DAVID CULLEN

Milwaukee County Treasurer

DATE: April 21, 2026

TO: Marcelia Nicholson, Chairwoman Milwaukee County Board of Supervisors

FROM: David A. Cullen, Milwaukee County Treasurer DAC

RE: 2025 Annual Report on Public Funds
(Informational Item reviewed by Finance and Audit Committee)

Milwaukee County Ordinance 56.31 requires departmental officers who deposit public funds with any depository other than the County Treasurer to report annually to the County Board of Supervisors the status of such accounts. These accounts are typically "petty cash" or Imprest fund accounts and are established for many different reasons. Some accounts, such as those held by the Department of Aging, are required by the federal government to segregate the funds from other county money for accounting purposes.

On page two of the attachment, you will note there is an item near the bottom of the page called "Total Exposure." This concerns the total reported amounts deposited at that institution by various county departments. Each exposure is measured against whether these amounts are insured or collateralized.

During the 2025 calendar year, the amount insured by Federal Deposit Insurance totals $250,000. The Office of the Treasurer has taken several steps to safeguard the deposits reported to this office. We have recommended that those departments that hold deposits in non-securitized accounts: (1) transfer those deposits to US Bank - which was awarded our county banking contract; or (2) transfer those deposits to banks that have signed collateral agreements with the Treasurer's Office and keep the Treasurer informed as to any changes in the deposited amounts. For your information, this office has secured collateralization agreements with US Bank, Tri City National Bank, Associated Bank, and BMO Harris Bank.

One question that arises each year has to do with the Non-Interest Bearing (NIB) accounts. There are a variety of reported reasons for these accounts. For example, some NIB accounts are checking accounts for authorized departmental disbursements. Another example is the Community Reintegration Center NIB account that holds the total amount of individual inmate holdings. If interest earnings would have to be broken out, calculated, and applied to each small and variable inmate holding, additional CRC staff accounting costs would accrue with no balancing revenue.

Finally, the Community Reinvestment Act (CRA) ratings of all banks that hold County funds are listed at the bottom of the second page of the attachment. The CRA ratings are issued every 3-5 years. County funds are only deposited with those financial institutions that have a rating of "satisfactory" or above. Three of the reported Banks have an "outstanding" rating.

If you have any questions or concerns, regarding this report, please contact me or Cathleen Hollers, Deputy County Treasurer, at 278-4040.

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