP) for government as promulgated by the governmental accounting standards board, as required by State Statute.

4) For the purpose of this section, words shall be defined in accordance with generally accepted accounting principles as follows:

a) **Assets.** Resources owned or held by the county which have a monetary value.

b) **Current assets.** Assets which are available, can be readily available by conversion to cash within one (1) year, or which will be used up within one (1) year to finance current operations or to pay current liabilities. (Examples include, but are not limited to, cash, temporary investments, taxes receivable which will be collected within one (1) year.)

c) **Current liabilities.** Liabilities which are payable within one (1) year.

d) **Encumbrances.** Commitment of an appropriation for future delivery of goods or services.

e) **Fund.** A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual balances, which are segregated for the purpose of carrying on specific activities or attaining certain objectives. (Examples of funds include enterprise, internal service, debt service, capital project, general, trust and agency.)

f) **Fund balance.** Represents the fund equity of governmental funds as defined by ordinance 32.91.1 a).

g) **General fund.** The fund used to account for all financial resources except those required to be accounted for in another fund.

h) **Governmental fund.** A term used when referring to a government's general capital project, special revenue or debt service fund.

i) **Liabilities.** Debt or other legal obligations arising out of transactions in the past which must be liquidated at some future date. The term does not include encumbrances.

j) **Noncurrent.** Items receivable or payable after one (1) year.

k) **Proprietary fund.** A term used when referring to a government's enterprise and internal service funds.

l) **Unavailable Fund Balance.** An account used to segregate a portion of fund balance that is not appropriated for expenditure or is segregated for a specific future use, including non-spendable, restricted, committed or available balances.

m) **Transfers.** Represent residual and/or operating transfers of money from a fund receiving revenue to the fund through which resources are expended.

n) **Available fund balance.** Is the amount in the general fund which results when liabilities and Unavailable Fund Balance are deducted from assets, and is carried over to the subsequent budget year to increase (deficit) or reduce (surplus) the required tax levy.

o) **Working capital.** Reflects the excess of current assets over current liabilities.

5) The following Fund Balance reserves will be used to compute the Unavailable fund balance (surplus/deficit) in the general fund:

a) Those Fund Balance Reserves representing an amount segregated

from fund balance established for a specific future use including the following:

(1) Reserve for encumbrances. An amount set aside for future delivery of goods or services, whereby a contract has been entered into by departments,

(2) Reserve for Carriers including appropriation and estimated revenue appropriations authorized by the county board, offset by any related estimated revenue, for which the purpose of the capital appropriation remains. The Reserve for Carriers shall be considered to be either a Restricted Fund Balance or Committed Fund Balance, depending on the funding source for the carryover. Those capital projects funded by State or Federal funds, bond funds, or PFC funds shall be restricted fund balance.

(3) Reserve for Debt Service for the redemption or purchase of bonded obligations. Represents available appropriations authorized by the county board for the redemption or purchase of county bonds. However, any surplus of the previous fiscal year must be adopted by a vote of two-thirds of the members-elect of the county board.

(4) Reserve for future year appropriations. Represents the Available Fund Balance which is appropriated in the succeeding budget year. (For example, 1980 surplus appropriated in the 1982 budget.)

b) Those reserves that are not available for expenditure or not available to finance current operations are also a part of Unavailable Fund Balance, including the following:

(1) Reserve for imprest accounts. Represents imprest cash amounts established in various departments of the county, and is considered to be a restricted fund balance.

(2) Reserve for delinquent taxes receivable. Represents the noncurrent portion of taxes receivable due the county and is considered to be a restricted fund balance.

(3) Reserve for inventories. Represents the amount established for inventories of goods and supplies and is considered to be a non-spendable fund balance.

(4) Reserve for investments. Represents investments that exceeds book value. Since the County tends to hold their investments to maturity, the market gain is short-lived, and does not provide an overall surplus that should be used to offset appropriations. This is considered to be a Restricted Fund Balance.

(5) Reserve for other noncurrent assets and liabilities. Represents amounts segregated from fund balance which reflect the noncurrent portion of assets and liabilities.

(6) Reserves for Special Revenue Funds. Represents all reserves of Special Revenue Funds that has been restricted due to legal, contractual or other government legislation. County Board and County Executive shall be required to approve the establishment of any Reserves for Special Revenue Funds, and the reason for the restriction of fund balance.

(7) Reserves of Restricted General Fund Balance. Represents any portion of fund balance in the General Fund that is restricted from spending by outside legal or contractual agreement, or by legislative or other governmental body, that can impose a restriction on the County. The County Board shall annually be informed of any restrictions in General Fund Balance.

6) The Available fund balance is calculated by deducting liabilities and reserves under Ordinance 32.91.5) from assets in the general fund, after all transfers have been made between the general fund and other governmental and proprietary funds for fixed assets and accumulated depreciation and for operations of those funds. net of any restricted fund balances applicable to those proprietary funds.

7) The Available fund balance, prior to the adoption of the tax levy, may by members-elect of the county board, be appropriated in whole or part to provide for emergency needs pursuant to s. 59.60(9), Wis. Stats. Otherwise, the unreserved fund balance in the general fund shall be used in calculating the following year's tax levy.

8) All enterprise funds must submit a quarterly report to the committee on financial and audit, a tabulation of year-to-day expenses and revenues, and protected year-end expenses, and be provided for in the next year-end budget.

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