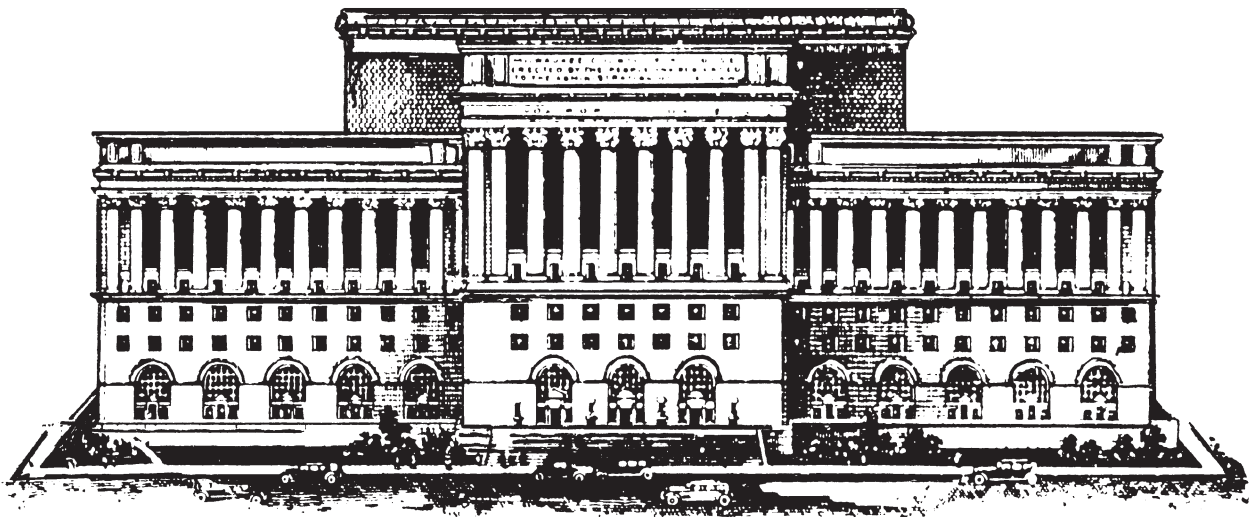


**COUNTY OF  
MILWAUKEE, WISCONSIN**



**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2011**

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**COUNTY OF MILWAUKEE**

**WISCONSIN**

**FOR THE YEAR ENDED DECEMBER 31, 2011**

**Prepared by:  
Department of Administrative Services  
Fiscal Affairs Division**

**COUNTY OF MILWAUKEE  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 For the Year Ended December 31, 2011**

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## **INTRODUCTORY SECTION (Unaudited)**

- **Letter of Transmittal**
- **GFOA Certificate of Achievement for Excellence in Financial Reporting for 2010**
- **Organizational Chart**
- **List of Principal Officials and Committees**



OFFICE OF THE COUNTY EXECUTIVE

# *Milwaukee County*

CHRIS ABELE • COUNTY EXECUTIVE

July 31, 2012

To: Honorable Members of the Milwaukee County  
Board of Supervisors and the Citizens of  
Milwaukee County, Wisconsin

## **A) COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR):**

### **CAFR Overview**

The Comprehensive Annual Financial Report (CAFR) of Milwaukee County, Wisconsin (the County) for the year ended December 31, 2011 is hereby submitted for your information. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds and component units of Milwaukee County, Wisconsin. All disclosures necessary to enable the reader to gain an understanding of Milwaukee County, Wisconsin activities have been included.

The CAFR is presented in three sections:

The **Introductory Section**, which is unaudited, includes this letter of transmittal, the prior year's Certificate of Achievement for Excellence in Financial Reporting, the County's organizational chart, and a list of the County's principal elected and appointed officials. It is designed to give the reader of the financial report some basic background information about the County.

The **Financial Section** includes the independent auditors' report on the basic financial statements, management's discussion & analysis, the basic financial statements, required supplementary information, and the other supplementary information including the combining and individual fund financial statements and schedules. See a discussion below of the components of the Financial Section.

The **Statistical Section**, which is unaudited, includes selected financial and demographic information generally presented on a multi-year basis.

## Financial Section Overview

The County has prepared the Financial Section to meet the requirements of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments (GASB 34). Other Supplementary Information, section 4 below, is not required by GASB 34 but provides useful information about the non-major funds of Milwaukee County.

- 1) **Management's Discussion and Analysis (MD&A)** is a narrative report providing financial information about the County. Readers of this report are encouraged to read the MD&A, in conjunction with this Letter of Transmittal. The MD&A provides basic financial information about the County and an overview of the County's activities.
- 2) **Basic Financial Statements**
  - **Government-Wide Financial Statements** consisting of a statement of net assets and a statement of activities, provide a comprehensive financial picture of the County, split between governmental activities and business-type activities. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting, where all assets, liabilities, revenues, and expenses of the County are reported. Internal service funds are combined with governmental activities for presentation purposes.
  - **Fund Financial Statements** report on the major individual governmental, proprietary, and fiduciary funds of the County. Budgetary comparisons are also provided to allow the reader to see the original adopted budget, the final budget, and the actual expenditures and revenues for the County's general fund. The governmental funds are prepared and presented on the modified accrual basis of accounting. The proprietary funds are prepared on an accrual basis of accounting. With the governmental funds having a different basis of accounting between the government-wide financial statements and the fund financial statements, a schedule is provided that reconciles these accounting differences. The reconciliation provides a bridge between governmental activities on the statement of net assets with the governmental funds on the balance sheet and the governmental funds net change in fund balances on the statement of activities with the governmental funds statement of revenues, expenditures and changes in fund balances. The proprietary funds statement reports on each of the enterprise funds and includes a separate column that combines all internal service funds.



- **Component Units** include the funds of the primary government and the following discrete component units: the Milwaukee Public Museum, Inc, the War Memorial Center, the Marcus Center for the Performing Arts and the Milwaukee County Research Park Corporation.

Discretely presented component units are more distinctly separate from the primary government and are therefore reported in a separate column in the government-wide financial statements. These entities are included because generally accepted accounting principles require that organizations for which the County either has a financial responsibility or governance influence, such as board appointments, be reported with Milwaukee County.

- **Notes to the Financial Statements** are explanatory notes to the financial statements as required by governmental accounting standards.
- 3) **Required Supplementary Information** is required schedules of supplementary data immediately after the notes to the financial statements.
  - 4) **Combining and Individual Fund Statements and Schedules** show the combining statements for the non-major governmental funds, the internal service funds, as well as budgetary comparisons for major funds other than the General Fund. As noted earlier, the internal service funds were combined and reported as a separate column in the proprietary fund financial statements. They are presented here because they are not considered to be major funds.

## **B) GOVERNMENTAL STRUCTURE AND TYPES OF SERVICES**

Milwaukee County is located in southeastern Wisconsin on the Lake Michigan shoreline. The County covers an area of approximately 242 square miles and consists of ten cities and nine villages. The Michigan Territorial Government incorporated Milwaukee County in 1835. In 1837 the Wisconsin Territorial Legislature divided Milwaukee County and reduced its size. Nine years later the County was divided again into its present size.

Milwaukee County was the first county in the State to establish an executive branch. A County Executive and a 19 - member Board of Supervisors, (reduced to 18 members beginning April 2012), govern Milwaukee County. The County Executive and the County Supervisors are elected to nonpartisan four-year terms. Each Supervisor is elected from a district with an average population of approximately 50,000. In addition, five constitutional officers are elected to serve two-year terms on a partisan basis. The District Attorney and Sheriff are elected to serve a four-year term on a partisan basis.

The County Board determines County policy and directs the activities of County government by the adoption of ordinances and resolutions, under authority vested in it by State Statutes. At its meeting in November of each year, the Board adopts the next calendar year's budget. It meets on a monthly basis to transact official business, and its committees meet regularly during the monthly cycles to hold hearings, gather information and take testimony preparatory to making recommendations to the full County Board.

The standing committees of the County Board meet periodically and make recommendations to the County Board, which formally approves, modifies or disapproves those recommendations. There are nine standing committees of the County Board. They are Economic and Community Development; Finance and Audit; Health and Human Needs; Intergovernmental Relations; Judiciary, Safety and General Services; Parks, Energy and Environment; Personnel; Transportation and Public Works, and The Committee of the Whole.

The County operates two airports, a mass transit system, a behavioral health facility, a correctional facility, a sheriff's department, a civil and criminal court system, a zoo, a botanical garden, a nature center, several marinas, several golf courses, swimming pools, beaches, bike trails, and park areas.

The County also administers Federal and State public assistance programs. Other activities include employment and training services, legal counsel services for the indigent, community health care programs, emergency medical services, medical service funding for the indigent, correctional programs and counseling and residential programs for the mentally ill, disabled, and chemically dependent. The County is also responsible for the maintenance and construction of highways, roads, and bridges. In addition, the County also offers a number of general government services.

## **C) ECONOMIC CONDITION AND OUTLOOK**

Milwaukee County serves as the population, economic and financial center of the State. The City of Milwaukee, which acts as the County seat, contains approximately 63 percent of the County's population and 46 percent of its taxable property value, as of January 1, 2011 estimates.

Milwaukee County's location on Lake Michigan, near the nation's geographic center and in close proximity to the Chicago metropolitan area, provides many logistical advantages. The County has a well-developed arterial street and highway system, including four interstate highways; three major U.S. highways and fifteen state highways. Major reconstruction on I-94 from Milwaukee to Illinois, began in 2009 and will continue late into 2012.

Freight service is provided to other metropolitan areas by numerous trucking establishments and two major railroads, the Union Pacific and Canadian Pacific.

Passenger rail service is available from Amtrak and national and inter-city bus lines serve Milwaukee County. Milwaukee is also a major Great Lakes port. During 2011, the Port of Milwaukee handled roughly 3 million tons of imports and exports. Major commodities include salt, coal, cement, steel, international shipping containers, and mining equipment. Ocean shipping services, inland barge service and major railroad services are complemented by the Milwaukee County freeway system, which allows for direct access to and from the Port, alleviating congestion on local streets as well as contributing to safer transportation of critical commodities. The Port berths the high-speed passenger and auto ferry that connects Milwaukee with Muskegon, Michigan. The Lake Express ferry contributes not only to tourism but adds another form of transportation for Milwaukee county residents. In 2011, international container shipping rose due to an added ship line service. The Port now offers container shipping to the Far East. The commercial port supports over 2,000 jobs.

According to the Metropolitan Milwaukee Association of Commerce (MMAC) Business Outlook Survey, first quarter 2012, Milwaukee area businesses see continued growth in 2012. Nearly three-quarters (73%) of businesses surveyed forecast higher sales levels in 2012, with manufacturers forecasting an increase of 83% in sales and non-manufacturers forecasting an increase of 66%. A healthy profit picture is also forecast by metro area businesses with 68% of all employers surveyed seeing profit level increases in 2012. Consistent job gains were re-established in 2011 in the metro area. Of all businesses surveyed, 54% expect gains in their local workforces in 2012, while 36% see no change. The survey contains responses from 134 Milwaukee area firms, employing more than 58,800 people.

The average annual unemployment rate for Milwaukee County was 9.0% for 2011 compared to 9.5% for 2010. The highest monthly unemployment rate for Milwaukee County in 2011 was in June at 9.7%. Subsequently, the rate dropped to a final low in December 2011 of 7.9%, (the lowest rate since January, 2009). The state average annual unemployment rate was 7.5% for 2011 and 8.7% for 2010 while the national average annual unemployment rate was 8.9% for 2011 and 9.6% for 2010. All above rates were not seasonally adjusted and are from [WORKnetWisconsin.gov/](http://WORKnetWisconsin.gov/) website.

The median price for homes sold in Milwaukee County for 2011 was \$102 thousand compared to \$125 thousand in 2010, (a 18.4% decrease). The median price for homes sold in the State of Wisconsin for 2011 was \$132 thousand compared to \$141 thousand in 2010, (a 6.38% decrease). The Wisconsin Realtors Association (WRA) Housing Statistics Report reported the data above.

According to the Wisconsin Department of Administration, Demographic Services Center, Milwaukee County's population estimate as of January 1, 2011 totaled 948,369, an increase of approximately 0.1 percent from the 2010 population census total.

Milwaukee County is also home to a number of colleges and universities, including Alverno College, Cardinal Stritch University, Marquette University, the Medical

College of Wisconsin, Milwaukee Area Technical College, Milwaukee School of Engineering, Mount Mary College, University of Wisconsin Milwaukee, and Wisconsin Lutheran College.

## **D) MAJOR INITIATIVES BY CLASSIFICATION**

The following is a brief description of the departments and major initiatives for the classifications within both the Governmental Activities and Business-type Activities of the Statement of Activities.

### **Governmental Activities**

1) **Legislative, Executive, and Staff** consists of the following areas:

- The County Board determines County policy and directs the activities of County government by the adoption of ordinances and resolutions, under authority vested in it by the Wisconsin Statutes.
- The Office of Community Business Development Partners (CBDP) is responsible for administering the County's disadvantaged business enterprise (DBE) program.
- The Department of Audit is responsible for post auditing the fiscal concerns of Milwaukee County. Not only concerned with examining financial statements, Audit staff also review internal accounting and administrative controls, compliance with applicable laws and regulations, economy and efficiency of operations, and effectiveness in achieving program results. The Department also monitors contracts with vendors, reconciles the County's checking accounts, and manages a hotline service to receive information regarding waste, fraud and abuse of Milwaukee County resources.
- The County Executive is the elected chief administrative officer for Milwaukee County. The County Executive coordinates and directs all administrative and management functions of County government; appoints department heads and members of boards and commissions, subject to County Board confirmation; submits annually a recommended budget to the County Board; communicates to the County Board the condition of the County or other matters requiring their attention; and approves or vetoes all resolutions or ordinances enacted by the County Board.
- The Department of Administrative Services provides support services in the areas of government accounting and financial reporting; budgeting and financial planning; capital finance and debt administration; strategic

planning; procurement; information technology and management of information resources; economic development; housing and neighborhood development.

- The Office for Persons with Disabilities provides services that make County programs, services, and facilities accessible to people with disabilities.
- The Veterans Service Office assists eligible veterans and their dependents in applying for state and federal veterans benefits.
- The five-member Civil Service Commission conducts hearings on the merit system and, when necessary, makes recommendations to the County Board or its committees.
- The Personnel Review Board provides the fair and impartial due process hearings for the suspension, demotion or discharge of County employees in the classified service as provided by law and as prescribed under State and local Statutes and ordinances.
- The Ethics Board assures the confidence of the general public in the integrity of Milwaukee County government. The Board assures the public that Milwaukee County employees, office holders, candidates for public office and citizens serving on boards and commissions of Milwaukee County are complying with the County Ethics Code.
- The Office of Corporation Counsel ensures that Milwaukee County, its officers, employees, and agents adhere to all applicable legal requirements and works to minimize personal and fiscal liability for the aforementioned group.

2) **Courts and Judiciary** consists of:

- The Department of Combined Court Related Operations insures public safety by providing judges, attorneys, persons proceeding without an attorney and all other persons involved in Circuit Court proceedings or other functions of the Circuit Court with courteous, proficient and professional services which facilitate the operations of the Circuit Court system. The Department includes the Chief Judge and is made up of three divisions:
  - ❖ The Chief Judge is the Administrative Chief of the First Judicial Administrative District, which is solely comprised of Milwaukee County. The Chief Judge is responsible for the oversight of administration of judicial activities in the 47 circuit courts within

the District, as well as operations and fiscal management of Pre-Trial Services.

- ❖ Family Court Commissioner Division conducts hearings for family matters of separation, divorce, domestic abuse and harassment cases; conducts paternity hearings and monitors the job search task for those individuals liable for child support; and provides mediation services and custody studies for the Family Courts as mandated by Section 767.11 of the Wisconsin Statutes.
- ❖ The Register in Probate maintains all records and files of probate proceedings and assists the courts in adjudicating matters involving probate, trusts, guardianships of persons and estate conservatorship, protective placements, involuntary commitments, temporary restraining orders and injunctions in individuals at risk cases.
- ❖ The County-Funded State Court Services Division / Clerk of Circuit Court consists of four divisions, Administration, Criminal, Civil and Children's. The Clerk of Circuit Court maintains the records, books and files of the Circuit Courts, Civil, Family, Criminal and Children's Division; prepares the daily court calendar; processes all cases, and summons eligible jurors.
- The Department of Child Support Enforcement ("CSE") works cooperatively with State agencies and other County departments to comply with Federal and State IV-D program mandates, including providing parent location services, establishing paternity, and establishing and enforcing child and medical support orders in local and interstate cases. CSE has four divisions: Case Management, Financial, Legal and Operations.
- Courts Pre-Trial Services, with the Chief Judge and the Judicial Review Coordinator are responsible for operation and fiscal management of all pretrial contracts, programs and program outcomes. Prior to 2011, Pre-Trial Services was an organization included within the Courts budget.

3) **General Governmental Services** consists of:

- The Election Commission administers Federal, State, County, and Municipal elections in a manner that assures public confidence in the accuracy, efficiency and fairness of the election process and to enforce State Election and Campaign Finance laws.

- The County Treasurer acts as the County's banker, receiving and disbursing all funds as provided by state law and county ordinances; providing for daily cash requirements of Milwaukee County, and investing public funds not used for daily operations. The Treasurer's Office also collects delinquent property or real estate taxes in Milwaukee County's 18 suburban municipalities as required by State Statutes. The County Treasurer also maintains property tax data that is accessible to the public at the Courthouse office.
- The County Clerk records the proceedings of the County Board of Supervisors, maintains all legislative files, updates existing ordinances and publishes new ordinances on-line. The County Clerk also issues marriage licenses and domestic partnership declarations, registers all lobbyists, lobbying principals and reports to the public on lobbying activity. Other duties include accepting applications for passports, selling bus tickets, and Wisconsin Department of Natural Resources licenses and permits. As an information clearinghouse for County government, the County Clerk administers oaths of office, maintains the central files for Milwaukee County reports, records, contracts and corporate documents, receives and publicly opens competitive bids for County contracts and receives claims filed against Milwaukee County.
- The Register of Deeds records, indexes and scans real estate documents, corporation papers, military discharges, informal probate instruments and financing statements; files and indexes birth, marriage and death certificates; sells copies of the above described documents; collects the real estate transfer tax; and performs such other functions as provided by law.

4) **Public Safety** consists of:

- The Office of the Sheriff acts as an arm of the criminal justice system, carrying out criminal investigations, effecting arrests and warrants, detaining prisoners, providing court security, serving process papers, transporting prisoners and patients and extraditing criminals. The Office of the Sheriff is organized into the following:
  - ❖ The Administration Bureau performs management and support functions for the Sheriff as well as community relation's activities, communications, training and public information. Also included in this bureau is the Internal Affairs Division, which investigates all incidents involving Sheriff's Office personnel.

- ❖ The Emergency Management Division administers a county-wide emergency plan to mitigate all hazards, maintains communications and enhances public awareness campaigns to assure the community has knowledge of typical hazards and outlines preventive measures which can be taken.
- ❖ The Police Services Bureau is responsible for patrolling the County airports, County grounds, County parks and expressways. In addition, the Bureau includes the Civil Process Unit, Criminal Investigation Division, the Drug Enforcement Unit, the High Intensity Drug Trafficking Area, the SWAT team, the bomb disposal unit and the dive team. In addition, they serve state-mandated civil writs such as temporary restraining orders, commitments to mental health, body attachments, writs of restitution/assistance, executions and evictions.
- ❖ The Detention Services Bureau includes the County Correctional Facilities Central (CCFC), the County Correctional Facility South (CCFS), Inmate Transportation, Medical and Psychiatric Services units, Court Services, Support Administration, and Central Records. The Bureau also operates a program of home detention, which uses electronic surveillance equipment and other systems of control and supervises inmates who have community access under court order to work, attend school, provide childcare or to receive medical attention.
- The District Attorney's Office has jurisdiction for criminal and juvenile cases in the circuit courts of Milwaukee County. The Office investigates police shootings of civilians and deaths in police custody, public corruption, major multi-jurisdictional crimes, industrial deaths and injuries, as well as providing post-charging investigation on major crimes, and maintains office security. The Office also operates, and administers numerous federal and state grant funded programs.
- The Medical Examiner's Office is charged with investigating and determining the cause, circumstances and manner in each case of sudden, unexpected or unusual death. The Office also provides services in the area of public health and safety.

5) **Public Works and Highways** consists of:

- The Department of Transportation and Public Works administers two County airports; the transit-paratransit system; transportation planning and engineering services; architectural, engineering and environmental



services; highway maintenance; fleet management; facilities management and real estate services.

- ❖ The Airport Division is classified as a business type activity in the Government-wide financial statements and a description of this division can be found in the Business-type Activities section.
- ❖ The Transit-paratransit System is classified as a business type activity in the Government-wide financial statements and a description of this division can be found in the Business-type Activities section.
- ❖ Transportation Services provides planning, design, and construction management for capital projects on County trunk highways and County-owned bridges.
- ❖ The Architectural, Engineering and Environmental Services Division provides professional and technical services related to the maintenance, construction and rehabilitation of the public infrastructure and preservation of the County's natural resources.
- ❖ The Highway Maintenance section maintains all County trunk highways, State trunk highways and expressways. It is also responsible for maintaining vacant freeway lands and the North Shore right-of-way.
- ❖ The Fleet Management Division purchases and maintains vehicles and equipment used by Milwaukee County departments. Key elements to this program include minimizing vehicle and equipment downtime, providing a preventative maintenance program and educating users on safe operation and daily maintenance.
- ❖ Facilities Management provides services focused on asset management and the preservation of County owned property, and ensures that all County owned buildings are clean, safe, user-friendly, and meet the needs of all tenants, employees and the general public.
- ❖ Real Estate Services administers the leasing, acquisition and disposition of buildings and vacant property owned by Milwaukee County.

- Director's Office is responsible for the management of the Department of Transportation and Public Works administrative functions, transportation planning, and real estate services.

6) **Health and Human Services** consists of:

- The Department of Health and Human Services (DHHS) provides a wide range of life-sustaining, life-saving and life-enhancing services to children and adults through age 60. Programs focus on providing services for delinquent children, dysfunctional families, developmentally disable persons, physically disabled persons, mentally ill persons, homeless persons and those in need of financial assistance. The Department also operates the County's housing programs. Many DHHS services provided are mandated by State Statute and / or provided through a State / County contract. DHHS consists of seven service areas:

- ❖ The Behavioral Health Division (BHD) provides care and treatment to developmentally, emotionally and mentally ill adults, children and adolescents through County-operated programs and contracts with community agencies. Services include short-term treatment through crisis services and inpatient services. Long-term inpatient care is available through the Division's nursing home. The division also provides supportive community services for persons with serious mental illness and alcohol and drug abuse problems.

BHD also includes Emergency Medical Services (EMS), which serves Milwaukee County citizens through Milwaukee County Division of Health Programs in conjunction with Milwaukee County EMS Council, Milwaukee County municipalities and with medical direction from the Medical College of Wisconsin. The system consists of: fourteen Paramedic Units and numerous Paramedic First Response Units that serve the Milwaukee County area.

- ❖ The Director's Office provides guidance, support and administrative direction to all DHHS divisions.
- ❖ The Management Services Division provides contract administration and quality assurance, accounting, business office, collections, building operations and procurement services to the

Director's Office, Delinquency and Court Services, Economic Support, Housing and Disabilities Services divisions.

- ❖ The Disabilities Services Division provides supportive services and children with physical and developmental disabilities enabling them to maintain and achieve their maximum independence in the community.
- ❖ The Economic Support Division is responsible for administering the Wisconsin Home Energy Assistance, Interim Disability Assistance and general assistance burials programs. This division also provides funding for the 211 IMPACT helpline, which connects disadvantaged residents to social services in Milwaukee County.
- ❖ The Housing Division administers the federal Department of Housing and Urban Development (HUD) funded Special Needs, Housing Choice Voucher (Rent Assistance), HOME/Home Repair, and Community Development Block Grant (CDBG) programs. The Division also manages the County Special Needs Housing Trust Fund and the Inclusive Housing Fund, and administers contracts providing general operational support to community emergency shelter providers.
- ❖ The Delinquency and Court Services Division provides the juvenile court with intake and disposition services for youth referred for delinquency and juveniles in need of protection and services. This division administers a 120-bed Juvenile Detention Center, juvenile court intake services, custody intake and probation services and support staff for the operation of the Children's Court.
- The Department of Aging was created in 1991 to serve as Milwaukee County's designated Area Agency on Aging under the Older Americans Act and as the County's designated unit to administer aging programs. The Department plans for and services the growing needs of Milwaukee County's large and diverse older adult population. The Department has three service areas:
  - ❖ Administration includes the Director's Office and the Fiscal and Support Services Division. The major functions of the Fiscal and Support Services Division include budget development and management, accounting, and personnel administration.

- ❖ Area Agency Services provides a comprehensive network of support services through community based agencies that assist older adults to remain independent in their homes. This division also provides staff support to the Milwaukee County Commission on Aging, its standing committees and the Advisory Council.
- ❖ The Resource Center acts as the point of entry for the Department's Family Care and all other long-term care programs and is responsible for arranging short-term assistance for older adults with immediate or pressing needs. It is the primary source of quality information and assistive services on issues affecting persons 60 years of age and older and their family support networks.
- The Department of Family Care coordinates all long-term care services, including home and community based services and institutional services for eligible elders who require publicly funded long term care services.

7) **Parks, Recreation and Culture** consists of:

- The Department of Parks, Recreation and Culture serves Milwaukee County citizens and visitors by preserving and protecting the all-natural environments, providing open space for public recreation, and providing a variety of safe and active recreation opportunities to the public.
- ❖ Administration and External Affairs Division is responsible for administrative functions including finance, human resources, contracts, marketing, safety, security and training. It also works and coordinates activities with the dozens of public and private partners and over 60 “friends” groups. The division also assists with major events such as the Great Circus Parade and Milwaukee Air and Water Show.
- ❖ Planning, Policy and Development Division has resources allocated into two separate sections, the Planning Section and the Park Maintenance Skilled Trades Section. Each section is responsible for providing services across the entire Parks Department as well as to other County Departments.
- ❖ Field Operations Division oversees individual parks field operations throughout Milwaukee County. This division is organized into four sections: North Region, South Region, Land Resources and Golf and Turf Maintenance.

- ❖ Business Development and Recreation Services Division provides a variety of recreational programming to the citizens of Milwaukee County. This division is focused on maximizing revenues and developing partnerships that result in new or enhanced department revenues. The department is organized into five sections: Recreation and Aquatics, Concessions and Clubhouse Operations, Public Services, Horticulture and Special Event / Lakefront Operations.
- The Zoological Department operates the Milwaukee County Zoo, which is situated on 200 acres with approximately 465,124 square feet of facilities. The Zoo includes four divisions: Animal Management and Health, Operations Administration and Finance, and Public Affairs and Services. These divisions provide a work force organized to address the seasonal nature of operations, increase attendance and revenue-earning opportunities and provide optimum animal care.
- The Milwaukee County University Extension Service facilitates people's use of university knowledge to make informed decisions that enrich their lives and enhance their community. The Service makes a special effort to reach those who are traditionally underserved including people of color, low-income families, and people with disabilities. The Service provides high-quality, low-cost educational opportunities that emphasize: crisis prevention, youth leadership, and the strengthening of personal and professional skills, leading to an improved quality of life. The Service consists of Youth Development; Family Living Programs; Community Development, Natural Resources and Economic Development; and Urban Agriculture / Horticulture.
- The Milwaukee Public Museum ("MPM") has been operated through a public-private partnership since 1992. The private, not-for-profit organization MPM Inc. operates the museum, and the County owns the buildings and artifacts. MPM is managed by an independent board of directors, which includes representatives appointed by the County Board and the County Executive.

**Business-type Activities:**

- 1) The Airports are an enterprise fund that is classified as a business-type activity in the Government-wide financial statements. The Airports Division provides air transportation services for Milwaukee County and the surrounding region and manages all activities necessary for the efficient, day-to-day operation of General Mitchell International Airport (GMIA) and

Lawrence J. Timmerman Field (LJT). Operating expense of both airports is entirely supported by user fees.

- GMIA is a modern air transportation center of 2,386 acres located six miles south of the City of Milwaukee's central downtown. A total of 9,522,546 passengers were served in 2011 at GMIA. The total is 325,921 less than the 9,848,377 passengers served in 2010, a 3.31 percent decrease.

The Air Force Reserve vacated the 440th Air Force Reserve Station, in February 2008 and final conveyance was completed in July 2010 through a Public Benefit Conveyance with the FAA as the County's sponsor. With approval from the Local Redevelopment Authority (LRA), the existing buildings and facilities are being repaired and maintained so as to allow for the buildings and facilities to be rented.

- LJT Airport is located in the northwest quadrant of the County. This 420-acre general aviation facility serves business and privately owned aircraft.

- 2) The Transit / Para-Transit System is an enterprise fund activity. The Department of Transportation and Public Works (DTPW) provides public transit services through the Milwaukee County Transit System (MCTS). Direct management and operation of the transit system, including paratransit services, is provided by Milwaukee Transport Services, Inc. (MTS), a private non-profit corporation under contract to the County. The corporation uses transit facilities and equipment owned and provided by Milwaukee County.

The Director's Office of the DTPW provides County oversight as well as conducts various transit related studies, and prepares and administers Federal and State transit grants. Division personnel also facilitate the acquisition of capital equipment, and provide design and construction services for capital facilities.

Paratransit operations include the provision of demand responsive transportation and orientation to transportation services. These services provide a complement to the fixed-route services of MCTS and are available to those who are Americans with Disabilities Act (ADA) Paratransit eligible.

## **2012 Departmental Changes:**

The 2012 Adopted Operating Budget includes the following departmental changes:

- The 2012 Budget created the Department of Human Resources, and transfers the divisions formerly known as the Department of Administrative Services – Human Resources and the Department of Administrative Services – Employee Benefits.
- The 2012 Budget reorganizes all of the divisions of the Department of Transportation and Public Works (DTPW). The new Department of Transportation includes the divisions of the Airport, Highway Maintenance, Fleet Management and the Director's Office. The Department of Administrative Services now includes the Department of Administrative Services – Facilities Management and the Department of Administrative Services – Economic Development Divisions.
- State Statute created the Office of the Comptroller, a non-partisan elected position, which would act as a chief financial officer for the County of Milwaukee. The new office would include the transfer of the Department of Audit, and sections of the Department of Administrative Services – Fiscal Affairs, related to payroll, accounting, accounts payable, and the controllers office. The office will require a mid-year correction to the 2012 budget.

## **Countywide Financial Activities**

### **Employee Benefits**

The 2011 Adopted Operating Budget included implementation of a new employee health care plan for non-represented employees and retirees. An outside consultant assisted in the development of a new plan design that to better manage costs related to large claims, encourage utilization of appropriate health care resources and share costs in a manner more consistent with the Federal government and private sector employees. As of the beginning of 2011, these changes could not be implemented for represented employees, unless negotiated with bargaining units.

The savings from the new plan design allows active non-represented employees receiving a health care benefit to receive an automatic contribution to their flexible spending account (FSA), in return for a higher employee cost sharing percentage..

During 2011, the State made modifications to the bargaining rights of represented employees, which limited their negotiations to only base wages. These modifications would not be able to be implemented until the bargaining agreements of the various unions expired. The County's 2012 budget included changes to health care benefits,

which aligned the benefits of represented employees with non-represented employees, plus made additional changes to increase the employee share of the health costs for both active and retired participants.

As a result of the new plan design the County is able to achieve long-term health care savings, and reduce the County OPEB (Other Post-Employment Benefits) liability.

For the 2011 budget, non-represented employees were required to contribute 2% of their annual salary as a pension contribution. The plan was for the employee contribution to increase to 4% by the end of the year. The State instituted a new law during 2011, which required that Milwaukee County employees contribute one-half of the actuarially required contribution to the pension plan. The change was implemented in August 2011, and non-represented employees, and employees not subject to an existing bargaining agreement, began contributing 4.7% of their annual pay. The actuary will calculate this rate on an annual basis.

Beginning in 2005, the County began making changes to pension benefits through budget adoption and bargaining with unions which eliminated future eligibility for a Rule of 75, and the pension backdrop program. In 2010, the County began negotiating reductions in the pension multiplier for future years from 2.0% to 1.6%, and increasing the retirement age for new employees from 60 to 64. These changes have all helped to slow the increase in the actuarial accrued liability, and have reduced

## **E) FINANCIAL INFORMATION**

### **Internal Accounting Controls**

County management is responsible for establishing and maintaining an internal control structure designed to provide reasonable, but not absolute, assurance that County assets are safeguarded against loss from unauthorized use or disposition and assurance that the County financial records are free from material misstatement and accurately account for the County's assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived. The evaluation of costs and benefits requires estimates and judgements by management.

The Milwaukee County Department of Audit is an extension of the legislative branch of Milwaukee County and provides the County Board with a constant overview and independent review of County operations. The department is responsible not only for overseeing the external audit of the financial statements but also for reviews of internal accounting and administrative controls, compliance with applicable laws and regulations, economy and efficiency of operations and effectiveness in achieving program results. The department's audits are performed in accordance with generally



accepted government audit standards. In addition, the County retains the services of independent public accountants to perform audits of both the basic financial statements and of federal and state grants. The audits of the basic financial statements and of federal and state grants are conducted in accordance with auditing standards generally accepted in the United States; Government Auditing Standards issued by the Comptroller General of the United States; the provisions of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and the provisions of the State of Wisconsin State Single Audit Guidelines.

### **Budgetary Process**

Milwaukee County has an executive budget process for the preparation of the annual operating and capital budgets. The Fiscal Affairs Division of the Department of Administrative Services provides the technical assistance required by the County Executive to review budget requests submitted by County departments and agencies. The Fiscal Affairs Division compiles these requests, along with principal and interest requirements, capital improvements, contingency requirements and the required tax levy. It reviews areas where changes may be considered and transmits its findings to the County Executive.

The County Executive holds public hearings with respect to the requests, meets with departments and submits a recommended budget to the County Board on or before October 1<sup>st</sup> of each year. Subsequent to the receipt of the budget from the County Executive, the County Board's Finance and Audit Committee reviews the County Executive's budget at public meetings. On the Monday following its regularly scheduled meeting on the first Thursday in November, the County Board acts on the amendments and recommendations submitted by the Committee on Finance and Audit, as well as amendments submitted by individual supervisors. The County Board adopts a final budget, subject to any vetoes by the County Executive, and levies taxes based upon equalized property values.

### **Budgetary Controls - Expenditures**

Under Wisconsin State Statute, no payment may be authorized or made and no obligation incurred against the County unless the County has sufficient appropriations for each payment. Budgetary control over expenditures is maintained by a formal appropriation and encumbrance system. Encumbrances are charged against appropriations when purchase orders, contracts or other commitments are incurred. Liabilities, which exceed appropriation balances, are not paid until an increased appropriation is made available.

Every appropriation, except for an appropriation for capital expenditures or major repairs, lapses at December 31, to the extent that it has not been expended or encumbered. An appropriation for a capital expenditure or a major repair continues in force until the purpose for which it was made has been accomplished or abandoned or three years pass without any expenditure or encumbrance. The County Board of

Supervisors approves carryovers recommended by the Department of Administrative Services.

The legal level of control for each budget is by department. Once the budget is adopted, transfers of appropriations among departments require approval of the County Board of Supervisors. Supplemental appropriations may be made from unanticipated revenues received or surplus, as defined by resolution adopted by a vote of two-thirds of the members of the County Board of Supervisors. Supplemental appropriations from the issuance of tax anticipation notes require an affirmative vote of three-fourths of the members of the County Board of Supervisors.

## **County Tax Rate Limits**

- **Property Tax Rate Limit**

Section 59.605 of the Wisconsin Statutes imposes a property tax rate limit on Wisconsin counties, effective August 12, 1993. Separate limits were imposed for operating levy rates and the debt service levy rates. Initially, the baseline for the rate limit was the 1992 actual tax rate adopted for 1993 budget purposes. The County may not exceed these operating levy rates and debt levy rate limits unless one or more specified conditions apply, as described below. The statute establishes specific penalties for failure to meet the limit requirements. Among the penalties for exceeding the limits are reductions in state shared revenues and transportation aids.

- **Operating Budget Levy Rate**

The only conditions under which the maximum rate may be increased are if services are transferred between governmental units (transfers to other governmental units reduce the maximum rate) or if a referendum is approved by a majority of local electors to allow the maximum rate to be increased. The operating property tax levy rate limit is \$4.08 per \$1,000 equalized value. A property tax rate of approximately \$3.58 per \$1,000 of equalized value was established for the County's 2011 operating budget.

- **Debt Service Levy Rate**

The conditions under which the debt service rate may be increased include: approval of issuance of debt at a referendum, adoption of a resolution by the County Board which sets forth its "reasonable expectation" that the issuance of the debt, will not cause the County to exceed its debt levy rate limit, actual authorization of the debt prior to the August 12, 1993 effective date of the rate limit, issuance of debt for regional projects as described in Section 67.05(7)(f) of the Wisconsin Statutes, issuance of debt to refund outstanding municipal obligations or adoption of a resolution to issue debt which is approved by a 3/4

vote of the members-elect of the County Board. The debt property tax levy rate limit is \$1.42 per \$1,000 equalized value. In conformance with the conditions outlined above, the County levied a debt levy rate of \$.88 per \$1,000 of equalized value for the 2011 budget.

The Bonds were authorized by a three-quarters vote of the members-elect of the County Board, although only a simple majority was required as the Bonds are a refunding bond issue. The debt service levy rate allowed for the repayment of general obligation debt is not limited under current law.

### **Debt Administration**

In 1994, the County established new policies and revised existing policies that directly and indirectly affected its borrowing practices, including development of guidelines for maximum debt burdens and maximum maturity and modifications to the procedures for accepting competitive bids.

The County Board has also adopted policies limiting the amount of corporate purpose bonds issued by the County to finance capital projects. Under this policy, corporate purpose bond issuance could not exceed a maximum of \$ 30 million starting with fiscal year 2008 and in each subsequent fiscal year could be increased by no more than three percent over the principal amount of the preceding year's issue. This cap only applies to corporate purpose bonds that finance the Capital Improvements Program; it does not apply to other debt issued by the County.

The County Board authorized and borrowed significantly more than what would have been allowed under the above referenced bonding cap policy during 2009 and 2010, in order to accelerate projects previously scheduled to occur during the four year period of 2009 through 2012. The end result is that the County issued general obligation debt for four years of capital projects during a two-year period (2009 and 2010) and then intends to issue much less than usual dollar amounts of general obligation debt for capital projects during the next two-year period (2011 and 2012). This will allow the County to maintain the bonding cap policy in aggregate during the four year time period while accelerating the capital project plan to take advantage of certain provisions of the ARRA and provide a local economic stimulus.

Wisconsin Statutes limit the County's direct general obligation borrowing to an amount equivalent to five percent of the equalized valuation of taxable property. At December 31, 2011, the County had \$ 807 million of net general obligation debt available, representing 26.4 percent of the \$ 3.1 billion debt limit. The debt limit is based upon equalized value of County property of \$ 61.1 billion.

Approximately 77.0 percent of the County's general-purpose obligations will be retired within ten years. The County's general-purpose obligations do not include revenue bonds issued by the County with respect to the airports. For 2011, total debt of the County, which includes general purpose and Airport revenue bond obligations, was

\$ 1,020 billion. As of December 31, 2011, approximately \$ 232 million or 22.8 percent of the County's outstanding general purpose and revenue debt is for the Airports. Pursuant to the lease agreements with the airlines, signatory airlines are obligated to pay all principal and accrued interest payments for debt issued on behalf of the Airports.

Milwaukee County has maintained its ratings from Fitch IBCA, Moody's Investors Service, and Standard & Poor's Corporation on general obligation bond issues. A rating reflects only the view of the rating agency, from whom an explanation of the significance of such rating may be obtained. The County is not obligated to maintain the current ratings on the Bonds, and there is no assurance that ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely if, in the judgment of the rating agency, circumstances so warrant. Any such downward revision or withdrawal could have an adverse effect on the market price of the Bonds. The County and the Co-Financial Advisors will undertake no responsibility to oppose any revision or withdrawal of such ratings.

Fitch IBCA  
AA+

Moody's Investors Service  
Aa2

Standard & Poor's  
AA

In 2011, the County issued General Obligation Refunding Bonds of approximately \$35.1 million to refinance prior General Obligation Corporate Purpose Bonds issued in 2001, 2002 and 2003.

### **Long-term Financial Planning**

The Department of Administrative Services purchased forecasting software and related consulting services. Historical data is analyzed to assist in developing the assumptions. Forecasting methods included regression, use of specific data where available and use of historical average annual changes. Each year, the actual data will be updated and assumptions will be refined. Standard forecasting schedules will be updated and provided to policy makers on a regular basis. During budget development, the forecast schedules will be provided to policy makers to provide them with information regarding the long-term financial impact of budget decisions.

In 2009, a work-group made up of administrative, departmental and County Board staff, along with external experts, developed a consensus-based five-year forecasting model, for 2010 through 2014 to better understand the structural deficit facing the County. That initial forecast projected a 2010 deficit of \$78M and a 2011 deficit of \$109.8M growing to \$152.8M by 2014, assuming no structural changes. The underlying causes of the deficits are relatively flat or declining revenues while expenditures, particularly employee health care benefits and pensions, continue to increase. The County is required by state statute to pass a balanced budget.

The County continues to use this software to develop five-year forecasts, and to use it as a basis for budgeting. Adjustments were made to the projections for 2010, 2011

and 2012 to develop a balanced budget for County Board approval. Some of the adjustments to salaries included abolishment of numerous positions, eliminating vacancies, reducing overtime, consolidation and cross training of duties, privatizing several services and instituting furlough days. Substantial healthcare savings were made due to the County changing their main provider in 2009, and continuing to share the cost of health care with employees. Other significant savings in the pension budget were due to reductions in salaries and a decrease in the County contribution by decreasing pension benefits for non-union employees. The County has also been aggressive in pursuing more efficient options in delivering services.

While fiscal challenges remain, the County has a track record of achieving balanced budgets and through the new five-year forecast, a tool to develop more strategic options for achieving long-term sustainability.

## **F) OTHER INFORMATION**

### **Independent Audit**

The accounting firm of Baker Tilly Virchow Krause, LLP was engaged to perform an audit of the basic financial statements and to issue a report on internal controls and compliance with laws and regulations for the County. The auditors' report on the basic financial statements is included in this comprehensive annual financial report.

The selection of the independent audit firm was administered by the Department of Audit. A request for proposal was issued to solicit proposals from eligible firms. The proposals received by the County were reviewed and ranked by the committee. The County Board and County Executive then approved the contract of the successful firm.

The audit was performed to provide reasonable assurance that the financial statements are free of material misstatement. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended December 31, 2011 are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditors' report is presented as the first component of the financial section of the CAFR.

The accounting firm of Coleman & Williams, Ltd. has issued reports on its audit of Federal and State grants known as the Single Audit Report. The Single Audit Report has been issued under separate cover.

## **Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its comprehensive annual financial report for the year ended December 31, 2010. This was the thirty-second consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

## Acknowledgements

The preparation of this report could not have been accomplished without the dedicated service of the entire staff of the Department of Administrative Services, Fiscal Affairs Division, the assistance of personnel in the various departments and through the competent service of the independent public accountants as well as the Department of Audit. We would like to express our appreciation to all persons who assisted in its preparation.

Respectfully submitted,



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Craig Kammholz, Fiscal and Budget Administrator  
Department of Administrative Services



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Chris Abele, County Executive

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Milwaukee  
Wisconsin

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Linda C. Dandison*

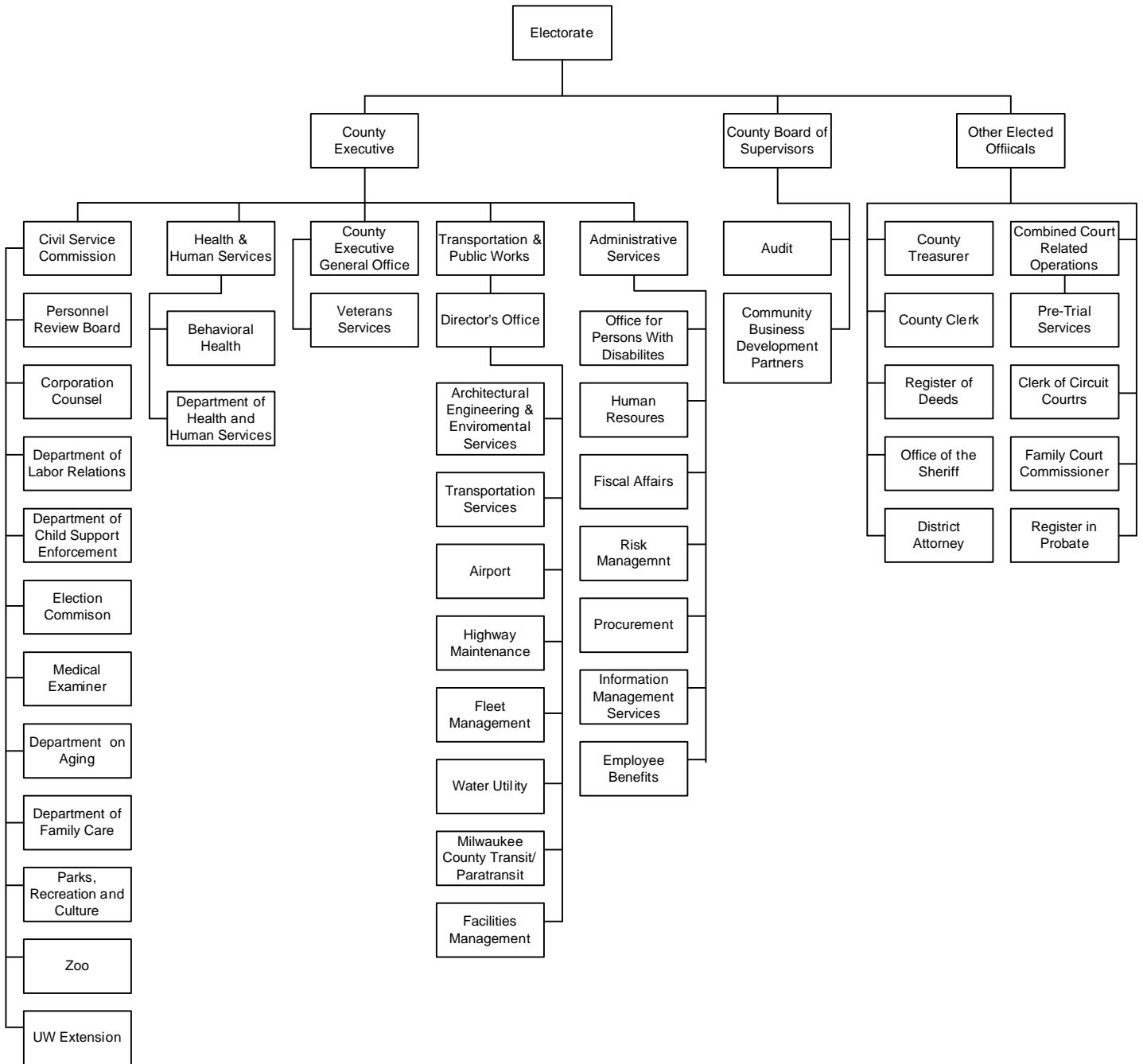
President

*Jeffrey R. Emer*

Executive Director



# COUNTY OF MILWAUKEE ORGANIZATIONAL CHART 2011



**COUNTY OF MILWAUKEE  
LIST OF PRINCIPAL OFFICIALS AND COMMITTEES  
DECEMBER 31, 2011**

**ELECTED**

County Executive..... Chris Abele  
County Treasurer..... Daniel J. Diliberti  
District Attorney..... John T. Chisholm  
County Clerk..... Joseph Czarnezki  
Clerk of Circuit Court..... John Barrett  
Sheriff..... David A. Clarke Jr.  
Register of Deeds..... John La Fave

**COUNTY BOARD OF SUPERVISORS - (By District Number)**

<b>1-</b> Theodore A. Lipscomb	<b>11-</b> Mark A. Borkowski
<b>2-</b> Nikiya Q. Harris	<b>12-</b> Peggy A. West
<b>3-</b> Gerry P. Broderick	<b>13-</b> Willie Johnson, Jr.
<b>4-</b> Marina Dimitrijevic	<b>14-</b> Jason Haas
<b>5-</b> Lee Holloway - (Chairman)	<b>15-</b> Lynne De Bruin
<b>6-</b> Joseph Rice	<b>16-</b> John F. Weishan, Jr.
<b>7-</b> Michael Mayo, Sr.	<b>17-</b> Joe Sanfelippo
<b>8-</b> Patricia Jursik	<b>18-</b> Johnny L. Thomas
<b>9-</b> Paul M. Cesarz	<b>19-</b> James Schmitt
<b>10-</b> Eyon Biddle, Sr.	

(Note – reduced to 18 Districts beginning April 2012)

**COUNTY OF MILWAUKEE  
LIST OF PRINCIPAL OFFICIALS AND COMMITTEES  
DECEMBER 31, 2011**

**APPOINTED**

<b><u>Department</u></b>	<b><u>Title</u></b>	
Health and Human Services.....	Director.....	Hector Colon
Behavioral Health Division.....	Administrator.....	Paula Lucey
Circuit Courts.....	Chief Judge.....	Jeffrey A. Kremers
Audit.....	Director.....	Jerome J. Heer
Human Resources.....	Director.....	Kerry Mitchell
Transportation and Public Works...	Director.....	Frank Busalacchi
Family Court Commissioner.....	Commissioner.....	Michael J. Bruch
Medical Examiner.....	Medical Examiner.....	Brian L. Peterson, MD
Parks, Recreation, and Culture.....	Director.....	Susan Black
Register in Probate.....	Register in Probate.....	John Barrett
Zoological Department.....	Director.....	Charles Wikenhauser
Aging.....	Director.....	Stephanie Sue Stein
Family Care.....	Director.....	Maria Ledger
Administrative Services.....	Director.....	Patrick Farley
Corporation Counsel.....	Corporation Counsel...	Kimberly Walker

**COUNTY OF MILWAUKEE  
LIST OF PRINCIPAL OFFICIALS AND COMMITTEES  
DECEMBER 31, 2011**

**COUNTY BOARD STANDING COMMITTEES**

The County Board of Supervisors Chairman appoints the chair and members of the eight standing committees of the Milwaukee County Board. Each Committee is comprised of a Committee Chair, 5-6 members and 2 staff. Note that the Finance and Audit Committee and the Personnel Committee were combined into the Finance, Personnel and Audit Committee in 2012.

- The **Economic and Community Development Committee** oversees the administration of federal, state and local housing programs in the County, including the Urban Community Development Block Grant Program. This Committee decides matters pertaining to economic development of Milwaukee County, including the best disposition of County properties and also makes decisions on the Research Park and the Airport Business Park.
- The **Finance and Audit Committee** reviews budget, taxation and insurance matters. The Committee also reviews reports of the Department of Audit to ensure that County departments implement program improvements and cost saving recommendations of the County Board.
- The **Health and Human Needs Committee** is responsible for policies related to the department of Health and Human Services (DHHS), Mental Health Division, Emergency Medical Services (paramedics) and the Children's Court Center. The Committee also reviews policies relating to the Office for Persons with Disabilities and monitors the implementation of the Wisconsin Works program (W-2).
- The **Intergovernmental Relations Committee** reviews proposed federal, state and local legislation affecting the County and makes recommendations determining the County's policy on these matters. Occasionally, members of the Committee appear before Congress, the State Legislature and governing bodies of other municipalities to support the County Board's policies.

**COUNTY OF MILWAUKEE  
LIST OF PRINCIPAL OFFICIALS AND COMMITTEES  
DECEMBER 31, 2011**

**COUNTY BOARD STANDING COMMITTEES - Continued**

- The **Judiciary, Safety and General Services Committee** considers legal questions concerning lawsuits or claims against the County, claims for workers compensation, personal injuries and property damage. Members set policy for County Funded State Court Services, Family Court Commissioners, Jury Commissioners, Register in Probate, Election Commission, County Clerk, Register of Deeds, Legal Resource Center, Sheriff, Medical Examiner, Safety Commission, District Attorney, County Correctional Facility - South, Department of Child Support Enforcement, Corporation Counsel and Emergency Management.
- The **Parks, Energy and Environment Committee** is responsible for all matters concerning County parks and parkways. Members set policy for the parks department, organized recreation, cultural activities, the University Extension program, the Environmental Services of the Department of Public Works and Zoo park services. Members have jurisdiction over matters concerning the conservation of all uses of energy and make recommendations relating to conservation of air, water, energy and all other resources.
- The **Personnel Committee** handles employee relations, including collective bargaining, reclassification, compensation and conditions of employment of County personnel and officers. Members set policy for the Civil Service Commission and administer the County Employee Merit Award program.
- The **Transportation, Public Works and Transit Committee** is responsible for the mission of the Department of Public Works, including the construction and maintenance of County highways, bridges and public structures. Members discuss all matters pertaining to the policy of mass transit and the Milwaukee County Transit System, including fares, service routes and capital improvements. The Committee also discusses all matters under its jurisdiction pertaining to railroads and public utilities in the County.

Some matters coming before the County Board have a significant policy impact or a unique set of circumstances which overlap specific committee jurisdiction, (for example, the closing of a major County facility). On such occasions, the **Committee of the Whole** will meet at the call of the County Board Chair. All 19 supervisors are members of this committee.

## **FINANCIAL SECTION**

- **Independent Auditors' Report**
- **Management's Discussion and Analysis**
- **Basic Financial Statements**
- **Notes to the Basic Financial Statements**
- **Required Supplementary Information**
- **Individual and Combining Fund Statements and Schedules**

**INDEPENDENT AUDITORS' REPORT**

To the Board of Supervisors  
of the County of Milwaukee, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Milwaukee, Wisconsin, as of and for the year ended December 31, 2011, which collectively comprise the County of Milwaukee's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Milwaukee's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Milwaukee County War Memorial Center, Inc., the Marcus Center for the Performing Arts, and the Milwaukee County Research Park Corporation, which represent 40 percent, 56 percent and 36 percent, respectively, of the assets, net assets and the operating revenues of the discretely presented component units. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Milwaukee County War Memorial Center, Inc., the Marcus Center for the Performing Arts, and the Milwaukee County Research Park Corporation, is based on the reports of the other auditors.

We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Milwaukee Public Museum, Inc., the Milwaukee County War Memorial Center, Inc., the Marcus Center for the Performing Arts and the Milwaukee County Research Park Corporation were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Milwaukee, Wisconsin, as of December 31, 2011, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the County of Milwaukee adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective January 1, 2011.

In accordance with *Government Auditing Standards*, we will issue a report on our consideration of the County of Milwaukee's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

To the Board of Supervisors  
of the County of Milwaukee, Wisconsin

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of funding progress and the schedules of employer contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economical, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Milwaukee's basic financial statements. The combining and individual fund financial statements and schedules and other supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the County of Milwaukee's basic financial statements for the year ended December 31, 2010, which are not presented with the accompanying financial statements. In our report dated July 28, 2011, we expressed an opinion that the 2010 combining and individual fund financial statements and schedules and other supplementary information are fairly stated in all material respects in relation to the basic financial statements for the year ended December 31, 2010, taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Milwaukee's basic financial statements. The "Introductory Section" and "Statistical Section" listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on it.

*Baker Tilly Vinchow Krause, LLP*

Milwaukee, Wisconsin  
July 31, 2012



# **Management's Discussion and Analysis Required Supplementary Information (Unaudited)**

This section of the County of Milwaukee's comprehensive annual financial report provides a narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2011. Please read it in conjunction with the transmittal letter at the front of this report and the County's basic financial statements following this section. All dollar amounts are expressed in thousands unless otherwise indicated.

## **FINANCIAL HIGHLIGHTS**

### **Highlights for Government-wide Financial Statements**

The government-wide financial statements report information about the County as a whole using the economic resources measurement focus and accrual basis of accounting.

- The County's assets exceeded its liabilities by \$ 444,997 on a government-wide basis as of December 31, 2011. The unrestricted net assets of the County were a negative \$ (236,223).
- For the fiscal year, program and general revenues of the County's governmental activities totaled \$ 1,120,269. Expenses totaled \$ 1,085,328 including operating transfers out of \$ 15,532.
- For 2011, revenues of the County's business-type activities were \$ 301,117 including operating transfers in of \$ 15,532. Expenses totaled \$ 266,063.

### **Highlights for Fund Financial Statements**

The fund financial statements provide detailed information about the County's most significant funds using the current financial resources measurement focus and modified accrual basis of accounting.

- As of December 31, 2011, the County's governmental funds reported combined ending fund balances of \$ 181,736, as compared to \$ 194,085 for the year ended December 31, 2010.
- The County's enterprise funds had combined net assets of \$ 271,288 as of December 31, 2011, compared to \$ 236,234 as of December 31, 2010.

# FINANCIAL HIGHLIGHTS (CONTINUED)

## General Financial Highlights

- In March 2011, the County issued \$ 35,095 of General Obligation Refunding Bonds to refund General Obligation Corporate Purpose Bonds issued in 2001, 2002 and 2003.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The financial section of this annual report consists of four parts: (1) management's discussion and analysis (presented here), (2) basic financial statements that includes the government-wide financial statements, fund financial statements and notes to the financial statements, (3) required supplementary information, and (4) other supplementary information.

The County's basic financial statements consist of two kinds of statements each with a different view of the County's finances. The government-wide financial statements provide both long- and short-term information about the County's overall financial status. The fund statements focus on major aspects of the County's operations, reporting those operations in more detail than the government-wide statements. The basic financial statements also include notes to explain information in the financial statements and provide more detailed data.

The statements and notes are followed by required supplementary information that contains the trend data pertaining to the retirement systems. Directly following this information is other supplementary information with combining and individual fund statements and schedules to provide details about the governmental, internal service, and fiduciary funds.

## Government-wide Financial Statements

The **government-wide financial statements**, which consist of the following two statements, are designed to provide readers with a broad overview of Milwaukee County's finances in a manner similar to a private-sector business.

The first government-wide statement, **the statement of net assets**, presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

# OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

## Government-wide Financial Statements (Continued)

The second statement, **the statement of activities**, presents information showing how the County's net assets changed during 2011. All changes in net assets 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 not only current uses of cash flow but also for items that will result in cash flows in a future fiscal period (e.g. uncollected taxes and earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of Milwaukee County that are principally supported by taxes and intergovernmental revenues (referred to as "governmental activities") from functions that are intended to recover all or a significant portion of their costs through user fees and charges (referred to as "business-type activities"). The governmental activities of Milwaukee County include legislative, executive and staff, courts and judiciary services, general government, public safety, public works and highways, health and human services, and parks, recreation and culture. The business-type activities of Milwaukee County include the Airports and the Transit System.

The government-wide financial statements include the County's governmental and business-type activities (collectively referred to as the primary government), but also legally separate entities (known as discretely presented component units) for which the County is financially accountable. Together, the primary government and its discretely presented component units are referred to as the reporting entity. The Milwaukee Public Museum, the Milwaukee County Research Park, the Milwaukee County War Memorial Center, and the Marcus Center for Performing Arts are the County's discretely presented component units.

Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 60-63 of this report.

## Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Milwaukee County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Milwaukee County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

# OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

## Fund Financial Statements (Continued)

### Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, and the capital projects fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in other supplementary financial information. These non-major governmental funds are all special revenue funds of the County.

The County adopts an annual appropriated budget for its general fund, debt service fund, and its capital projects funds. A budgetary comparison statement has been provided for the general fund to demonstrate budgetary compliance in the basic financial statements. Budgetary comparisons for other funds with adopted budgets have been included in other supplementary financial information. In addition, a general fund budgetary comparison by department is also included in other supplementary information.

The governmental fund financial statements can be found on pages 64-68 of this report.

## OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

### **Proprietary funds**

The County maintains two different types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the fiscal activities of the Airports and the Transit System. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its public works services, information management services, and its risk management activities. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The financial statements of the proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Airports and the Transit System, which are considered to be major funds of the County. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the other supplementary financial information.

The proprietary fund financial statements can be found on pages 69-71 of this report.

### **Fiduciary funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds, the economic resources measurement focus and the accrual basis of accounting.

The County's fiduciary funds consist of a pension trust fund and agency funds. The pension trust fund is used to account for the assets held in trust by the County for the employees and beneficiaries of its defined pension plan- the Employees' Retirement System, and the OBRA Retirement System. The agency funds are used to account for monies received, held, and disbursed on behalf of the State of Wisconsin Court System located in the County; fee collections, as mandated by the State; social service clients; and certain other local governments.

The fiduciary fund financial statements can be found on pages 72-73 of this report.

# OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

## Notes to the Financial Statements

Notes to the Financial Statements provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements.

The notes can be found on pages 76-166 of this report.

## Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees.

Required supplementary information can be found on pages 168-173 of this report.

## Other Supplementary Information.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information on pensions as other supplementary information. Budgetary comparison for the major funds is also provided in this section.

Combining and individual fund statements and schedules can be found on pages 176-194 of this report.

## GOVERNMENT- WIDE FINANCIAL ANALYSIS

The government-wide financial statements are provided as part of the approach mandated by the Governmental Accounting Standards Board (GASB). GASB sets the uniform standards for presenting government financial reports. Complete comparative information is provided in this the Management's Discussion and Analysis.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Milwaukee County, assets exceeded liabilities by \$ 444,997 at the close of the fiscal year. The County's net assets increased for this fiscal year by \$ 69,995.

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# GOVERNMENT- WIDE FINANCIAL ANALYSIS (CONTINUED)

## County of Milwaukee, Wisconsin

### Net Assets

(In Thousands)

	Governmental		Business-type		Primary Government	
	Activities		Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and Other Assets	\$ 659,831	\$ 738,142	\$ 127,514	\$ 141,443	\$ 787,345	\$ 879,585
Long-Term Assets	420,513	411,587	-	-	420,513	411,587
Capital Assets	<u>647,972</u>	<u>641,375</u>	<u>434,527</u>	<u>402,987</u>	<u>1,082,499</u>	<u>1,044,362</u>
Total Assets	<u>1,728,316</u>	<u>1,791,104</u>	<u>562,041</u>	<u>544,430</u>	<u>2,290,357</u>	<u>2,335,534</u>
Current Liabilities	553,175	618,159	48,977	55,227	602,152	673,386
Long-term Liabilities	<u>1,001,432</u>	<u>1,034,177</u>	<u>241,776</u>	<u>252,969</u>	<u>1,243,208</u>	<u>1,287,146</u>
Total Liabilities	<u>1,554,607</u>	<u>1,652,336</u>	<u>290,753</u>	<u>308,196</u>	<u>1,845,360</u>	<u>1,960,532</u>
Net Assets:						
Invested in Capital Assets,						
Net of Related Debt	293,406	269,272	242,984	206,417	536,390	475,689
Restricted	121,630	62,876	23,200	19,893	144,830	82,769
Unrestricted	<u>(241,327)</u>	<u>(193,380)</u>	<u>5,104</u>	<u>9,924</u>	<u>(236,223)</u>	<u>(183,456)</u>
Total Net Assets	<u>\$ 173,709</u>	<u>\$ 138,768</u>	<u>\$ 271,288</u>	<u>\$ 236,234</u>	<u>\$ 444,997</u>	<u>\$ 375,002</u>

The largest portion of the County's net assets reflects its investment in capital assets (e.g. land, land improvements, buildings, vehicles, equipment and infrastructure, net of depreciation and amortization), plus any unspent capital bond funds less the outstanding debt that was used to acquire those assets. The County also includes the Net Pension Asset, offset by Pension Obligation Bond debt in this classification, since the asset is a direct result of the issuance of the debt. For 2011, the balance of capital assets net of related debt was \$ 536,390. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County'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 cannot be used to liquidate these liabilities. Indirectly, the depreciation of capital assets is an expense for proprietary funds and therefore, as an expense, is available to be reimbursed through user fees of those funds. Net capital asset additions exceeded debt payments for the year, which resulted in the increase in this net asset.

Due to the adoption of GASB 54 on presentation of fund balance, all restricted assets shown in the governmental funds for 2011 will now be shown as restricted for the Government-wide statements. In 2010, the governmental funds reserved fund balances were classified as either restricted or unrestricted. If the 2010 statements were restated the restricted and unrestricted Net Assets for governmental activities would have been \$ 99,318 and (\$ 229,822), respectively.

## GOVERNMENT- WIDE FINANCIAL ANALYSIS (CONTINUED)

The restricted net assets represent resources that are subject to external restrictions on how they may be used. Restricted net assets at the end of 2011 totaled \$ 144,830. This amount is subject to external restrictions, some of which include grant-related restrictions, laws or regulations of other governments, debt service, airport passenger facility charges (PFC) revenue and the airports capital projects. The airport PFC revenue is restricted for airport bond repayment and future airport capital needs.

Unrestricted net assets represent the remaining amount of net assets that are neither related to capital assets nor are restricted for specific purposes. The unrestricted net assets were a negative \$ (236,223). The unrestricted net assets decreased by \$ 52,767 in 2011.

### Statement of Activities

The following table provides the summary of the changes in net assets for the primary government for the fiscal years ended December 31, 2011 and 2010:

<b>County of Milwaukee, Wisconsin</b>						
<b>Summary of Changes in Net Assets</b>						
<b>(In Thousands)</b>						
	<b>Governmental</b>		<b>Business-type</b>		<b>Primary Government</b>	
	<b>Activities</b>		<b>Activities</b>		<b>Total</b>	
<b>Revenues:</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
Program Revenues:						
Charges for Services	\$ 425,955	\$ 409,662	\$ 143,860	\$ 137,268	\$ 569,815	\$ 546,930
Operating Grants and Contributions	255,309	267,341	89,829	89,495	345,138	356,836
Capital Grants and Contributions	71	160	51,583	49,489	51,654	49,649
General Revenues:						
Property Taxes	273,297	266,973	-	-	273,297	266,973
Sales Taxes	64,348	61,534	-	-	64,348	61,534
Intergovernmental Revenues not Related to Specific Programs	45,238	44,952	-	-	45,238	44,952
Investment Income and Rents	3,554	4,476	313	162	3,867	4,638
Other Revenue	52,497	43,339	-	-	52,497	43,339
<b>Total Revenues</b>	<b>1,120,269</b>	<b>1,098,437</b>	<b>285,585</b>	<b>276,414</b>	<b>1,405,854</b>	<b>1,374,851</b>
<b>Expenses:</b>						
Legislative, Executive, and Staff	51,886	51,340	-	-	51,905	51,340
Courts and Judiciary	53,132	57,121	-	-	53,132	57,121
General Governmental Services	6,668	4,077	-	-	6,668	4,077
Public Safety	162,316	164,447	-	-	162,316	164,447
Public Works and Highways	89,559	66,641	-	-	89,168	66,641
Human Services	597,078	616,717	-	-	597,122	616,717
Parks, Recreation, and Culture	79,709	77,221	-	-	80,037	77,221
Interest	29,448	39,472	-	-	29,448	39,472
Airport	-	-	90,183	82,692	90,183	82,692
Transit	-	-	175,880	174,960	175,880	174,960

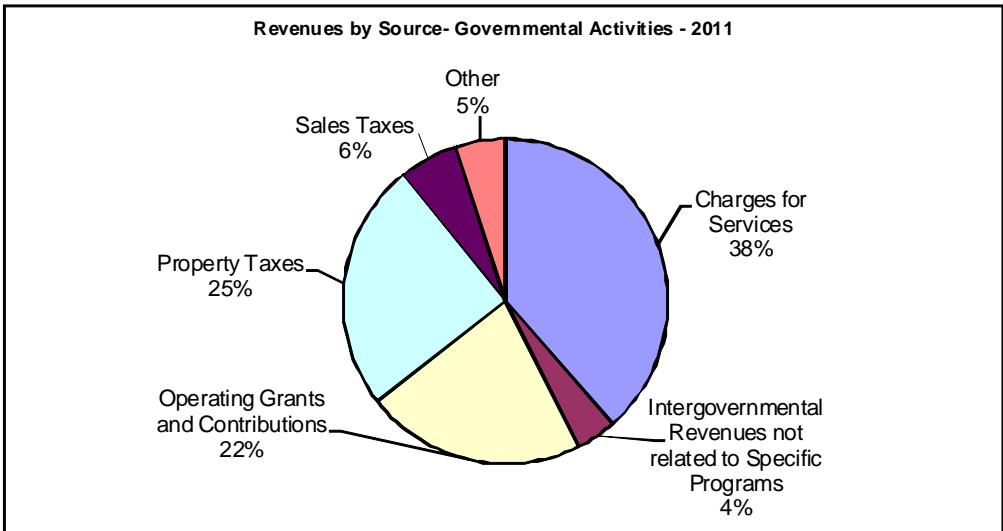


# GOVERNMENT- WIDE FINANCIAL ANALYSIS (CONTINUED)

## Statement of Activities (Continued)

Total Expenses	1,069,796	1,077,036	266,063	257,652	1,335,859	1,334,688
Change in Net Assets Before Transfers	50,473	21,401	19,522	18,762	69,995	40,163
Transfers	(15,532)	(14,260)	15,532	14,260	-	-
Change in Net Assets	34,941	7,141	35,054	33,022	69,995	40,163
Net Assets- Beginning of the Year	138,768	131,627	236,234	203,212	375,002	334,839
Net Assets- End of the Year	\$ 173,709	\$ 138,768	\$ 271,288	\$ 236,234	\$ 444,997	\$ 375,002

## Governmental Activities



## 2011 Actual Revenues compared to 2010 Actual Revenues

Revenues for the County’s governmental activities were \$ 1,120,269 for the fiscal year 2011, representing an increase of \$ 21,832, or 2.0%, from fiscal year 2010. Sources of revenue for 2011 as a percentage of total revenues are shown above.

Charges for services constitute the largest source of County revenues, amounting to \$ 425,955 for fiscal year 2011, an increase of \$ 16,293 from 2010. Charges for services represent collections from those who directly benefit from County services. The net increase in 2011 was mainly due to an increase in Milwaukee County Family Care’s revenues including additional members served and higher capitation rates for nursing home level of care from 2010 rates. Milwaukee County Family Care began serving disabled clients in 2010, in addition to elderly clients.

Operating grants and contributions continue to support a significant portion of County services with \$ 255,309 of revenue in 2011. Operating grants and contributions

# GOVERNMENT- WIDE FINANCIAL ANALYSIS (CONTINUED)

## 2011 Actual Revenues compared to 2010 Actual Revenues (Continued)

generally represent federal and state grants revenue with the majority supporting health and human service programs. The net decrease in operating grants and contributions of \$ 12,032, was mainly due to:

- Net decreases in Federal and State grants awarded to DHHS for 2011, including the transfer of disability service programs to Milwaukee County Family Care: a service charge based program.

The net decrease in capital grants and contributions in 2011 of \$ 89 was due to fewer governmental capital operating programs.

Property tax revenue increased by \$ 6,324 over the prior year, however property tax revenue as a percent of total governmental activity revenues only increased by 0.5% from the prior year. Property tax revenue includes the tax levy for the budget year, offset by any reserves for delinquent taxes for non-collection in the current year. Caps on increases in levy rates have limited the increase each year. In addition, reserves for delinquent taxes have decreased, as the market for housing has improved from prior years.

Sales tax revenue increased by \$ 2,814, or 4.6% between 2010 and 2011 as a result of a limited increase in consumer spending in 2011.

Intergovernmental revenues not related to specific programs increased by \$ 286 from the prior year.

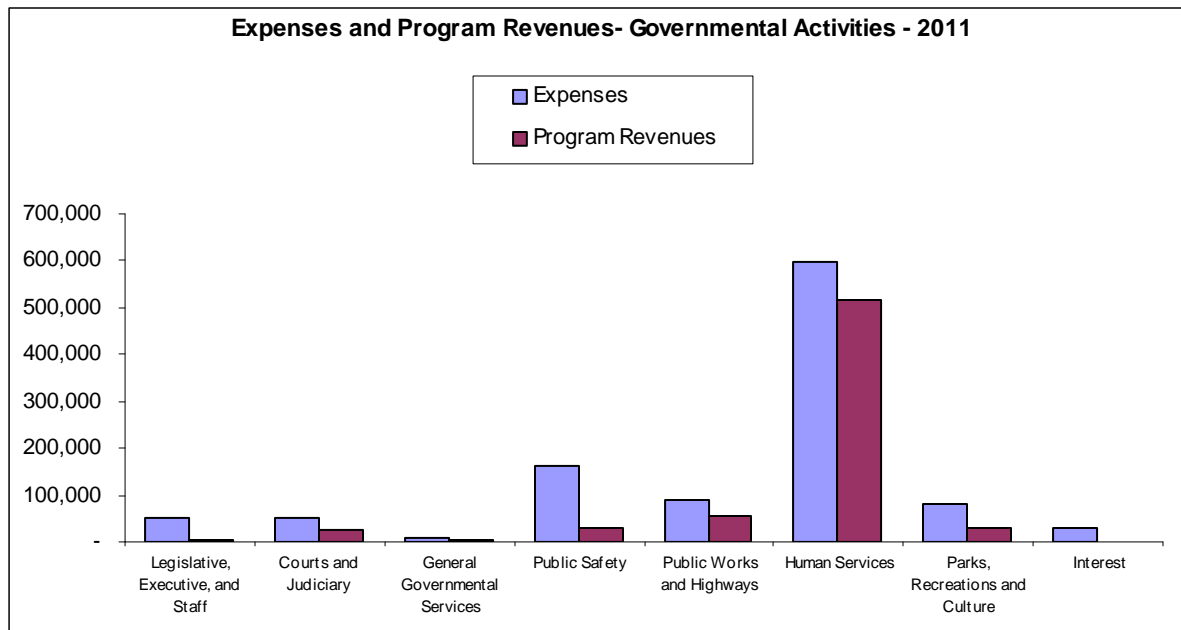
Investment income and rents decreased by \$ 922 which was mainly due to lower rates of return on investments in 2011 versus 2010.

Other revenue increased by \$ 9,158 due to an increase in other service revenue for the County Behavioral Health Division.

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# GOVERNMENT- WIDE FINANCIAL ANALYSIS (CONTINUED)

## 2011 Actual Revenues compared to 2010 Actual Revenues (Continued)



## 2011 Actual Expenses compared to 2010 Actual Expenses

Total expenses for all of the County's governmental activities for the fiscal year 2011 were \$ 1,069,796 representing a decrease of \$ 7,240 or 0.7% from 2010. Total expenses compared to the respective program revenues in departments are shown above.

The net decrease in total expenses is mainly due to a reduction in program expenses for grant programs taken over by the State, plus instituting additional cost saving measures across departments. Year to year comparisons show a reduction in every major departmental activity, except public safety. The increase in Public Safety expenses reflects a new policy to eliminate cross-charges for bailiff services, which also reduces expenses in the Courts and Judiciary.

Current economic conditions have required the County to implement additional cost savings measures over the past several years. The following are some of the measures taken in recent years to control costs:

- Beginning of contributions by employees for pension costs.
- Elimination of departmental positions due to downsizing and privatization of services
- Changes to departmental policies so as to limit overtime usage
- Holding positions vacant in order to achieve departmental cost savings.

# GOVERNMENT- WIDE FINANCIAL ANALYSIS (CONTINUED)

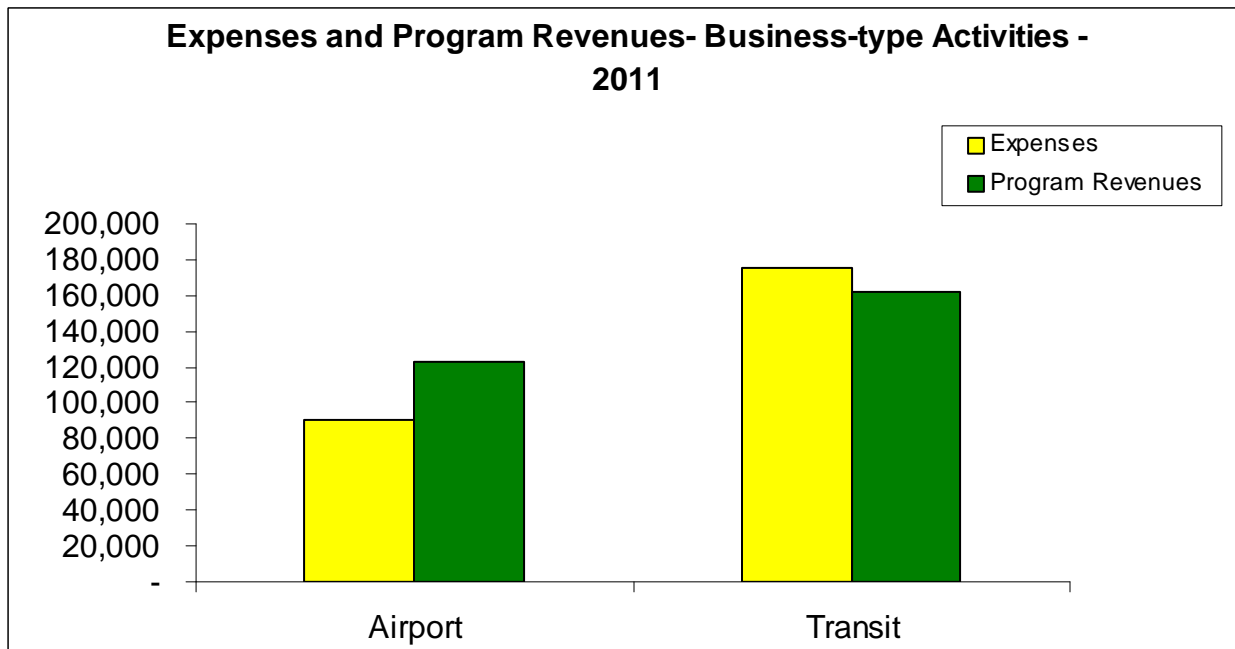
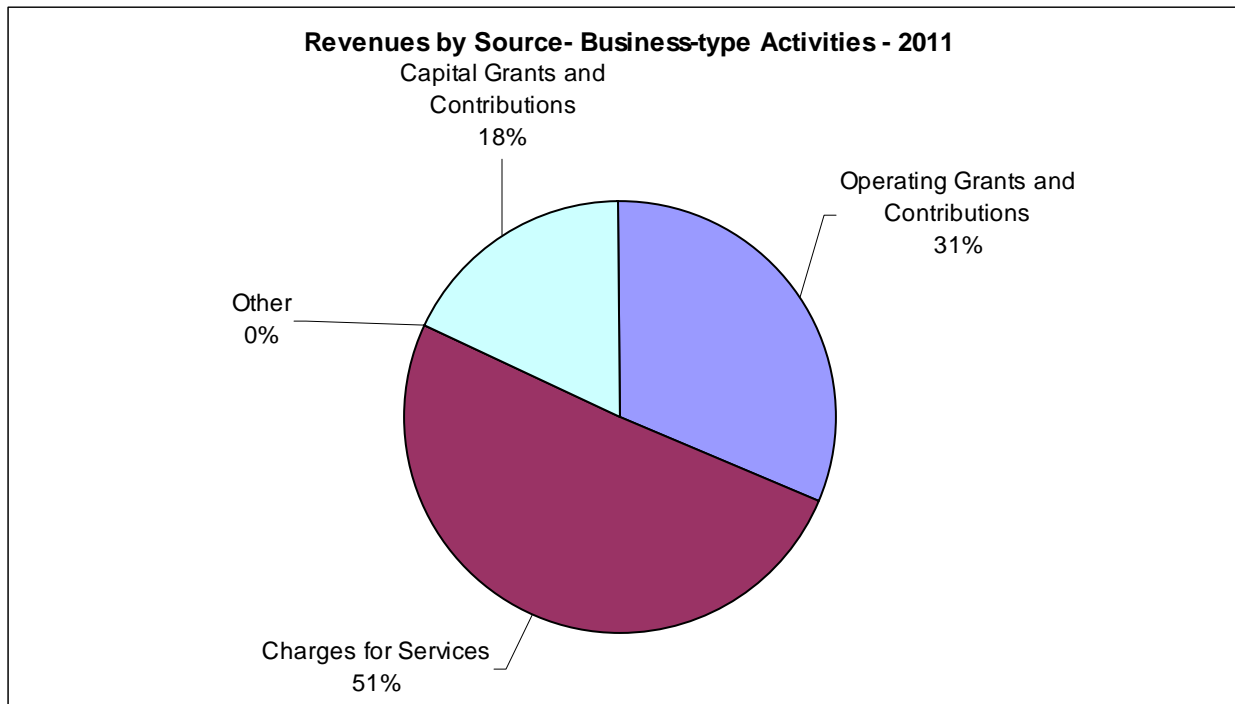
## 2011 Actual Expenses compared to 2010 Actual Expenses (Continued)

- Elimination of wage step increases for non-represented and certain represented positions
- Increase in employee contributions to healthcare plans for certain represented and non-represented positions
- Increase in out-of-network employee co-pays and other health care deductibles to reduce County PPO costs for both active and retired non-represented employees.
- Reduction in the County's pension contribution from 2% to 1.6% for all non-represented employees except deputy sheriffs and elected officials, and certain smaller bargaining units.
- Departmental review of outside services and suppliers to achieve more cost effective pricing
- Savings in wages, benefits, professional services and supplies, due to the State of Wisconsin taking over several programs in the Health and Human Services division
- Less costs incurred to maintain roads and highways due to a milder winter season

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# GOVERNMENT- WIDE FINANCIAL ANALYSIS (CONTINUED)

## Business- type activities



## **GOVERNMENT- WIDE FINANCIAL ANALYSIS (CONTINUED)**

### **Business- type activities (Continued)**

In 2011, the Airports revenue from fees charged to airlines for use of the airport, including fees received from ancillary services of the airports, exceeded its annual operating costs by \$ 7,265. This net revenue surplus was a direct result of Charges for Services revenue from the Airport increasing by \$ 7,609, or 9.6% from the prior year. Passengers' usage declined 3.3% from record 9.8 million passengers in 2010 to 9.5 million passengers in 2011. Operating transfers are negligible for the Airports. The decline in passenger usage is expected to continue to occur in the coming years, along with airline landings due to a reduction in services by a major carrier.

The Transit System requires operating assistance from the State, Federal and County government to balance its revenues and expenses. Total County operating support, reflected as operating transfers, for the Transit System was \$ 17,926 for fiscal year 2011. Total state and federal grants for the Transit System were \$ 89,670 for 2011, which was an increase of \$ 484 or 0.5% over 2010. Direct support from users of the Transit System was \$ 52,403 (30.0% of total operating expenses) for 2011, which was an increase of \$ 306 from 2010. The operator of the Transit System has also instituted cost savings measures to reduce operating costs. The Transit System has recently purchased more fuel-efficient buses to reduce fuel and maintenance costs. Limiting the number of bus routes has also occurred.

## **FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **Governmental funds**

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

As of December 31, 2011, the County's governmental funds reported combined ending fund balances of \$ 181,736. The restricted fund balance consists of \$ 5,539 for 2013 appropriations, \$ 8 for 2012 appropriations, \$ 11,577 for debt service, \$ 76,893 for capital project fund and general fund commitments, \$ 25,092 for Milwaukee County Family Care, \$14,826 for delinquent property taxes, \$ 1,850 for investment market value in excess of book value, \$1,369 for housing, \$ 136 for health and safety, \$ 874 for the zoo, \$1,027 for the parks, \$ 115 for the persons with disabilities division, \$ 7,169 for the Behavioral Health Division, \$27,199 for the Airport and \$ 5,781 for the Fleet and Facilities Divisions. The remainder of the Fund Balance consists of \$2,085 of non-

# FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS (CONTINUED)

## Governmental funds (Continued)

spendable funds for inventories and \$ 196 of committed funds for economic development.

The debt service fund has a total fund balance of \$ 11,577 all of which is restricted for the payment of debt service. The net increase in the debt service reserve for the current year was \$ 4,245.

The capital projects fund has a total fund balance of \$ 67,872 all of which is restricted for commitments made on capital projects in progress. The net decrease in the fund balance during the current year in the capital projects fund was \$ 30,344. The decrease in fund balance is the associated reserve of those funds for completion of the projects designated and approved by the County Board.

## Proprietary funds

At the end of 2011, unrestricted net assets of the two major funds, the Airports and the Transit System, totaled \$ 5,104. Total net assets of these same two major funds were \$ 271,288 at the end of 2011, compared to \$ 236,234 at the end of 2010. The total net assets for the Airports increased by \$ 31,160 while total net assets for the Transit System increased by \$ 3,894. Restricted net assets of the Airport are required under debt covenants associated with revenue bonds issued for capital improvements.

## GENERAL FUND BUDGETARY HIGHLIGHTS

**General Fund**  
**Statement of Revenues, Expenditures and Changes in Net Assets - Budgetary Basis**  
**For the Year Ending December 31, 2011**  
**(In Thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b><u>Revenues and Other Sources</u></b>				
Intergovernmental Revenue	\$ 281,048	\$ 297,079	\$ 279,289	\$ (17,790)
Taxes	336,964	336,964	337,265	301
Charges for Services	377,857	396,316	394,881	(1,435)
Other	54,795	60,347	50,746	(9,601)
<b>Total</b>	<b>\$ 1,050,664</b>	<b>\$ 1,086,562</b>	<b>\$ 1,062,181</b>	<b>\$ (24,381)</b>
<b><u>Expenditures and Other Uses</u></b>				
Expenditures	\$ 969,271	\$ 1,010,266	\$ 962,971	\$ 47,295
Transfers	85,537	80,440	80,776	(336)
<b>Total</b>	<b>\$ 1,054,808</b>	<b>\$ 1,090,706</b>	<b>\$ 1,043,747</b>	<b>\$ 46,959</b>
<b>Change in Fund Balance</b>	<b>\$ (4,144)</b>	<b>\$ (4,144)</b>	<b>\$ 18,434</b>	<b>\$ 22,578</b>

## **GENERAL FUND BUDGETARY HIGHLIGHTS (CONTINUED)**

As shown above, revenues and other sources exceeded expenditures and other uses by \$ 22,578 in the General Fund for the year ended December 31, 2011. This table is based on a budgetary basis presentation. The budgetary basis of actual revenues and expenditures presented above differs from the combined statement of revenues, expenditures, and changes in net assets due to the inclusion of encumbrances of \$ 10,961 in expenditures offset by the net allocation of fringe costs for Pension Obligations Bonds of \$ 8,053. Fringe costs for budgetary purposes include interest on Pension Obligation Bond debt service, but on an actual basis, the interest costs for Pension Obligation Bonds are shown in the Debt Service Fund.

### **2011 Actual Revenues compared to 2011 Final Budget**

Actual General Fund revenues were below the budgeted revenues by \$ 24,381, or 2.2%, during fiscal year 2011.

Intergovernmental revenues were \$ 17,790, or 6.0%, below the final budget amount for 2011. An associated reduction in grant expenditures occurred. Intergovernmental revenues and expenditures were reduced primarily due to:

- The implementation of a Third Party Administrator (TPA) by the State for the Children's Long-Term Support program.
- Federal Grants for Housing, due to projects carried over to 2012.
- Income Maintenance and Child Care programs ended in 2011.

### **2011 Actual Expenditures compared to 2011 Final Budget**

General Fund expenditures, (before transfers), were \$ 47,295, or 4.7%, below the final budgeted amount for 2011. Primarily due to:

- Reductions in and transfer out of grant programs led to decreased grant revenues and grant expenditures, including the Children's Long-Term Support program
- Reduction in costs from budget for Family Care program, as a result of start up for disability support program in 2011.
- Less costs incurred to maintain roads, and highways, due to the weather.
- Expenditure surplus due to unfilled positions, less payments for unemployment compensation, wages, overtime, fringe benefits, services and commodities.
- Department review of outside services and suppliers to achieve more cost effective pricing.
- Costs for Housing program lower than budgeted levels. Grant costs will be carried over to subsequent year.



# **GENERAL FUND BUDGETARY HIGHLIGHTS (CONTINUED)**

## **Budget Transfers**

Transfers to Other Funds represent amounts transferred to other funds such as debt service, capital projects, internal service funds, and transit. When revenues fall short of expenditures in each of these funds, the County uses non-departmental revenues such as property tax and state shared revenue to provide financial support to these other funds. The revenue is allocated through an operating transfer from the General Fund.

There are three basic reasons for variances between the original budget and the amended budget: fund transfer requests from departments, carryover of capital outlay and the associated revenue from the prior year, and carryover of encumbrances from the prior year. The encumbrance carryover process is automatic each year, and is authorized by Wisconsin State Statute and Milwaukee County Ordinance. The carryover of capital outlay and the associated revenue is also authorized by State statute and is approved by the County Board on a preliminary basis in March and finalized in April. During the fiscal year, the County Board receives fund transfer requests from departments. These transfer requests are reviewed and approved by the County Board.

The difference between original budget revenue of \$ 1,050,664 and final budget revenue of \$ 1,086,562 is an increase of \$ 35,898. The difference between original budget expenses of \$ 969,271 and final budget expenditures of \$ 1,010,266 is an increase of \$ 40,995. The major budget transfers of \$ 1,000 or greater during 2011 are listed below:

- Public Works and Highways
  - ❖ An increase of \$ 1,053 to revenue and expenditures to fund HVAC, lighting and plumbing upgrades and vending misers for Fleet Management.
  
- Health and Human Services
  - ❖ An increase of \$7,213 to revenue and expenditures to the Department of Family Care serving as a Care Management Organization (CMO). The 2011 Adopted Budget for the CMO was based on the 2010 capitation rates, and increased rates and services resulted in budget increase.
  
  - ❖ An increase of \$9,885 to revenue and \$6,327 to expenditures to the Department of Family Care to pay for common carrier transportation dues since becoming a part of the Family Care benefit package as of July 1, 2011. In addition, the transfer allows for changes encountered on enrollment as a result of the enrollment cap on Family Care and the State encounter system code changes that affect personal care expenditures. The remaining surplus of \$3,558 will go into the Family Care Reserves.

## GENERAL FUND BUDGETARY HIGHLIGHTS (CONTINUED)

### Budget Transfers (Continued)

- ❖ An increase of \$5,738 to revenue and \$4,000 to expenditures to the Department of Health and Human Services (DHHS) to utilize a portion of the DHHS projected surplus to fund initiatives within the Behavioral Health Division and DHHS. The remaining surplus of \$1,738 went into the County's budgetary contingency reserve.

Transfers also represent the net budgeted funds to be provided by the General Fund to provide support to the remaining governmental fund departments, proprietary fund departments, and component units (original budget of \$ 85,537 and amended budget of \$ 80,440. The net contribution actually made by the General Fund to other funds was \$80,776.

The General Fund collects all of the property tax and sales tax revenues of the County, which was \$ 337,265 for 2011. The General Fund also collected intergovernmental revenues not related to a specific program of \$ 45,238. These revenues are then transferred at the end of the year to the other governmental funds and the proprietary funds to offset any shortfalls between revenues and expenditures. Any gains in these same funds are returned to the General Fund, except for the Airport, and Department of Family Care, which is required to maintain any gains or losses as part of its lease agreements and revenue bond agreements. The change in transfers between the original budget and the amended budget is due to the net changes in carryovers and encumbrances between years, and any net transfers made from the general fund to proprietary fund departments.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

Milwaukee County's investment in capital assets for its governmental and business-type activities as of December 31, 2011 was \$ 1,082,499 (net of accumulated depreciation of \$ 1,136,512). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, machinery, vehicles and equipment, and infrastructure and leased equipment. All infrastructure assets of the County are included in this report. The County's total investment in capital assets for the current fiscal year increased by 4.1% (a .2% increase in governmental activities and a 7.8% increase for business-type activities).

Major capital assets appropriated in 2011 included the following:

- \$5,436 for General Mitchell International Airport (GMIA) bag claim remodeling.
- \$11,589 for GMIA in-line baggage screening Phase 2.
- \$5,008 for the Moody pool renovation.
- \$6,558 for O'Donnell Park improvements.

# CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

## Capital Assets (Continued)

- \$1,400 for the Museum façade repair and replacement.
- \$1,591 for inventory and assessment of County buildings.

### Milwaukee County's Capital Assets (Net) (In Thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
Land	\$ 59,303	\$ 59,303	\$ 21,367	\$ 21,367	\$ 80,670	\$ 80,670
Construction in Progress	32,354	41,365	34,708	21,069	67,062	62,434
Land Improvements	100,462	102,890	99,199	74,131	199,661	177,021
Building and Improvements	279,120	279,518	210,015	217,235	489,135	496,753
Infrastructure	103,818	91,562	-	-	103,818	91,562
Machinery, Vehicles & Equipment	72,915	66,737	69,238	69,185	142,153	135,922
<b>Total</b>	<b>\$ 647,972</b>	<b>\$ 641,375</b>	<b>\$ 434,527</b>	<b>\$ 402,987</b>	<b>\$ 1,082,499</b>	<b>\$ 1,044,362</b>

Additional information on the County's capital assets can be found in Note 5 on pages XXX of this report.

## Long-term debt

At December 31, 2011, the County had total debt outstanding of \$ 1,018,593. Of this amount, \$ 818,709 comprised of general obligation bonds and \$ 199,884 of airport revenue bonds.

### Milwaukee County's Outstanding Debt General Obligation and Revenues Bonds (In Thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
General Obligation Bonds	\$ 786,394	\$ 849,805	\$ 32,315	\$ 35,374	\$ 818,709	\$ 885,179
Revenue Bonds	-	-	199,884	208,588	199,884	208,588
<b>Totals</b>	<b>\$ 786,394</b>	<b>\$ 849,805</b>	<b>\$ 232,199</b>	<b>\$ 243,962</b>	<b>\$ 1,018,593</b>	<b>\$ 1,093,767</b>

The County's total debt decreased by \$ 75,174 during the year ended December 31, 2011.

# **CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)**

## **Long-term debt (Continued)**

New General Obligation Refunding Bonds, Series 2011A, were issued in March 2011, in the amount of \$ 35,095 to be used to refund General Obligation Corporate Purpose Bonds, Series 2001A (dated 4/1/01), 2002A (dated 2/1/02) and 2003A (dated 2/1/03).

Additional information on the County's long-term debt can be found in Note 8 on pages XXX of this report.

## **Economic Factors and Next Year's Budget and Rates**

- Milwaukee County annualized unemployment rate for 2011 was 9.0%, a decrease from the 2010 rate of 9.6%. The unemployment rate as of the end of June 2012 was at 9.4%.
- The median price for homes sold in Milwaukee County for in 2011 was \$ 102 thousand compared to \$ 125 thousand in 2010, (an 18.4% decrease). The annual median price for homes sold in Milwaukee County through June 2012 was \$ 100 thousand, a decline of 2.0% from 2011. Data as reported by the Wisconsin Realtors Association, Housing Statistics Report.

During the 2011 fiscal year, the County had a net excess of revenues over expenditures of \$ 5,539 after considering net revenue from operations and changes in reserve balances. This excess is identified on the governmental funds balance sheet as a Restricted for 2013 Appropriations, and will be added to the revenue of the 2013 budget.

## **Request for Information**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Comptroller, Milwaukee County Court House, 901 North 9<sup>th</sup> Street, Room 301, Milwaukee, WI 53233.

## **BASIC FINANCIAL STATEMENTS**

COUNTY OF MILWAUKEE  
Statement of Net Assets  
December 31, 2011  
(In Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Current Assets:				
Cash and Investments	\$ 217,973	\$ 59,823	\$ 277,796	\$ 8,028
Cash and Investments -- Restricted	38,631	43,678	82,309	-
Receivables:				
Accounts (Net of Allowances for Doubtful Accounts)	18,673	5,118	23,791	1,870
Property Taxes:				
Current Levy	276,194	-	276,194	-
Delinquent	12,823	-	12,823	-
Accrued Interest and Dividends	8,882	-	8,882	1
Other	38,194	2,215	40,409	-
Due From Other Governments	41,804	11,641	53,445	-
Inventories	2,085	4,179	6,264	171
Prepaid Items	2,138	210	2,348	399
Other Assets	-	650	650	-
Insurance Deposits	2,434	-	2,434	-
Total Current Assets	659,831	127,514	787,345	10,469
Noncurrent Assets:				
Long-term Investments	-	-	-	7,915
Receivables:				
Contributions	-	-	-	947
Delinquent Property Taxes	7,198	-	7,198	-
Net Pension Asset	413,315	-	413,315	-
Other Assets	-	-	-	529
Capital Assets (Net)				
Land	59,303	21,367	80,670	-
Construction in Progress	32,354	34,708	67,062	249
Land Improvements	242,840	208,141	450,981	-
Buildings and Improvements	674,042	378,725	1,052,767	41,501
Infrastructure	183,425	-	183,425	-
Machinery, Vehicles and Equipment	175,907	208,199	384,106	12,533
Less: Accumulated Depreciation	(719,899)	(416,613)	(1,136,512)	(27,218)
Total Capital Assets (Net)	647,972	434,527	1,082,499	27,065
Total Noncurrent Assets	1,068,485	434,527	1,503,012	36,456
Total Assets	\$ 1,728,316	\$ 562,041	\$ 2,290,357	\$ 46,925

The notes to the financial statements are an integral part of this statement.

COUNTY OF MILWAUKEE  
Statement of Net Assets  
December 31, 2011  
(In Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	\$ 73,356	\$ 4,822	\$ 78,178	\$ 927
Accrued Liabilities	45,270	5,045	50,315	1,007
Accrued Interest Payable	6,818	1,239	8,057	19
Accrued Pension Payable	37,019	-	37,019	-
Due to Other Governments	1,379	-	1,379	-
Unearned Revenues	291,213	10,715	301,928	2,612
Bonds and Notes Payable - General Obligation	63,506	3,022	66,528	297
Bonds and Notes Payable - Revenue	-	8,510	8,510	-
Unfunded Claims and Judgments	1,000	-	1,000	-
Landfill Postclosure Costs	125	-	125	-
Compensated Absences Payable	21,575	6,032	27,607	-
Other Post Employment Benefit	-	222	222	102
Risk Claims	10,665	5,020	15,685	-
Capital Leases	1,144	241	1,385	11
Other Current Liabilities	105	4,109	4,214	65
Total Current Liabilities	<u>553,175</u>	<u>48,977</u>	<u>602,152</u>	<u>5,040</u>
Noncurrent Liabilities:				
Bonds and Notes Payable - General Obligation	722,888	29,293	752,181	4,657
Bonds and Notes Payable - Revenue	-	191,374	191,374	-
Unfunded Claims and Judgments	1,000	-	1,000	-
Landfill Postclosure Costs	1,845	-	1,845	-
Pollution Remediation Costs	310	-	310	-
Compensated Absences Payable	20,609	5,345	25,954	-
Risk Claims	4,247	5,766	10,013	-
Other Post Employment Benefits	246,084	9,705	255,789	-
Capital Leases	4,449	293	4,742	-
Other Noncurrent Liabilities	-	-	-	921
Accrued Pension and Postretirement Benefits	-	-	-	7,726
Total Noncurrent Liabilities	<u>1,001,432</u>	<u>241,776</u>	<u>1,243,208</u>	<u>13,304</u>
Total Liabilities	<u>1,554,607</u>	<u>290,753</u>	<u>1,845,360</u>	<u>18,344</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF MILWAUKEE  
Statement of Net Assets  
December 31, 2011  
(In Thousands)

	Primary Government			Component Units
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
<b>NET ASSETS</b>				
Unrestricted (Deficit)	\$ (241,327)	\$ 5,104	\$ (236,223)	\$ (1,482)
Restricted for:				
2013 Appropriations	5,539	-	5,539	-
2012 Appropriations	8	-	8	-
Debt Service	11,577	15,161	26,738	-
General Fund Commitments	9,021	-	9,021	-
Capital Project Commitments	10,047	-	10,047	-
Department of Family Care - State Restricted	12,182	-	12,182	-
Department of Family Care - Excess Reserves	12,910	-	12,910	-
Delinquent Property Tax	14,826	-	14,826	-
Investment Market Value in Excess of Book Value	1,850	-	1,850	-
Housing	1,369	-	1,369	-
Capital Asset Needs	-	8,039	8,039	-
Airport - Passenger Facilities Charges and Debt	27,199	-	27,199	-
Behavioral Health Division	7,169	-	7,169	-
Fleet and Facilities Divisions	5,781	-	5,781	-
Health and Safety	136	-	136	-
Zoo	874	-	874	-
Parks	1,027	-	1,027	-
Persons with Disabilities	115	-	115	-
Museum	-	-	-	7,566
Other	-	-	-	364
Invested in Capital Assets, Net of Related Debt	293,406	242,984	536,390	22,133
Total Net Assets	<u>173,709</u>	<u>271,288</u>	<u>444,997</u>	<u>28,581</u>
Total Liabilities and Net Assets	<u>\$ 1,728,316</u>	<u>\$ 562,041</u>	<u>\$ 2,290,357</u>	<u>\$ 46,925</u>

The notes to the financial statements are an integral part of this statement.



COUNTY OF MILWAUKEE  
Statement of Activities  
For The Year Ended December 31, 2011  
(In Thousands)

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Units
	Expenses	Charges for Services	Operating	Capital	Primary Government			
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
<b>Functions / Programs</b>								
<b>Primary Government:</b>								
Governmental Activities:								
Legislative, Executive and Staff	\$ (51,886)	\$ 198	\$ 3,635	\$ -	\$ (48,053)	\$ -	\$ (48,053)	\$ -
Courts and Judiciary	(53,132)	4,431	23,212	-	(25,489)	-	(25,489)	-
General Governmental Services	(6,668)	4,571	50	-	(2,047)	-	(2,047)	-
Public Safety	(162,316)	9,986	18,543	-	(133,787)	-	(133,787)	-
Public Works and Highways	(89,559)	30,260	37,853	71	(21,375)	-	(21,375)	-
Human Services	(597,078)	347,018	169,911	-	(80,149)	-	(80,149)	-
Parks, Recreation and Culture	(79,709)	29,491	2,105	-	(48,113)	-	(48,113)	-
Interest and Other Charges	(29,448)	-	-	-	(29,448)	-	(29,448)	-
Total Governmental Activities	(1,069,796)	425,955	255,309	71	(388,461)	-	(388,461)	-
Business-Type Activities:								
Airport	(90,183)	87,254	159	35,767	-	32,997	32,997	-
Transit	(175,880)	56,606	89,670	15,816	-	(13,788)	(13,788)	-
Total Business-Type Activities	(266,063)	143,860	89,829	51,583	-	19,209	19,209	-
<b>Total Primary Government</b>	<b>\$ (1,335,859)</b>	<b>\$ 569,815</b>	<b>\$ 345,138</b>	<b>\$ 51,654</b>	<b>(388,461)</b>	<b>19,209</b>	<b>(369,252)</b>	<b>-</b>
<b>Component Units:</b>								
Museum	\$ (14,344)	\$ 8,979	\$ 3,502	\$ -	-	-	-	(1,863)
War Memorial Center	(3,131)	125	1,748	-	-	-	-	(1,258)
Marcus Center	(10,499)	5,260	1,280	-	-	-	-	(3,959)
Research Park Corporation	(863)	99	-	-	-	-	-	(764)
Total Component Units	(28,837)	14,463	6,530	-	-	-	-	(7,844)
General Revenues:								
Property Taxes					273,297	-	273,297	-
Sales Taxes					64,348	-	64,348	-
Intergovernmental Revenues Not Related to Specific Program					45,238	-	45,238	-
Investment Income					3,554	313	3,867	6,092
Other Revenue					52,497	-	52,497	12,602
Transfers					(15,532)	15,532	-	-
Total General Revenues and Transfers					423,402	15,845	439,247	18,694
Change in Net Assets					34,941	35,054	69,995	10,850
Net Assets -- Beginning					138,768	236,234	375,002	17,731
Net Assets -- Ending					\$ 173,709	\$ 271,288	\$ 444,997	\$ 28,581

COUNTY OF MILWAUKEE  
Balance Sheet  
Governmental Funds  
December 31, 2011  
(In Thousands)

	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and Investments	\$ 88,782	\$ 11,516	\$ 75,557	\$ 15,280	\$ 191,135
Cash and Investments -- Restricted	11,432	-	-	27,199	38,631
Receivables:					
Accounts (Net of Allowances for Doubtful Accounts)	17,527	101	234	-	17,862
Property Taxes:					
Current Levy	276,194	-	-	-	276,194
Delinquent	20,021	-	-	-	20,021
Accrued Interest	8,882	-	-	-	8,882
Other	38,093	-	100	1	38,194
Due From Other Governments	24,167	-	17,608	-	41,775
Inventories	2,085	-	-	-	2,085
Insurance Deposits	2,434	-	-	-	2,434
Total Assets	<u>\$ 489,617</u>	<u>\$ 11,617</u>	<u>\$ 93,499</u>	<u>\$ 42,480</u>	<u>\$ 637,213</u>
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities:					
Accounts Payable	\$ 46,270	\$ -	\$ 25,627	\$ 179	\$ 72,076
Accrued Liabilities	49,233	40	-	-	49,273
Accrued Pension Payable	37,019	-	-	-	37,019
Other Liabilities	107	-	-	-	107
Due to Other Governments	1,379	-	-	-	1,379
Deferred Revenues	295,623	-	-	-	295,623
Total Liabilities	<u>429,631</u>	<u>40</u>	<u>25,627</u>	<u>179</u>	<u>455,477</u>
Fund Balance:					
Non-Spendable:					
Inventories	2,085	-	-	-	2,085
Restricted:					
2013 Appropriations	5,539	-	-	-	5,539
2012 Appropriations	8	-	-	-	8
Debt Service	-	11,577	-	-	11,577
Commitments	9,021	-	67,872	-	76,893
Department of Family Care - State Restricted	12,182	-	-	-	12,182
Department of Family Care - Excess Reserves	12,910	-	-	-	12,910
Delinquent Property Tax	14,826	-	-	-	14,826
Investment Market Value in Excess of Book Value	1,850	-	-	-	1,850
Housing	1,369	-	-	-	1,369
Airport - Passenger Facilities Charges and Debt	-	-	-	27,199	27,199
Health and Safety	-	-	-	136	136
Zoo	-	-	-	874	874
Parks	-	-	-	1,027	1,027
Persons with Disabilities	-	-	-	115	115
Behavioral Health Division	-	-	-	7,169	7,169
Fleet and Facilities Divisions	-	-	-	5,781	5,781
Committed:					
Economic Development	196	-	-	-	196
Total Fund Balance	<u>59,986</u>	<u>11,577</u>	<u>67,872</u>	<u>42,301</u>	<u>181,736</u>
Total Liabilities and Fund Balance	<u>\$ 489,617</u>	<u>\$ 11,617</u>	<u>\$ 93,499</u>	<u>\$ 42,480</u>	<u>\$ 637,213</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF MILWAUKEE  
 Reconciliation of the Balance Sheet  
 of Governmental Funds  
 to the Statement of Net Assets  
 December 31, 2011  
 (In Thousands)

Total Fund Balances for Governmental Funds as of 12/31/11 \$ 181,736

**Total net assets reported for governmental activities in the  
 statement of net assets is different because of the following:**

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets, except for internal service funds, consist of:

Land	59,303
Construction in Progress	30,870
Land Improvements	239,556
Buildings and Improvements	670,359
Infrastructure	183,425
Machinery, Vehicles and Equipment	137,129
Less: Accumulated Depreciation	(682,292)

Internal service funds are used by management to charge costs associated with risk management, data processing services and public works services including fleet management and facilities management. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. Internal service fund net assets are:

(1,217)

Amounts to be collected under long-term receivables are not available to pay for the current period expenditures, and therefore are reported as deferred in the funds.

4,410

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities, except for portions payable early in the following year for which sufficient resources have been accumulated in the funds to liquidate liabilities. These liabilities, except internal service fund liabilities, consist of:

Bonds and Notes Payable	(772,609)
Capital Leases	(5,593)
Unfunded Claims and Judgments	(2,000)
Landfill Postclosure Costs	(1,970)
Pollution Remediation Costs	(310)
Compensated Absences Payable	(35,852)
Other Post Employment Benefits	(237,858)

Contributions to the County's Employee Retirement System resulted in a decrease to fund balance in the Governmental Funds; however, the contributions created an asset in the Governmental Activities to be amortized in future years.

Net Pension Asset 413,315

Interest on long-term debt is not accrued in governmental funds; rather, it is recognized as an expenditure when due. These liabilities are reported in the statement of net assets.

(6,693)

Total Net Assets of Governmental Activities as of 12/31/11 \$ 173,709

The notes to the financial statements are an integral part of this statement.

COUNTY OF MILWAUKEE  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Funds  
For The Year Ended December 31, 2011  
(In Thousands)

	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Intergovernmental	\$ 279,289	\$ 1,945	\$ 37,542	\$ -	\$ 318,776
Property Taxes	273,297	-	-	-	273,297
Sales Taxes	63,968	-	380	-	64,348
Charges for Services	391,496	-	-	13,642	405,138
Fines and Forfeits	2,932	-	-	-	2,932
Licenses and Permits	453	-	-	-	453
Investment Income and Rents	9,545	-	800	385	10,730
Other	41,201	11,354	347	245	53,147
<b>Total Revenues</b>	<u>1,062,181</u>	<u>13,299</u>	<u>39,069</u>	<u>14,272</u>	<u>1,128,821</u>
<b>Expenditures:</b>					
<b>Current:</b>					
Legislative, Executive and Staff	21,433	-	-	-	21,433
Courts and Judiciary	52,699	-	-	-	52,699
General Governmental Services	6,746	-	-	-	6,746
Public Safety	159,708	-	-	-	159,708
Public Works and Highways	44,109	-	-	13,440	57,549
Human Services	590,604	-	-	1,198	591,802
Parks, Recreation and Culture	64,576	-	-	695	65,271
Capital Outlay	-	-	72,549	-	72,549
<b>Debt Service:</b>					
Principal Retirement	-	61,626	-	-	61,626
Interest and Other Charges	-	36,894	-	-	36,894
<b>Total Expenditures</b>	<u>939,875</u>	<u>98,520</u>	<u>72,549</u>	<u>15,333</u>	<u>1,126,277</u>
<b>Excess (Deficiency) of Revenues Over (Under)</b>					
Expenditures	<u>122,306</u>	<u>(85,221)</u>	<u>(33,480)</u>	<u>(1,061)</u>	<u>2,544</u>
<b>Other Financing Sources (Uses):</b>					
General Obligation Bonds Issued	-	31,757	-	-	31,757
Premium on Debt Issued	-	4,176	-	-	4,176
Payment to Refunded Bond Escrow Agent	-	(35,756)	-	-	(35,756)
Transfers In	7,816	89,289	6,956	-	104,061
Transfers Out	(115,311)	-	(3,820)	-	(119,131)
<b>Total Other Financing Sources (Uses)</b>	<u>(107,495)</u>	<u>89,466</u>	<u>3,136</u>	<u>-</u>	<u>(14,893)</u>
<b>Net Change in Fund Balances</b>	14,811	4,245	(30,344)	(1,061)	(12,349)
Fund Balances - Beginning	45,175	7,332	98,216	43,362	194,085
Fund Balances - Ending	<u>\$ 59,986</u>	<u>\$ 11,577</u>	<u>\$ 67,872</u>	<u>\$ 42,301</u>	<u>\$ 181,736</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF MILWAUKEE  
Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balance  
of Governmental Funds  
to the Statement of Activities  
For the Year Ended December 31, 2011  
(In Thousands)

Net change in fund balances -- total governmental funds \$ (12,349)

**Amounts reported for governmental activities in  
the statement of activities are different because:**

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.

Capital outlay reported as an expenditure in the Capital Project Fund	74,286
Items reported as capital outlay that were not capitalized	(19,209)
Items reported as capital from operations	117
Depreciation reported in the government-wide statements	(44,405)
Net book value of assets retired	(3,831)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (1,578)

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Debt issued	(31,757)
Capital lease issued	(1,737)
Premium on debt issued	(4,176)
Principal repaid	91,012
Capital lease paid	918

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities. 2,174

Principal payments reduce notes receivable on the Statement of Net Assets but are reported as revenues in the funds. (716)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Accrued Interest Payable	1,262
Amortization of Bond Costs	5,408
Loss on Refunding	1,006
Net Pension Asset	8,987
Landfill Postclosure Costs	1,410
Pollution Remediation Costs	178
Compensated Absences Payable	9,589
Other Postemployment Benefits	(41,648)

Change in net assets of governmental activities \$ 34,941

The notes to the financial statement are an integral part of this statement.

COUNTY OF MILWAUKEE  
 Statement of Revenues, Expenditures and  
 Changes in Fund Balances-Budget and Actual  
 (Non-GAAP Budgetary Basis)  
 General Fund  
 For the Year Ended December 31, 2011  
 (In Thousands)

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance With Final <u>Budget</u>
Revenues:				
Intergovernmental	\$ 281,048	\$ 297,079	\$ 279,289	\$ (17,790)
Property Taxes	272,538	272,538	273,297	759
Sales Taxes	64,426	64,426	63,968	(458)
Charges for Services	373,863	392,322	391,496	(826)
Fines and Forfeits	3,447	3,447	2,932	(515)
Licenses and Permits	547	547	453	(94)
Investment Income and Rents	9,789	9,789	9,545	(244)
Other	45,006	46,414	41,201	(5,213)
Total Revenues	<u>1,050,664</u>	<u>1,086,562</u>	<u>1,062,181</u>	<u>(24,381)</u>
Expenditures:				
Current:				
Legislative, Executive and Staff	25,830	26,872	23,333	3,539
Courts and Judiciary	58,113	58,916	55,572	3,344
General Governmental Services	7,564	7,813	7,248	565
Public Safety	167,589	172,454	167,829	4,625
Public Works and Highways	45,157	50,140	46,693	3,447
Human Services	599,815	628,202	601,475	26,727
Parks, Recreation and Culture	65,203	65,869	60,821	5,048
Total Expenditures	<u>969,271</u>	<u>1,010,266</u>	<u>962,971</u>	<u>47,295</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>81,393</u>	<u>76,296</u>	<u>99,210</u>	<u>22,914</u>
Other Financing Sources (Uses):				
Transfers In	-	-	7,816	7,816
Transfers Out	(79,006)	(73,909)	(82,061)	(8,152)
Transfers To Component Units	(6,531)	(6,531)	(6,531)	-
Total Other Financing Sources (Uses)	<u>(85,537)</u>	<u>(80,440)</u>	<u>(80,776)</u>	<u>(336)</u>
Net Change in Fund Balance	(4,144)	(4,144)	18,434	22,578
Fund Balances -- Beginning	45,175	45,175	45,175	-
Fund Balances -- Ending	<u>\$ 41,031</u>	<u>\$ 41,031</u>	<u>\$ 63,609</u>	<u>\$ 22,578</u>

The notes to the financial statements are an integral part of this statement.

## COUNTY OF MILWAUKEE

Balance Sheet  
Proprietary Funds  
December 31, 2011  
(In Thousands)

	<u>Business-Type Activities -- Enterprise Funds</u>			Governmental Activities -- Internal Service Funds
	Airports	Transit System	Total	
<b><u>Assets</u></b>				
Current Assets:				
Cash and Investments	\$ 38,878	\$ 20,945	\$ 59,823	\$ 26,838
Cash and Investments -- Restricted	43,678	-	43,678	-
Receivables:				
Accounts (Net of Allowances for Uncollectible Accounts and Contractual Adjustments)	5,118	-	5,118	811
Other	79	2,136	2,215	-
Due From Other Governments	4,849	6,792	11,641	29
Inventories	-	4,179	4,179	-
Prepaid Items	-	210	210	2,138
Other Assets	-	650	650	-
Total Current Assets	<u>92,602</u>	<u>34,912</u>	<u>127,514</u>	<u>29,816</u>
Noncurrent Assets:				
Capital Assets:				
Land	18,594	2,773	21,367	-
Construction in Progress	31,739	2,969	34,708	1,484
Land Improvements	201,550	6,591	208,141	3,284
Building and Improvements	316,215	62,510	378,725	3,683
Machinery, Vehicles and Equipment	16,731	191,468	208,199	38,778
Total Capital Assets	<u>584,829</u>	<u>266,311</u>	<u>851,140</u>	<u>47,229</u>
Less: Accumulated Depreciation	<u>(244,126)</u>	<u>(172,487)</u>	<u>(416,613)</u>	<u>(37,607)</u>
Total Capital Assets (Net)	<u>340,703</u>	<u>93,824</u>	<u>434,527</u>	<u>9,622</u>
Total Noncurrent Assets	<u>340,703</u>	<u>93,824</u>	<u>434,527</u>	<u>9,622</u>
Total Assets	<u>\$ 433,305</u>	<u>\$ 128,736</u>	<u>\$ 562,041</u>	<u>\$ 39,438</u>
<b><u>Liabilities</u></b>				
Current Liabilities:				
Accounts Payable	\$ 2,894	\$ 1,928	\$ 4,822	\$ 1,280
Accrued Liabilities	2,037	3,008	5,045	-
Accrued Interest Payable	788	451	1,239	124
Unearned Revenues	7,014	3,701	10,715	1
Bonds and Notes Payable - General Obligation	159	2,863	3,022	1,832
Bonds and Notes Payable - Revenue	8,510	-	8,510	-
Compensated Absences	1,332	4,700	6,032	1,047
Other Post Employment Benefit	-	222	222	-
Risk Claims	-	5,020	5,020	10,665
Capital Leases	241	-	241	-
Other Liabilities	16	4,093	4,109	-
Total Current Liabilities	<u>22,991</u>	<u>25,986</u>	<u>48,977</u>	<u>14,949</u>
Long-Term Liabilities:				
Bonds and Notes Payable - General Obligation	368	28,925	29,293	11,953
Bonds and Notes Payable - Revenue	191,374	-	191,374	-
Compensated Absences	1,170	4,175	5,345	1,280
Risk Claims	-	5,766	5,766	4,247
Other Post Employment Benefits	9,705	-	9,705	8,226
Capital Leases	293	-	293	-
Total Long-Term Liabilities	<u>202,910</u>	<u>38,866</u>	<u>241,776</u>	<u>25,706</u>
Total Liabilities	<u>225,901</u>	<u>64,852</u>	<u>290,753</u>	<u>40,655</u>
<b><u>Net Assets (Liabilities)</u></b>				
Unrestricted	3,256	1,848	5,104	2,946
Restricted for:				
Debt Service	15,161	-	15,161	-
Capital Asset Needs	8,039	-	8,039	-
Invested in Capital Assets, Net of Related Debt	180,948	62,036	242,984	(4,163)
Total Net Assets (Liabilities)	<u>207,404</u>	<u>63,884</u>	<u>271,288</u>	<u>(1,217)</u>
Total Liabilities and Net Assets	<u>\$ 433,305</u>	<u>\$ 128,736</u>	<u>\$ 562,041</u>	<u>\$ 39,438</u>

The notes to the financial statement are an integral part of this statement.

COUNTY OF MILWAUKEE  
Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended December 31, 2011  
(In Thousands)

	<u>Business-Type Activities -- Enterprise Funds</u>			Governmental Activities --
	<u>Airports</u>	Transit <u>System</u>	<u>Total</u>	Internal Service Funds
Operating Revenues:				
Rentals and Other Service Fees	\$ 70,996	\$ 120	\$ 71,116	\$ 33,505
Admissions and Concessions	16,244	-	16,244	-
Transit Fares	-	52,403	52,403	-
Total Charges for Services	<u>87,240</u>	<u>52,523</u>	<u>139,763</u>	<u>33,505</u>
Other Revenues	14	4,083	4,097	563
Total Operating Revenues	<u>87,254</u>	<u>56,606</u>	<u>143,860</u>	<u>34,068</u>
Operating Expenses:				
Personnel Services	25,301	112,624	137,925	13,356
Contractual Services	19,490	26,526	46,016	7,710
Intra-County Services	9,977	1,304	11,281	2,467
Commodities	5,094	15,875	20,969	672
Depreciation and Amortization	18,915	15,108	34,023	1,848
Maintenance	1,182	804	1,986	432
Other	30	2,259	2,289	-
Insurance and Claims	-	-	-	7,102
Total Operating Expenses	<u>79,989</u>	<u>174,500</u>	<u>254,489</u>	<u>33,587</u>
Operating Income (Loss)	<u>7,265</u>	<u>(117,894)</u>	<u>(110,629)</u>	<u>481</u>
Nonoperating Revenues (Expenses):				
Intergovernmental Revenues	159	89,670	89,829	1,324
Investment Income	313	-	313	-
Interest Expense	(10,194)	(1,380)	(11,574)	(640)
Total Nonoperating Revenues (Expenses)	<u>(9,722)</u>	<u>88,290</u>	<u>78,568</u>	<u>684</u>
Income (Loss) Before Contributions and Transfers	(2,457)	(29,604)	(32,061)	1,165
Capital Contributions	35,767	15,816	51,583	1,472
Transfers In	-	17,926	17,926	1,140
Transfers Out	(2,150)	(244)	(2,394)	(1,603)
Change in Net Assets	31,160	3,894	35,054	2,174
Net Assets (Liabilities) -- Beginning	176,244	59,990	236,234	(3,391)
Net Assets (Liabilities) -- Ending	<u>\$ 207,404</u>	<u>\$ 63,884</u>	<u>\$ 271,288</u>	<u>\$ (1,217)</u>

The notes to the financial statement are an integral part of this statement.



COUNTY OF MILWAUKEE  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2011  
(In Thousands)

	Business-Type Activities -- Enterprise Funds			Governmental Activities
	Airports	Transit System	Total	Internal Service Funds
<b>Cash Flows Provided (Used) by Operating Activities:</b>				
Receipts from Customers Users	\$ 82,565	\$ 56,341	\$ 138,906	\$ 7,542
Receipts from Interfund Services	-	-	-	28,782
Payments to Suppliers	(28,455)	(42,381)	(70,836)	(15,449)
Payments to Employees	(23,981)	(114,298)	(138,279)	(12,455)
Payments for Interfund Services Used	(9,977)	(1,304)	(11,281)	(2,443)
Net Cash Flows Provided (Used) by Operating Activities	<u>20,152</u>	<u>(101,642)</u>	<u>(81,490)</u>	<u>5,977</u>
<b>Cash Flows Provided (Used) by Noncapital Financing Activities:</b>				
Intergovernmental Revenues	159	102,189	102,348	1,594
Transfers From Other Funds	-	17,926	17,926	1,140
Transfers (To) Other Funds	(2,150)	(244)	(2,394)	(1,603)
Net Cash Flows Provided (Used) by Noncapital Financing Activities	<u>(1,991)</u>	<u>119,871</u>	<u>117,880</u>	<u>1,131</u>
<b>Cash Flows Provided (Used) by Capital and Related Financing Activities:</b>				
Proceeds from Bonds	-	-	-	83
Proceeds from Refunding Bonds	-	3,338	3,338	-
Capital Contributions	35,767	15,816	51,583	1,472
Principal Payment on Bonds	(8,502)	(2,505)	(11,007)	(1,918)
Principal Payment on Refunding Bonds	-	(3,982)	(3,982)	-
Premium on Bonds	-	438	438	-
Interest Paid on Bonds	(11,194)	(1,395)	(12,589)	(625)
Payments on Capital Lease	(295)	-	(295)	-
Acquisition of Capital Assets	(49,246)	(15,877)	(65,123)	(1,526)
Net Cash Flows Provided (Used) by Capital and Related Financing Activities	<u>(33,470)</u>	<u>(4,167)</u>	<u>(37,637)</u>	<u>(2,514)</u>
<b>Cash Flows Provided (Used) by Investing Activities:</b>				
Investment Income	313	-	313	-
Net Cash Flows Provided (Used) by Investing Activities	<u>313</u>	<u>-</u>	<u>313</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(14,996)	14,062	(934)	4,594
Cash and Cash Equivalents at Beginning of Year	97,552	6,883	104,435	22,244
Cash and Cash Equivalents at End of Year	<u>\$ 82,556</u>	<u>\$ 20,945</u>	<u>\$ 103,501</u>	<u>\$ 26,838</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital Assets Financed by Capital Leases	<u>\$ 439</u>	<u>\$ -</u>	<u>\$ 439</u>	<u>\$ -</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating Income (Loss)	\$ 7,265	\$ (117,894)	\$ (110,629)	\$ 481
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows Provided (Used) by Operating Activities:				
Depreciation and Amortization	18,915	15,108	34,023	1,848
(Increase) Decrease in Assets:				
Accounts Receivable	(1,764)	59	(1,705)	1,578
Other Receivables	-	125	125	-
Due from Other Governments	637	-	637	-
Inventories	-	(815)	(815)	-
Prepaid Items	-	2,884	2,884	76
Increase (Decrease) in Liabilities:				
Accounts Payable	(2,659)	335	(2,324)	258
Accrued Liabilities	19	(1,196)	(1,177)	(58)
Unearned Revenues	(3,568)	201	(3,367)	-
Compensated Absences	(344)	214	(130)	(313)
Risk Claims	-	(914)	(914)	835
Other Post Employment Benefits	1,645	222	1,867	1,272
Other Liabilities	6	679	685	-
Total Adjustments	<u>12,887</u>	<u>16,252</u>	<u>29,139</u>	<u>5,496</u>
Net Cash Flows Provided (Used) by Operating Activities	<u>\$ 20,152</u>	<u>\$ (101,642)</u>	<u>\$ (81,490)</u>	<u>\$ 5,977</u>

The notes to the financial statement are an integral part of this statement.

COUNTY OF MILWAUKEE  
 Statement of Fiduciary Net Assets  
 Fiduciary Funds  
 December 31, 2011  
 (In Thousands)

	Pension Trust Fund	Agency Funds
<b><u>Assets</u></b>		
Cash and Investments:		
Domestic Common and Preferred Stocks	\$ 388,658	\$ -
Long / Short Hedge Funds	174,105	-
Corporate Bonds and Convertible Debentures	249,380	-
International Common and Preferred Stocks	306,113	-
Real Estate Investments Trusts	114,522	-
Infrastructure	134,188	-
Federal Agency and Mortgage-Backed Certificates	133,475	-
U.S. Government and State Obligations	75,428	-
International Fixed Income	14,674	-
Private Equity	27,605	-
Deposits	84,108	24,036
Total Cash and Investments	1,702,256	24,036
Receivables:		
Pension Trust Fund Contribution	30,252	-
Accrued Interest and Dividends	2,528	-
Other	9,572	-
Securities Lending	58,499	-
Other Assets	5,989	-
Total Assets	1,809,096	24,036
<b><u>Liabilities</u></b>		
Accounts Payable	-	208
Agency Deposits	-	23,828
Securities Lending	58,499	-
Other Liabilities	8,490	-
Total Liabilities	66,989	24,036
<b><u>Net Assets</u></b>		
Held in Trust for Pension Benefits	\$ 1,742,107	\$ -

The notes to the financial statement are an integral part of this statement.

COUNTY OF MILWAUKEE  
 Statement of Changes in Fiduciary Net Assets  
 Pension Trust Fund  
 For the Year Ended December 31, 2011  
 (In Thousands)

	Total
Additions:	
Contributions:	
County of Milwaukee	\$ 28,276
Plan Participants	3,314
Total Contributions	31,590
Investment Income:	
Net Appreciation (Depreciation) in Fair Value	(18,673)
Interest and Dividends	24,069
Other Income	5,636
Total Investment Income	11,032
Security Lending Income	222
Less: Security Lending Rebates and Fees	(68)
Net Security Lending Activity	154
Investment Expense	(3,805)
Net Investment Income (Loss)	7,381
Total Additions, Net of Losses	38,971
Deductions:	
Benefits Paid to Retirees and Beneficiaries	(187,530)
Administrative Expenses	(4,501)
Total Deductions	(192,031)
Change In Plan Net Assets	(153,060)
Plan Net Assets Held In Trust for Pension Benefits	
Beginning of Year	1,895,167
End of Year	\$ 1,742,107

The notes to the financial statement are an integral part of this statement.

COUNTY OF MILWAUKEE  
Combining Statement of Net Assets  
Component Units  
December 31, 2011  
(In Thousands)

	<u>Museum</u>	<u>War Memorial Center</u>	<u>Marcus Center</u>	<u>Research Park Corporation</u>	<u>Total</u>
<b>Assets</b>					
Current Assets:					
Cash and Investments	\$ 2,585	\$ 2	\$ 2,843	\$ 2,598	\$ 8,028
Accounts Receivable	1,059	-	727	84	1,870
Accrued Interest Receivable	-	-	1	-	1
Inventories	29	-	142	-	171
Prepaid Items	387	-	7	5	399
Total Current Assets	<u>4,060</u>	<u>2</u>	<u>3,720</u>	<u>2,687</u>	<u>10,469</u>
Noncurrent Assets:					
Long-Term Investments	6,936	-	979	-	7,915
Accounts Receivable	947	-	-	-	947
Other	-	-	512	17	529
Capital Assets (Net):					
Construction in Progress	51	-	198	-	249
Buildings and Improvements	19,221	-	22,280	-	41,501
Machinery, Vehicles and Equipment	10,459	-	2,074	-	12,533
Less: Accumulated Depreciation	<u>(13,742)</u>	<u>-</u>	<u>(13,476)</u>	<u>-</u>	<u>(27,218)</u>
Total Capital Assets (Net)	<u>15,989</u>	<u>-</u>	<u>11,076</u>	<u>-</u>	<u>27,065</u>
Total Noncurrent Assets	<u>23,872</u>	<u>-</u>	<u>12,567</u>	<u>17</u>	<u>36,456</u>
Total Assets	<u>\$ 27,932</u>	<u>\$ 2</u>	<u>\$ 16,287</u>	<u>\$ 2,704</u>	<u>\$ 46,925</u>
<b>Liabilities</b>					
Current Liabilities:					
Accounts Payable	\$ 504	\$ -	\$ 376	\$ 47	\$ 927
Accrued Liabilities	671	-	327	9	1,007
Accrued Interest Payable	19	-	-	-	19
Unearned Revenues	1,093	-	1,415	104	2,612
Bonds and Notes Payable	262	-	8	27	297
Capital Leases	-	-	11	-	11
Other Current Liabilities	-	-	65	-	65
Accrued Pension and Postretirement Benefits	102	-	-	-	102
Total Current Liabilities	<u>2,651</u>	<u>-</u>	<u>2,202</u>	<u>187</u>	<u>5,040</u>
Noncurrent Liabilities:					
Bonds and Notes Payable	4,607	-	45	5	4,657
Other Noncurrent Liabilities	273	-	648	-	921
Accrued Pension and Postretirement Benefits	7,726	-	-	-	7,726
Total Noncurrent Liabilities	<u>12,606</u>	<u>-</u>	<u>693</u>	<u>5</u>	<u>13,304</u>
Total Liabilities	<u>15,257</u>	<u>-</u>	<u>2,895</u>	<u>192</u>	<u>18,344</u>
<b>Net Assets</b>					
Unrestricted (Deficit)	(6,011)	-	2,322	2,207	(1,482)
Restricted	7,566	2	57	305	7,930
Invested in Capital Assets, Net of Related Debt	11,120	-	11,013	-	22,133
Total Net Assets	<u>12,675</u>	<u>2</u>	<u>13,392</u>	<u>2,512</u>	<u>28,581</u>
Total Liabilities and Net Assets	<u>\$ 27,932</u>	<u>\$ 2</u>	<u>\$ 16,287</u>	<u>\$ 2,704</u>	<u>\$ 46,925</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF MILWAUKEE  
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
Component Units  
For the Year Ended December 31, 2011  
(In Thousands)

	<u>Museum</u>	<u>War Memorial Center</u>	<u>Marcus Center</u>	<u>Research Park Corporation</u>	<u>Total</u>
Revenues:					
County Program Support	\$ 3,502	\$ 1,748	\$ 1,280	\$ -	\$ 6,530
Charges for Services:					
Contributions and memberships	5,854	77	405	71	6,407
Other	3,125	48	4,855	28	8,056
Interest on Investments and Rents	1,043	1,058	3,347	644	6,092
Other	11,723	100	671	108	12,602
Total Revenues	<u>25,247</u>	<u>3,031</u>	<u>10,558</u>	<u>851</u>	<u>39,687</u>
Expenses:					
Public Works and Highways	-	-	-	863	863
Parks, Recreation and Culture	14,344	3,131	10,499	-	27,974
Total Expenses	<u>14,344</u>	<u>3,131</u>	<u>10,499</u>	<u>863</u>	<u>28,837</u>
Changes in Net Assets	10,903	(100)	59	(12)	10,850
Net Assets -- Beginning	1,772	102	13,333	2,524	17,731
Net Assets -- Ending	<u>\$ 12,675</u>	<u>\$ 2</u>	<u>\$ 13,392</u>	<u>\$ 2,512</u>	<u>\$ 28,581</u>

The notes to the financial statements are an integral part of this statement.

# COUNTY OF MILWAUKEE

## DECEMBER 31, 2011

### NOTES TO THE BASIC FINANCIAL STATEMENTS

- 1 - Summary of Significant Accounting Policies
- 2 - Stewardship, Compliance and Accountability
- 3 - Deposits and Investments
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- 5 - Capital Assets
- 6 - Interfund Transfers
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**Milwaukee County**  
**Notes to the Financial Statements**  
**December 31, 2011**  
**(Amounts Expressed in Thousands)**

**Note 1 - Summary of Significant Accounting Policies**

The County of Milwaukee, Wisconsin (the "County") incorporated in 1835, is a governmental entity established by laws of the State of Wisconsin and has the power of a body corporate, as defined by s. 59.01 of the statutes of the State of Wisconsin. The Board of County Supervisors (the "Board") governs the County. The Board consists of nineteen members who are elected by the citizens of Milwaukee County. The County also elects seven principal officials who are the County Executive, the County Treasurer, the District Attorney, the County Clerk, the Clerk of Circuit Courts, the Sheriff and the Register of Deeds.

The financial statements of the County have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

**A. The Reporting Entity**

The County complies with the provisions of GASB Statement No.14 and GASB Statement No. 39 in defining the reporting entity and its component units. As defined by GASB Statement No. 14, component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The County is financially accountable for the organization if it appoints a voting majority of the organization's governing body and (a) it is able to impose its will on that organization or (b) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the County. The County may also be financially accountable if an organization is fiscally dependent on the County regardless of whether the organization has (a) a separately elected governing board, (b) a governing board appointed by a higher level of government, or (c) a jointly appointed board. In addition, GASB Statement No. 39 states that a legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources

## **Note 1 - Summary of Significant Accounting Policies (Continued)**

### **A. The Reporting Entity (Continued)**

received or held by the separate organization are entirely for the direct benefit of the primary government, its component units, or its constituents, (2) the primary government, or its component units, is entitled to or has the ability to otherwise access a majority of the economic resources received or held by the separate organization, and (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

As required by generally accepted accounting principles (GAAP) and based on the criteria stated in the above paragraph, the financial statements of the reporting entity include those of Milwaukee County, the primary government, and its four major component units, which are discretely presented.

#### **Component Units**

There are two ways to report component units; blended component units and discretely presented component units. Blended component units are legally separate entities that are in substance part of government operations, as they either have governing bodies that are substantively the same as the board or they provide their services exclusively or almost exclusively to the government. There are no blended component units reported by Milwaukee County.

Discretely presented component units are legally separate entities, which do not meet the criteria for blending. Discretely presented component units are presented as a separate column in the government-wide financial statements and individually in the combining statements for component units in the fund financial statements to emphasize that they are legally separate. As stated above, the County has four major discretely presented component units, which are described below.

**Milwaukee County War Memorial Center, Inc.** (the “Memorial”) is organized under the laws of the State of Wisconsin as a non-profit, non-stock corporation. The Memorial is operated under the auspices of Milwaukee County. The purpose of the Memorial is to operate four facilities, the War Memorial Center/Milwaukee Art Museum, Marcus Center for the Performing Arts, Charles Allis and Villa Terrace Art Museums. The governing board of the Center consists of fifteen members that are responsible for the general management and control of the Center. There are eight members that are appointed by the County Executive and confirmed by the County Board of Supervisors. Each individual entity’s Board oversees the day-to-day operation of their facility. The



## **Note 1 - Summary of Significant Accounting Policies (Continued)**

### **A. The Reporting Entity (Continued)**

#### **Component Units – (Continued)**

War Memorial Center is presented as a discretely presented component unit of the County because the County appoints the voting majority of the Center's governing body and therefore has the ability to impose its will on the Center. In addition, the County provides the majority of the Center's financial support, thus the War Memorial Center has the ability to impose specific financial burdens on the County. The War Memorial Center has a fiscal year ending December 31<sup>st</sup>.

**The Marcus Center for the Performing Arts** ("Marcus Center") is a not-for-profit non-stock corporation based in Wisconsin that offers performance facilities, a parking structure and various services to a wide range of performing arts. The Marcus Center is home to the Milwaukee Symphony Orchestra, the Milwaukee Ballet Company, the Milwaukee Youth Symphony Orchestra, the Florentine Opera Company, First Stage Milwaukee and other special arts groups, ethnic and cultural festivals and community concerts. A twenty-five member Board of Directors governs the Marcus Center. Seven members of the Board are appointed by the County Executive and confirmed by the County Board of Supervisors. The Board of Directors provides oversight and governance for the Marcus Center. The President and CEO oversee the day-to-day operations. The Marcus Center operates as a separate reporting entity and has combined all of its related funds into one set of financial statements. The Marcus Center has imposed specific financial burdens on the County and therefore, the Marcus Center is presented as a discretely presented component unit within the County's comprehensive annual financial report. The County owns the majority of the economic resources (the building) available to the Marcus Center. The County has also assisted in the past with the issuance of general obligation corporate purpose bonds to finance certain improvements to the building. Finally, the County provides annual appropriations to the Marcus Center. The Marcus Center has a fiscal year ending December 31<sup>st</sup>.

**The Milwaukee Public Museum, Inc.** ("The Museum"), is a non-profit natural history museum, whose purpose is to preserve and protect the collections of the museum and to educate the public through exhibits and research into natural history. The governing body of the Museum consists of a twenty-seven member Board of Directors who oversees the day-to-day operations. The Museum Board appoints 18 members, the County Executive appoints five members, and the County Board Chairman appoints four members. The Museum is presented as a discretely presented component unit of the County because the County owns the majority of the economic resources available to the Museum (the building and the artifacts) and because the County provides a significant amount of financial

## Note 1 - Summary of Significant Accounting Policies (Continued)

### A. The Reporting Entity (Continued)

#### Component Units – (Continued)

support to the Museum. As a result, the Museum has the ability to impose specific financial burdens on the County. The Museum building is not included in the Museum's capital assets reported on the Component Unit Statement of Net Assets. It is included in the County's Governmental Activities Statement of Net Assets. The Museum has a fiscal year ending August 31<sup>st</sup>.

**The Milwaukee County Research Park Corporation**, ("The Corporation") is a non-stock, non-profit corporation formed in 1987 for the sole purpose of developing a park for research and technology businesses on the parts of the Milwaukee County Institution Grounds that are not required for medical or health institution purposes and are leased, conveyed or otherwise transferred to the Corporation; provided, however, that such development shall, in the judgment of the Corporation, advance the economic and social interests of the community. The governing body of the Corporation consists of a fifteen-member board. The County Executive appoints ten of the members and the County Board Chairman appoints five members. The Corporation is presented as a discretely presented component unit because the County appoints all of the members of the governing board and therefore has the ability to impose its will on the Corporation. The economic resources held by the Corporation are contributed to the Research Park through land sales and rent, by agreement of the County, for the direct benefit of the County and its constituents. The Corporation has a fiscal year ending December 31<sup>st</sup>.

Complete financial statements for each of the individual component units may be obtained at the entity's administrative offices listed below.

Milwaukee County War Memorial Center  
750 North Lincoln Memorial Drive  
Milwaukee, WI 53202

Marcus Center for the Performing Arts  
929 North Water Street  
Milwaukee, WI 53202

Milwaukee Public Museum, Inc.  
800 West Wells Street  
Milwaukee, WI 53233

Milwaukee County Research  
Park Corporation  
10437 Innovation Drive  
Wauwatosa, WI 53226

## **Note 1 - Summary of Significant Accounting Policies (Continued)**

### **Related Organizations**

The County Executive of the County is responsible for appointing the members of the board of the following organization, but the County's accountability for this organization does not extend beyond making the appointments.

Milwaukee County Federated Library System - The County Executive appoints the seven-member board. One board member is required to be a County Board Supervisor. In accordance with State Statute s. 43.15, it is a co-operative of the fifteen public libraries within Milwaukee County. The system allows for cross border borrowing, in exchange for technological services.

### **B. Measurement Focus and Basis of Accounting**

#### **Government-Wide Financial Statements**

The statement of net assets and the statement of activities report information on all of the non-fiduciary activities of the primary government and its discretely presented component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes

## **Note 1 - Summary of Significant Accounting Policies (Continued)**

### **B. Measurement Focus and Basis of Accounting (Continued)**

#### **Government-Wide Financial Statements (Continued)**

and other items not properly included among program revenues are reported instead as general revenues. The business-type activities follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board guidance issued after November 30, 1989.

#### **Fund Financial Statements**

The underlying accounting system of the County is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Separate financial statements are provided for governmental funds, proprietary funds, component units, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The County applies GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions," when accounting for and reporting intergovernmental revenue transactions. The governmental fund financial statements report these revenues when entitlements to those resources have occurred and all grant requirements have been met. In the government-wide and proprietary fund financial statements these revenues are recognized when entitlement to the resources has occurred and grant requirements have been met, regardless of the timing of the revenues. State shared revenues are recognized as revenues in the governmental funds when the County is entitled to these funds. Intergovernmental grants received for proprietary fund operating purposes, or which may be utilized for either operations or capital expenditures at the discretion of the County, are recognized as non-operating revenues in the accounting period in which they are earned. Intergovernmental grants restricted for the acquisition or construction of capital assets in the proprietary funds are recorded as a component of income.

## **Note 1 - Summary of Significant Accounting Policies (Continued)**

### **B. Measurement Focus and Basis of Accounting (Continued)**

#### **All Financial Statements**

The preparation of financial statements in conformity with generally accepted accounting principles 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 expenditures/expenses during the reporting period. Actual results could differ from those estimates.

#### **Governmental Funds**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available.

Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. The County considers intergovernmental revenues to be available if they are collected within 90 days of the end of the current fiscal period. Property taxes, intergovernmental revenues, sales taxes, investment income, rents, and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Licenses and permits, fines and forfeitures and all other revenue items are considered to be measurable and available only when the county receives cash. Uncollected property taxes of municipalities within the County are purchased and then collected by the County. There is no recourse to the municipalities for the collection of these taxes. The County uses a two-month availability period for recognizing revenue relating to its portion of delinquent property taxes.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

#### **Proprietary Funds**

The County's enterprise funds and internal service funds are proprietary funds. In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In

## **Note 1 - Summary of Significant Accounting Policies (Continued)**

### **B. Measurement Focus and Basis of Accounting (Continued)**

#### **Proprietary Funds (Continued)**

the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net assets. The enterprise fund activities follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board guidance issued after November 30, 1989.

Proprietary funds separate all activity into two categories: operating and non-operating revenues and expenses. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Proprietary fund operating expenses result from providing services and producing and delivering goods. Non-operating revenues and expenses entail all other activity not included in operating revenues and expenses. Non-operating revenues and expenses include capital and non-capital financing activities and investing activities.

Amounts paid to acquire capital assets are capitalized as assets in the fund financial statements, rather than reported as expenditures. Proceeds from long-term debt are recorded as a liability in the fund financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness are reported as a reduction of the related liabilities, rather than as an expense.

#### **Fiduciary Funds**

The County uses fiduciary funds to account for assets held in a trustee or agency capacity. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the County's own programs. Trust funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Agency funds report only assets and liabilities and therefore do not have a measurement focus; however, agency funds use the accrual basis of accounting to recognize receivables and payables.

## Note 1 - Summary of Significant Accounting Policies (Continued)

### C. Basis of Presentation

**The County has presented the following major governmental funds:**

**The General Fund** is the government's primary operating fund. It accounts for and reports all financial resources of the general government, except those resources required to be accounted for in another fund.

**The Debt Service Fund** accounts for and reports the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt.

**The Capital Projects Fund** accounts for and reports the financial resources that are restricted, committed or assigned for the acquisition or construction of major capital facilities and other capital assets.

**The County has presented the following major proprietary funds:**

**The Airports Fund** accounts for the operations of General Mitchell International and Timmerman Airports. Airport passenger facility charges and related capital expenditures are not accounted for in the airport's enterprise fund but are accounted for as a special revenue fund.

**The Transit System Fund** accounts for the activities of the Milwaukee County Transit System and the Paratransit System. The Transit System provides public transportation in the Milwaukee metropolitan area and is managed by Milwaukee Transport Services, Inc., a private non-profit corporation. The Paratransit System is also operated by Milwaukee Transport Services, Inc., to provide transportation, using private vendors, for passengers who meet the paratransit eligibility requirements.

**The County has presented the following non-major funds and other fund types:**

**Special Revenue Funds** are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The specific purpose of each fund is as follows:

**Zoo-**used for the purchase of animals and maintenance of the miniature passenger railroad for the Milwaukee County Zoo.

**Parks-** used for the enhancement of the Todd Wehr Nature Center and restoration of the Trimborn Farm as a historic park.

## **Note 1 - Summary of Significant Accounting Policies (Continued)**

### **C. Basis of Presentation (Continued)**

**Persons with Disabilities-** used for special projects to help free disabled persons from environmental and attitudinal barriers.

**Behavioral Health Division-** used for mental health research, patient activities and special events, and compensated absence payouts for Behavioral Health Division retirees.

**Public Works-** used for compensated absence payouts and other post-employment benefit costs for retirees from the Fleet Maintenance and Facilities Management divisions.

**Airport PFC (Passenger Facility Charge)**– used for the collection of Federal Aviation Administration (FAA) approved passenger facility charges, which are to be used for capital projects at the Airport. In addition, a trust is maintained in this fund to secure a pledge by the County for repayment of certain debt of local airlines.

**Health and Safety-** established for Risk Management to work with the countywide safety committee to address safety issues. It also funds costs associated with new employee health screenings.

**Internal Service Funds** account for the financing of goods and services provided by one department to other departments of the County, or to other governmental entities, on a cost-reimbursement basis. Information Management Services, Public Works Services, and Risk Management are the County's internal service funds.

**The Pension Trust Fund** accounts for the activities of the Employees' Retirement System and OBRA 1990 Retirement System of the County of Milwaukee. This fund accumulates resources for pension benefit payments to qualified Milwaukee County employees. Substantially all full and part-time employees of the County participate in these single-employer defined benefit plans.

**Agency Funds** are custodial in nature and are used to account for assets held by the County as an agent for individuals, private organizations and other governmental units. The significant agency fund within the County is the Civil Court-ordered Family Support Payments.



## **Note 1 - Summary of Significant Accounting Policies (Continued)**

### **D. Assets, Liabilities and Net Assets or Equity**

#### **1. Deposits and Investments**

To facilitate cash management of the County's resources, cash and investments are pooled in common accounts. All cash and investments pooled in common accounts are considered cash equivalents for the purposes of the statements of cash flows. The cash and investment balance in each fund, except for certain Special Revenue, and Agency Funds, and certain cash accounts of the Airports Fund and Transit Fund represent the equity in these pooled resources.

Substantially all of the deposits and investments of the Agency Funds are held separately from those of other County funds. The Airports Fund holds certain reserves under Revenue Bond restrictions separately. A portion of cash and investments in the Transit Fund are held in a separate account with Milwaukee Transport Services, Inc., a non-profit corporation. The resources of the Special Revenue, Pension Trust, and Agency funds are restricted and are not available to the County to finance its operations.

Statutes authorize the County to invest in State-authorized financial institution time deposits that mature in not more than three years, bonds or securities issued or guaranteed as to principal and interest by the Federal government, bonds or securities of any municipality of the State, securities that mature not more than ten years from the date on which the security was acquired and which has a rating in one of the two highest categories assigned by a nationally-recognized rating agency, repurchase agreements secured by funds or securities issued or guaranteed as to principal and interest by the Federal government, and local government pooled investment funds. In addition, the Pension Board, as administrator of the Pension Trust Fund, is authorized to invest in all types of investments deemed appropriate.

All investments are stated at fair value including investments in the Pension Trust fund.

#### **2. Receivables**

Activity between funds that are representative of lending /borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Milwaukee County has no "Advances to/from other funds". All other outstanding balances between funds are reported as "due to/from other funds".

## **Note 1 - Summary of Significant Accounting Policies (Continued)**

### **D. Assets, Liabilities and Net Assets or Equity (Continued)**

#### **2. Receivables (Continued)**

Amounts due from private individuals, organizations or other governments, which pertain to charges for services rendered by County departments are reported as accounts receivable. Receivables are reviewed periodically to establish or update the allowance for doubtful amounts. All trade receivables for the Business-type funds are shown net of an allowance for uncollectibles.

Property tax receivables represent the taxes levied on or before December 31; the lien date. Taxes are recognized in the governmental funds as revenue in the year when they are available to finance county services. Since these property tax receivables are not available for the current fiscal year, they are fully reflected as deferred revenues.

Property taxes are levied based on the equalized value, which is computed from January 1, the assessment date, of all general property located in the County. The equalized value excludes tax incremental financing districts. The taxes are due on the last day of January but may be paid in two or more installments, depending on local ordinance.

Delinquent property tax receivable is comprised of the unpaid property taxes the County purchases from other taxing authorities, except the City of Milwaukee, to facilitate the collection of taxes. The purchases are a financing arrangement and are reflected as a reservation of fund balance at year-end for amounts considered unavailable. The County's portion of uncollected property taxes within the boundaries of the City of Milwaukee is sold, at the unpaid balance, to the City each year.

Interest is earned on investments and delinquent property taxes. Accrued interest at the end of the year on delinquent taxes, that is not collectable within sixty days are reflected as deferred revenue in the governmental funds.

#### **3. Inventory and Prepaid Items**

Inventories are valued at average cost or current cost, which approximates the first-in/first-out (FIFO) method. Inventories in the governmental and proprietary funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

## **Note 1 - Summary of Significant Accounting Policies (Continued)**

### **D. Assets, Liabilities and Net Assets or Equity (Continued)**

#### **3. Inventory and Prepaid Items (Continued)**

Milwaukee County has a self-funded health insurance plan with United Healthcare. A requirement of the self-funded plan is that the County maintains \$2,434 on deposit as of December 31, 2011.

#### **4. Restricted Assets**

Certain proceeds of the Airports enterprise fund revenue bonds, as well as certain resources set aside for repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. At the end of 2011, these restricted assets were \$ 15,161 stated earlier (see item 1 under section D in the notes), the Special Revenue and Agency funds are also restricted resources and are not available to the County to finance its operations.

The Airport Revenue Bond Interest and Principal Account is used to segregate resources accumulated for the semi-annual debt service payments. The Airport Revenue Bond Debt Service Reserve Account is used to report resources set aside to make up for any future deficiencies that may occur in the Airport Revenue Bond Principal and Interest Account. In addition, Airport Revenue Bond covenants require that fund equity be reserved for Debt Coverage, and Operations and Maintenance Reserves. The Debt Coverage Reserve Account and the Operations and Maintenance Reserve Account are used to report resources set aside to subsidize potential deficiencies from the Airport operation that could adversely affect debt service payments. When both restricted and unrestricted resources are available to make certain payments, the County uses unrestricted resources to liquidate payments.

Net Restricted Airport passenger facility charges totaled \$ 21,255 at the end of 2011. Passenger facility charges are collected by the Airport and are used for capital projects or repayment of bonds for approved capital projects. The passenger facility charges are accounted for in a separate Special Revenue Fund.

In addition, at the end of 2011, the Airport had \$ 28,517 of 2004, 2005, 2006, 2007, 2009 and 2010 revenue bond proceeds that were unspent, and for purposes of this report, are considered restricted.

In addition, the County has restricted \$ 5,944 of contributed assets for a \$ 14,400 debt guarantee made by the County on behalf of a local company. The County provided the guarantee in return for a mortgage on specific assets of the

## **Note 1 - Summary of Significant Accounting Policies (Continued)**

### **D. Assets, Liabilities and Net Assets or Equity (Continued)**

#### **4. Restricted Assets (Continued)**

company plus \$ 4,900 of cash provided by the company and the State of Wisconsin. These funds act as a debt reserve, and are included in the Airport special revenue fund. During 2009, the company announced that another company was purchasing it and the County Board of Supervisors approved a three-year extension of the agreement to August 15, 2012.

While the local company was purchased by a third party, the local company and the County continue to maintain their agreement for collateral support. There are no plans for the transfer of the agreements to the third party. However, the third-party continues to honor the agreement and make principal and interest payments in accordance with underlying agreements. The assets continue to be maintained by the third-party, and the third-party has been attempting to sell or lease the assets to pay down the debt.

Under a contract agreement between the State of Wisconsin Department of Health and Family Services and the County's Department of Family Care, the County is required to restrict cash of \$ 11,432. This restricted cash is for a working capital reserve and restricted reserve under the contract.

#### **5. Capital Assets**

##### **Government-wide Statements**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, drainage, lighting systems, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$ 2,500 (two thousand five hundred dollars) and an estimated useful life in excess of one year. The exception to this is for purchases of data processing equipment in which the initial individual cost has to be more than \$ 1,000 (one thousand dollars). Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Capital assets received as gifts or donations are recorded at estimated fair market value at the time of receipt.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized at cost when

## Note 1 - Summary of Significant Accounting Policies (Continued)

### D. Assets, Liabilities and Net Assets or Equity (Continued)

#### 5. Capital Assets (Continued)

purchased or constructed and updated for the cost of additions and retirements during the year.

Property, plant, equipment, and infrastructure of the primary government and its component units are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40-50
Land Improvements	20-25
Vehicles	5-12
Office Equipment	5-10
Building Improvements	20
Infrastructure	20
Computer Equipment	5

The County owns a collection of zoo animals and a collection of museum historical artifacts. The County's collection of zoo animals and museum historical artifacts meet the definition of a capital asset and normally should be capitalized and reported in the financial statements. However, the requirement of capitalization is waived for collections meeting all of the following conditions, 1) the collection is held for reasons other than financial gain. 2) The collection is protected, kept unencumbered, cared for, and preserved. 3) The collection is subject to an organizational policy requiring that the proceeds from sales of collection items be used to acquire other items for collections. With regard to the collection of zoo animals and in accordance with industry practice, animal collections are recorded at the nominal amount of \$ 1 (one dollar), as there is no objective basis for establishing value. Additionally, animal collections have numerous attributes, including species, age, sex, relationship and value to other animals, endangered status, and breeding potential, whereby it is impracticable to assign value. Acquisitions are recorded as expenditures in the period of acquisition. In an ongoing commitment to enhance the worldwide reproduction and preservation of animals, the County shares animals with other organizations. Consistent with industry practice, the County does not record any asset or liability for such sharing arrangements, as generally these arrangements are without monetary consideration.

The County has elected not to capitalize the collection of museum historical artifacts because these assets meet the criteria stated above that qualify the collections for exemption from the capitalization requirement.

## **Note 1 - Summary of Significant Accounting Policies (Continued)**

### **D. Assets, Liabilities and Net Assets or Equity (Continued)**

#### **5. Capital Assets (Continued)**

##### **Fund Financial Statements**

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

#### **6. Compensated Absences**

County employees are granted sick and annual vacation leave in varying amounts in accordance with administrative policies and union contracts. County employees are requested to use all accumulated vacation time earned before the end of the subsequent calendar year. In the event of termination or retirement, the employees are paid for accumulated vacation days.

Generally, accumulated sick pay is forfeited upon termination other than retirement. When an employee retires, accumulated sick leave benefits vest. Most represented employees are entitled to payment upon retirement for a majority of accumulated sick leave hours earned. Depending on their date of hire, a represented retiring employee is entitled to either full cash payout, partial payment in cash or credit for post-employment health insurance costs. Non-represented employees who retire are entitled to payment for accumulated sick leave up to a maximum of 400 hours plus 16 hours per 100 hours, or fraction thereof, of accrued sick leave in excess of the 400 hours, instead of full payment for all accumulated sick leave. Payments for retiree sick pay benefits were \$5,941 in 2011.

Amounts of vacation and sick pay earned and vested by employees have been accrued in the government-wide and proprietary fund financial statements. The short-term portions of compensated absences are classified as current liabilities. For the governmental activities and the business-type activities the short-term portion is \$ 21,575 and \$ 6,032, respectively. The long-term portion of compensated absences, generally for sick leave payable upon retirement, is classified as compensated absences. Amounts paid to employees in the governmental fund types within 60 days of year-end have been recorded as an expense in the governmental funds.

## **Note 1 - Summary of Significant Accounting Policies (Continued)**

### **D. Assets, Liabilities and Net Assets or Equity (Continued)**

#### **7. Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Gains and losses on prior refundings are amortized over the remaining life of the prior debt, or the life of the new debt, whichever is shorter. Bonds payable are reported net of the applicable bond premium or discount and gains or losses, as applicable. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The 1993 Refunding Bonds included zero coupon bonds, which were sold at a deep discount. These zero coupon bonds mature, in the last three years of the bond issue beginning in 2009. The discount on the 1993 zero coupon bonds are amortized as accretion (interest expense) over the life of the bonds in the government-wide and in the proprietary fund type financial statements. The 1993 bonds were paid off during 2011.

#### **8. Equity Classifications**

##### **Government-wide Statements**

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less any unspent debt proceeds.

## Note 1 - Summary of Significant Accounting Policies (Continued)

### D. Assets, Liabilities and Net Assets or Equity (Continued)

#### 8. Equity Classifications (Continued)

##### Government-wide Statements (Continued)

- b. Restricted net assets – Consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets- All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

When both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted resources first, and then unrestricted resources, as they are needed.

##### Fund Statements

In the governmental fund financial statements, fund balance is displayed in the following classifications that are based on the spending constraints placed on the resources:

- **Nonspendable Fund Balance** – amounts that are not in a spendable form (such as inventory).
- **Restricted Fund Balance** – amounts constrained to specific purposes by their providers (such as grantors, bondholders, or higher levels of government).
- **Committed Fund Balance** – amounts constrained to specific purposes as approved or rescinded in a Board Resolution, and in compliance with State Statute.
- **Assigned Fund Balance** – amounts constrained by the County’s intent to be used for specific purposes, but are neither restricted nor committed. The County has restrictions against and does not presently have any Assigned Fund Balance.
- **Unassigned Fund Balance** – amounts included in the residual classification for the General Fund that have not been restricted, committed, or assigned to specific purposes. The County has restrictions against and does not presently have any Unassigned Fund Balance.



## **Note 1 - Summary of Significant Accounting Policies (Continued)**

### **D. Assets, Liabilities and Net Assets or Equity (Continued)**

#### **8. Equity Classifications (Continued)**

##### **Fund Statements (Continued)**

The County considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the County would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

In the enterprise fund and government-wide financial statements, the portion of net assets that is invested in capital assets net of related debt is reported separately. Restricted net assets are reported for amounts that are legally restricted by outside parties to be used for a specific purpose.

The Statutes of the State of Wisconsin require that the surplus/deficit of all departments of the County be determined in accordance with GAAP based on fund financial statements. The amount of any surplus/deficit of the current year is reserved by County Ordinance 32.91(4)a(4) and State Statute to be used to reduce/increase property tax levy in the subsequent budget period.

The Board of Supervisors may by two-thirds vote, adopt a resolution prior to the adoption of the tax levy authorizing the surplus, in whole or in part, be placed in a debt service reserve for the retirement of outstanding general obligation bonds of the County. The Board of Supervisors may also by two-thirds vote adopt a resolution authorizing the surplus to be used to provide funds for emergency needs, as defined under the Statutes. The surplus cannot be used for any other purposes except those stated above.

#### **9. Allowance for Doubtful Accounts**

The County's Behavioral Health Division (BHD) provides an allowance for all third-party payers such as Medicare, Medicaid, HMO's, and other types of health insurance. The County's Aging Care Maintenance Organization (Aging CMO) provides an allowance for amounts due from the State in the event a client is not eligible for service reimbursement and for client service co-payments. The County's Department of Health and Human Services (DHHS) provides an allowance for amounts due from recipients of housing loans provided to low-income homeowners. BHD, Aging CMO, and DHHS adjust revenue in the current year of operations for the difference between amounts billed (or loans made) and expected reimbursement. In as much as the adjustment is an

## **Note 1 - Summary of Significant Accounting Policies (Continued)**

### **D. Assets, Liabilities and Net Assets or Equity (Continued)**

#### **9. Allowance for Doubtful Accounts (Continued)**

estimate, any difference between the amount accrued and the amount settled is recorded in operations in the year of settlement. At December 31, 2011, the total allowance for BHD, Aging CMO, and DHHS was \$ 13,713. No other allowances for doubtful accounts are maintained since other fund accounts receivable are considered collectable as reported at December 31, 2011. All allowances are netted against receivables for financial statement presentation.

#### **10. Capitalization of Interest**

Interest is capitalized on business-type assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting debt interest expense incurred from the date of the borrowing until completion of the project, with interest earned on invested, unspent debt proceeds over the same period. During 2011, the net amount of capitalized interest was \$ 3,192.

#### **11. Obligation for Bond Arbitrage Rebate**

Pursuant to Section 148(f) of the U. S. Internal Revenue Code, the County must rebate to the United States Government the excess of interest earned from the investment of certain debt proceeds and pledged revenues over the yield rate of the applicable debt. The County uses the "revenue reduction" approach in accounting for rebateable arbitrage. This approach treats excess earnings as a reduction of revenue. There is no liability for rebateable arbitrage as of December 31, 2011.

#### **12. Landfill Post-Closure Costs**

Under the terms of current state and federal regulations, the County is required to place a final cover on closed landfill areas, and to perform certain monitoring and maintenance functions for a period of up to thirty years after closure. The County recognizes these costs of closure and post-closure maintenance over the active life of each landfill area, based on landfill capacity used during the period. Required obligations for closure and post-closure costs are recognized in the Government-wide financial statement as part of the governmental activities.

#### **13. Pollution Remediation Costs**

The Wisconsin Department of Natural Resources has designated the County as the responsible party in the cleanup of petroleum contamination located on County property. The County has recorded a long-term obligation for these

## **Note 1 - Summary of Significant Accounting Policies (Continued)**

### **D. Assets, Liabilities and Net Assets or Equity (Continued)**

#### **13. Pollution Remediation Costs (Continued)**

pollution remediation costs. These costs are recognized in the governmental activities.

#### **14. Capital Contributions**

The capital contributions accounted for in the proprietary fund types represent contributions from other funds and state and federal grant programs. A negative capital contribution represents a return of capital contributions, or the issuance of debt used for building capital assets. The contributions amount is reported after non-operating revenues and expenses on the statement of revenues, expenses, and changes in fund net assets in accordance with GASB Statement 34.

#### **15. Unearned Revenues**

Deferred revenues reported in the government-wide and proprietary financial statements represent unearned revenues. The unearned revenues will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. Deferred revenues reported in governmental fund financial statements represent unearned revenues or revenues, which are measurable but not available and, in accordance with the modified accrual basis of accounting, are reported as deferred revenues.

#### **16. Pension Obligation Asset**

Pension expenditures of governmental fund types are recognized on the modified accrual basis; which means that the amount of pension expense recognized is equal to the amount contributed to the plan or expected to be liquidated with expendable available financial resources. In the government-wide and proprietary financial statements, pension expense is recognized on the accrual basis; which means that the amount recognized in the current period is equal to annual pension cost. The pension obligation/asset represents the difference between the annual required contribution plus interest, net of payments.

#### **17. Encumbrances**

Encumbrance accounting is employed in governmental funds. Encumbrances of Purchase orders, contracts and other commitments for the expenditure of funds are recorded as restriction of fund balance and encumbrance. As of year-end, encumbrances are not reflected as expenditures but as restriction of fund balance and are liquidated in subsequent years. Every appropriation lapses at

## **Note 1 - Summary of Significant Accounting Policies (Continued)**

### **D. Assets, Liabilities and Net Assets or Equity (Continued)**

#### **17. Encumbrances**

December 31, to the extent that it has not been expended or encumbered. Expenditures are recorded and encumbrances are liquidated when the services or materials are received.

#### **18. Claims and Judgments**

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

#### **19. Other Post Employment Benefit Obligations**

Other Post Employment Benefit (OPEB) expenditures of governmental fund types are recognized on the modified accrual basis; which means that the amount of OPEB expense recognized is equal to the amount contributed to the plan or expected to be liquidated with expendable available financial resources. In the government-wide and proprietary financial statements, OPEB expense is recognized on the accrual basis; which means that the amount recognized in the current period is equal to annual OPEB cost. The OPEB obligation represents the difference between the annual required contribution plus interest, net of payments.

### **E. Governmental Accounting Standards for 2011**

In fiscal year 2011, the County implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". This Statement provides more clearly defined categories to make the nature and extent of the constraints placed on the County's fund balance. The description of these categories is described above in Equity Classifications.

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## **Note 2 - Stewardship, Compliance, and Accountability**

### **Budgetary Information**

All County departments are required to submit their annual budget requests for the ensuing year to the County Executive by June 15. The Department of Administration, acting as staff for the County Executive, reviews the requests in detail with the departments during June, July and August. After all of the requests have been reviewed, the County Executive submits his proposed Executive Budget to the Board of Supervisors. County Ordinance requires that this be done on or before October 1. The Board of Supervisors must complete its review and adopt the budget on or before the first Tuesday after the second Monday in November.

All adopted budgets for the governmental funds are prepared in accordance with the modified accrual basis of accounting, except for the treatment of the fund balance- restriction for 2011 appropriations and encumbrances. For budget purposes, fund balance-restricted for 2011 appropriations – is reflected as other financing sources whereas, for accounting purposes, it is reflected as part of fund balance. For budget purposes, encumbrances are recorded as expenditures as opposed to a restriction of fund balance.

The Board of Supervisors legally adopts annual budgets for the general, debt service, capital projects, enterprise and internal service funds. The legal level of budgetary control is by department. For budget purposes, the Debt Service and Capital Projects Funds are considered departments.

Once the budget is adopted, transfers of appropriations among departments require approval by the Board of Supervisors and are permitted only during the last three months of the year. Supplemental appropriations for the purpose of public emergencies may be made from unanticipated revenues received or surplus earned, as defined by resolution adopted by a vote of two-thirds of the members of the board of supervisors. Supplemental appropriations from the issuance of tax anticipation notes require an affirmative vote of three-fourths of the members of the board of supervisors. During the 2011 fiscal year, the Board of Supervisors adopted no supplemental appropriations.

### **Budgetary Basis of Accounting**

The “Statement of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual (Non-GAAP Budgetary Basis)- General Fund ” is prepared on a basis consistent with the legally adopted budget. Under this method, encumbrances outstanding are charged to budgetary appropriations and considered as expenditures of the current period. In the Non-GAAP Budgetary Basis statements, principal and interest payments on pension obligation bonds are considered a departmental personnel service appropriation and are reflected

## Note 2 - Stewardship, Compliance, and Accountability (Continued)

### Budgetary Basis of Accounting (Continued)

as an expenditure, instead of a debt service fund operating transfer under other financing sources (uses). The "Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental Funds" is prepared on a basis consistent with GAAP. Under this method, encumbrances are considered a restriction of fund balance and charged to expenditures in the period in which goods or services are received.

A reconciliation for the General Fund is as follows:

	<u>Expenditures</u>	<u>Other Financing Sources (Uses)</u>
GAAP Basis	\$ 939,875	\$ (107,495)
Encumbrances	10,961	-
Pension/Other	18,666	33,250
Transfers to Component Units	<u>(6,531)</u>	<u>(6,531)</u>
<b>Non-GAAP Budgetary Basis</b>	<b><u>\$ 962,971</u></b>	<b><u>\$ (80,776)</u></b>

Appropriations lapse at year-end except for capital projects, which are carried forward to the subsequent year.

### Deficit Fund Net Assets

The Information Management Services Internal Service Fund had a negative balance of net assets (net liabilities) of \$ 3,968 as of December 31, 2011. The net liabilities were due to the fund incurring depreciation expense on assets purchased with the debt proceeds at a faster rate than the payment of principal on the outstanding debt. The net liabilities will breakeven in future years as the principal is paid down by the fund.

### County Tax Rate Limit (Amounts Expressed in Dollars)

Section 59.605 of the Wisconsin Statutes imposes a limit on the property tax rate that the County can impose upon its citizens. Separate limits were imposed for operating levy rates and debt service levy rates of \$ 4.08 per \$ 1,000 of equalized value and \$ 1.42 per \$ 1,000 of equalized value, respectively. For the tax budget year of 2011, the County's actual operating and debt service levy

## **Note 2 - Stewardship, Compliance, and Accountability (Continued)**

### **County Tax Rate Limit (Amounts Expressed in Dollars) Continued**

rates were \$ 3.58 per \$ 1,000 of equalized value and \$ .88 per \$ 1,000 of equalized value, respectively. For 2012, further limits on the increase in the overall operating tax levy have been imposed by the State, while allowing for increases due to changes in debt.

## **Note 3 - Deposits and Investments**

The majority of the deposits and investments of the Primary Government, excluding the Pension Trust Fund, are maintained in a pool of cash and investments in which each fund participates on a dollar equivalent basis. Interest is distributed monthly to certain trusts and funds, which have been designated as interest earning funds. The remaining investment earnings are provided as an offset to costs for the government as a whole. A “zero balance account” mechanism provides for the sweep of deposits made to bank accounts and the payment for checks presented against accounts. The Primary Government, excluding the Pension Trust, then makes a decision to either transfer funds to an investment manager for the purchase of government securities, or to maintain the funds in the financial institution. Funds sent to the investment manager are used to purchase investments that meet the County’s investment policy and State Statute requirements. The net funds maintained at the County’s primary financial institution will earn a guaranteed rate of return set to the current market LIBOR rates. The funds maintained at the County’s primary financial institution are secured by collateral in the County’s name at a Federal Reserve Bank. The County maintains other bank accounts for convenience of deposit. These accounts are transferred to the primary account as warranted.

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### Note 3 - Deposits and Investments (Continued)

The following information presents the deposits and investments of the Primary Government, excluding the pension trust fund. The pension trust fund is presented at the end of the footnote, and will be designated as "Pension Trust Fund".

**Statement of Net Assets:**

Cash and Investments	\$ 277,796
Cash and Investments- Restricted	82,309
<b>Subtotal</b>	<b>\$ 360,105</b>

**Statement of Fiduciary Net Assets:**

Cash and Investments	
Pension Trust Fund	1,702,256
Agency Fund	24,036
<b>Total</b>	<b>\$ 2,086,397</b>

Deposits-County/Agency	\$ 99,623
Investments-County/Agency	284,518
Pension Deposits	84,108
Pension Investments	1,618,148
<b>Total</b>	<b>\$ 2,086,397</b>

#### **Cash Deposits – County/Agency**

The carrying amount of the County's deposits at December 31, 2011 was \$ 99,623 and the bank balance was \$ 107,630.

#### **Custodial Credit Risk-Deposits – County/Agency**

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover deposits or will not be able to cover collateral securities that are in the possession of an outside entity. Interest bearing deposits with banks are insured by the FDIC in the amount of \$ 250. Non-interest bearing deposits are insured by the FDIC at full value. The State Deposit Guarantee Fund insures deposits up to a total of \$400 per entity, not per banking institution. The County does not have a deposit policy for custodial credit risk. Of the \$ 107,630 of deposits with financial institutions, \$ 2,375 was covered by Federal depository insurance and State governmental insurance, subject to availability of funds in the State's Deposit Guarantee Fund and \$ 101,888 was collateralized with government securities held in a separate financial institution in the County's name, and \$ 3,367 was uninsured, uncollateralized, or exposed to custodial credit risk.



### Note 3 - Deposits and Investments (Continued)

#### Investments – County/Agency

The County's investment policy applies to all financial assets held or controlled by Milwaukee County, other than pension trust fund assets, consistent with the intent of State of Wisconsin Statutes (S.66.0603(1m)) and Milwaukee County Ordinance.

The primary objectives of the County's Statement of Investment Policies is to preserve and protect investment principal, maximize the return on the investment portfolio, and to avoid assuming unreasonable investment risk. The investment portfolio shall be designed with the objective of obtaining a market rate of return throughout budgetary and economic cycles, taking into account the County's investment risk constraints and liquidity needs. The County's investment portfolio will remain sufficiently liquid to enable the County to meet reasonably anticipated day-to-day operating requirements. The County will employ mechanisms to control risk and diversify its investments with respect to specific security types or individual security issuers.

As of December 31, 2011 the County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>
U.S. Treasury Bonds	\$ 13,506
U.S. Treasury Inflation Protected Bonds	13,508
U.S. Treasury Notes	15,035
U.S. Treasury Bills	200
U.S. Agency Fixed Rate Securities	39,312
U.S. Agency Guaranteed Adjustable Rate Securities	23,100
GNMA Fixed Rate Securities	3,610
FNMA Fixed Rate Securities	3,591
GNMA Guaranteed Adjustable Rate Securities	2,346
Small Business Administration Guaranteed Adjustable Rate Securities	7,005
Municipal Fixed Rate Securities	16,485
Treasury Mutual Fund	19,135
Corporate Government Guaranteed Notes	34,751
Corporate Asset Backed Securities	5,268
Corporate Bonds	9,132
Futures Hedge Contract with Commodities Broker	606
Certificates of Deposit	26,617
Money Market Cash Equivalents	51,311
<b>Total</b>	<b><u><u>\$284,518</u></u></b>

In its normal course of operations, the Transit System enters into futures contracts for heating oil as a hedge for its diesel fuel purchases. The aggregate fair value of these hedging derivative instruments in asset positions at December 31, 2011 was \$ 606. This represents the maximum loss that would be

### **Note 3 - Deposits and Investments (Continued)**

#### **Investments – County/Agency (Continued)**

recognized at the reporting date if the counterparty failed to perform as contracted. This maximum exposure is reduced by \$ 806 for collateral held with the counterparty, resulting in no credit risk to the County. The County has one contract for hedging derivative instruments with a single counterparty: Transit System hedge on diesel fuel. This counterparty is not rated. The County is exposed to basis risk on the hedging derivative instruments because the expected commodity purchase being hedged will price based on a pricing point different than the pricing point at which the futures contract is expected to settle.

#### **Custodial Credit Risk-Investments – County/Agency**

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of investment securities that are in the possession of an outside party. Investments are held by the counterparty's trust department or with its agent in the County's name. The County's investment policy states that all securities shall be properly designated as an asset of Milwaukee County and held in safekeeping by a third-party custodial bank or other third-party custodial institution, chartered by the United States Government or the State of Wisconsin and no withdrawal of such securities, in whole or in part, shall be made from safekeeping except by the County Treasurer or a designee. The County does not have any investments exposed to custodial credit risk.

#### **Interest Rate Risk-Investments – County/Agency**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the County's investment policy, the County attempts to match its investments with anticipated cash flow requirements to the extent possible. In the absence of individual security maturity limitations specified in the Wisconsin State Statutes, the County does not directly invest in securities maturing more than ten years from the date of purchase.

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### Note 3 - Deposits and Investments (Continued)

#### Interest Rate Risk-Investments – County/Agency (Continued)

For adjustable rate securities, the time to coupon reset is used as the effective maturity period. As of December 31, 2011, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>
U.S. Treasury Bonds	\$ 13,506	\$ 5,077	\$ 8,429	\$ -
U.S. Treasury Inflation Protected Bonds	13,508	5,862	7,646	-
U.S. Treasury Notes	15,035	1,511	12,900	624
U.S. Treasury Bills	200	200	-	-
U.S. Agency Fixed Rate Securities	39,312	6,824	32,488	-
U.S. Agency Guaranteed Adjustable Rate Securities	23,100	-	11,689	11,411
GNMA Fixed Rate Securities	3,610	152	3,246	212
FNMA Fixed Rate Securities	3,591	2,010	1,581	-
GNMA Guaranteed Adjustable Rate Sec	2,346	-	-	2,346
Small Business Administration Guaranteed Adjustable Rate Securities	7,005	-	751	6,254
Municipal Fixed Rate Securities	16,485	4,615	11,870	-
Treasury Mutual Fund	19,135	19,135	-	-
Corporate Government Guaranteed Notes	34,751	21,767	12,984	-
Corporate Asset Backed Securities	5,268	4,704	564	-
Corporate Bonds	9,132	3,015	6,117	-
Futures Hedge Contract with Commodities Broker	606	606	-	-
Certificates of Deposit	26,617	25,324	1,293	-
Money Market Cash Equivalents	51,311	51,311	-	-
<b>Total</b>	<b>\$ 284,518</b>	<b>\$ 152,113</b>	<b>\$ 111,558</b>	<b>\$ 20,847</b>

#### Credit Risk-Investments – County/Agency

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit quality rating of a security (rated by Moody's Investor Service or Standard & Poor's) gives an indication of the degree of credit risk for that security. Listed below are the County's investments with the corresponding credit quality ratings: The County does not have an investment policy pertaining to credit risk.

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### Note 3 - Deposits and Investments (Continued)

#### Credit Risk-Investments – County/Agency (Continued)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Standard &amp; Poor's</u>	<u>Moody's Investor Service</u>
U.S. Treasury Bonds	\$ 13,506	AA+	Aaa
U.S. Treasury Inflation Protected Bonds	13,508	AA+	Aaa
U.S. Treasury Notes	5,350	NR	NR
U.S. Treasury Notes	9,685	AA+	Aaa
U.S. Treasury Bills	200	AAA	Aaa
U.S. Agency Fixed Rate Securities	8,256	NR	NR
U.S. Agency Fixed Rate Securities	16,587	AA+	Aaa
U.S. Agency Fixed Rate Securities	14,470	AA+	Aaa
U.S. Agency Guaranteed Adjustable Rate Securities	13,779	AA+	Aaa
U.S. Agency Guaranteed Adjustable Rate Securities	9,321	NR	NR
GNMA Fixed Rate Securities	3,610	AA+	Aaa
FNMA Fixed Rate Securities	1,581	AA+	Aaa
FNMA Fixed Rate Securities	2,010	AA+	Aaa
GNMA Guaranteed Adjustable Rate Securities	2,346	AA+	Aaa
Small Business Administration Guaranteed Adjustable Rate Securities	7,005	AA+	Aaa
Municipal Fixed Rate Securities	1,987	AA	Aa2
Municipal Fixed Rate Securities	642	AA	N/R
Municipal Fixed Rate Securities	100	AA-	Aa3
Municipal Fixed Rate Securities	501	AA-	WR
Municipal Fixed Rate Securities	146	AA+	Aaa
Municipal Fixed Rate Securities	583	AA+	N/R
Municipal Fixed Rate Securities	2,969	AA+	WR
Municipal Fixed Rate Securities	1,822	BBB	Aa3
Municipal Fixed Rate Securities	750	BBB	WR
Municipal Fixed Rate Securities	1,942	BBB+	Baa1
Municipal Fixed Rate Securities	1,485	NR	NR
Municipal Fixed Rate Securities	1,323	NR	Aa1
Municipal Fixed Rate Securities	673	NR	WR
Municipal Fixed Rate Securities	365	NR	Aa2
Municipal Fixed Rate Securities	1,196	NR	Aaa
Treasury Mutual Fund	19,135	AAA	Aaa
Corporate Government Guaranteed Notes	31,136	AA+	Aaa
Corporate Government Guaranteed Notes	786	AA-	Aa1

### Note 3 - Deposits and Investments (Continued)

#### Credit Risk-Investments – County/Agency (Continued)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Standard &amp; Poor's</u>	<u>Moody's Investor Service</u>
Corporate Government Guaranteed Notes	2,829	AA+	Aaa
Corporate Asset Backed Securities	2,533	AAA	Aaa
Corporate Asset Backed Securities	1,115	AAA	NR
Corporate Asset Backed Securities	1,620	NR	Aaa
Corporate Bonds	1,873	AA+	Aa2
Corporate Bonds	2,331	A	AA3
Corporate Bonds	1,005	A-	A3
Corporate Bonds	1,009	A-	BAA1
Corporate Bonds	583	A+	AA2
Corporate Bonds	494	AA	AA1
Corporate Bonds	513	AA-	AA1
Corporate Bonds	543	AA-	AA3
Corporate Bonds	781	AA+	AA2
Futures Hedge Contract with Commodities Broker	606	N/A	N/A
Certificates of Deposit	19,258	N/R	N/R
Certificates of Deposit	7,359	NR	NR
Money Market Cash Equivalents	30,036	A-1	P-1
Money Market Cash Equivalents	2,310	N/A	N/A
Money Market Cash Equivalents	4,962	AA+	Aaa
Money Market Cash Equivalents	13,557	NR	NR
Money Market Cash Equivalents	446	N/R	N/R
<b>Total</b>	<b><u>\$ 284,518</u></b>		

#### Concentration of Credit Risk – Investments - County/Agency

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The County's written investment policy states that investments held by the County shall be diversified to control the risk of loss resulting from over concentration of investments in a specific maturity, issuer, instrument/and or class of instrument(s), and dealers through whom securities are brought and sold. The County's written investment policy also places limits on the percentage of the portfolio that may be invested in each type of investment.

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### Note 3 - Deposits and Investments (Continued)

#### Concentration of Credit Risk – Investments - County/Agency (Continued)

The following percentage ranges of portfolio investments apply to the investment categories currently allowed by Wisconsin Statute:

- Time and other Money Market deposits of banks, savings banks, trust companies, savings and loans, credit unions, regulated by the Securities and Exchange Commission. Direct Investment in public depository institutions and securities will be further limited to a maximum investment, per institution at any one time of \$250,000 unless an acceptable form of collateral, surety or other guarantee exists assuring the principal repayment to Milwaukee County. Certificate of Deposit Account Registry Service (CDARS) will have a maximum limit of \$50 million.

0% - 60%
- U. S. Treasury, GNMA, Federal Home Loan Mortgage and any other agency/instrumentality securities that are explicitly guaranteed by the federal government.

0% - 100%
- Agency Instrumentalities:

  1. Securities issued by the Federal National Mortgage Association, Fannie Mae, and Federal Home loan Mortgage Corp. – Freddie Mac.

0% - 30% per agency and 0% - 60% total
  2. Other agency/instrumentality securities (includes securities issued by the Federal Home Loan Bank, Federal Farm Credit Banks, Small Business Administration and others.

0% - 15% per agency and 0% - 30% total
- Local Government Pooled Investment Fund of the State Investment Board.

0% - 50%
- Repurchase Agreements with public depository institutions (only) and where specific and appropriate collateral is provided.

0% – 50%
- Corporate securities, including commercial paper. Each Corporate security must have an AAA or AA rating or whichever is the highest or second highest rating category assigned by Standard & Poors, Moody's Investor Service or another similar nationally recognized ratings agency.

0% to 15% of the total investment and 0% to 5% per issuer
- All other security types, when and if authorized in the future by amendment to Wisconsin statute.

0% to 25%

Note: It is understood that on an occasional and short-term basis, usually less than a month, it may be necessary to exceed the 50% maximum investment, per institution in the Local Governmental Pooled Investment Fund of the State Investment Fund.

### **Note 3 - Deposits and Investments (Continued)**

#### **Concentration of Credit Risk – Investments - County/Agency (Continued)**

The County's investment policy also limits the use of reverse repurchase agreements to transactions with commercial banks located in the State of Wisconsin to a period of time no longer than 14 days. The County enters into reverse repurchase agreements for cash flow purposes only. At December 31, 2011, the County is not exposed to a concentration of credit risk.

#### **Cash Deposits - Pension Trust Fund**

The carrying amount of Pension Trust Fund deposits at December 31, 2011 was \$ 84,108 and the bank balance was \$ 85,679.

#### **Custodial Credit Risk Deposits - Pension Trust Fund**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Pension Trust Fund will not be able to recover the value of its deposits. Interest bearing deposits with banks are insured by the FDIC in the amount of \$ 250. Non-interest bearing deposits are insured by the FDIC at full value. The State Deposit Guarantee Fund insures deposits up to a total of \$ 400 per entity, not per banking institution. As of December 31, 2011, all deposits with banks are fully insured by the Federal Depository Insurance Corporation or the State Deposit Guarantee Fund. The Pension Trust Fund does not have a formal policy pertaining to custodial credit risk. However, substantially all assets of the Pension Trust Fund are held in its name.

#### **Investments - Pension Trust Fund**

As provided by state legislative act and County Ordinance, the Board has exclusive control and management responsibility of the Retirement System's funds and full power to invest the funds. In exercising its fiduciary responsibility, the Board is governed by the "prudent person" rule in establishing investment policy. The "prudent person" rule, requires the exercise of that degree of judgment, skill and care under the circumstances then prevailing which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to permanent disposition of their funds, considering the probable income as well as the probable safety of the principal.

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### Note 3 - Deposits and Investments (Continued)

#### Investments - Pension Trust Fund (Continued)

The Board has adopted a Statement of Investment Policy to formally document investment objectives and responsibilities. This policy establishes guidelines for permissible investments of the Retirement System. The Retirement System's investments are subject to various risks. Among them are credit risk, concentration of credit risk, custodial credit risk, interest rate risk, and foreign currency risk.

Investments in primarily stocks, bonds, certain government loans and mortgage-backed certificates, are stated at quoted fair value. Temporary cash investments are valued at cost, which approximated fair value. Investments in venture capital partnerships are valued at estimated fair value, as provided by the Pension Trust Fund's venture capital investment manager. Investment transactions are recorded on the trade date. Realized gains and losses are computed based on the average cost method.

As of December 31, 2011 the Pension Trust Fund had the following investments:

<b>Investment Type:</b>	<b>Fair Value</b>
Domestic Common and Preferred Stocks	\$ 388,658
Long / Short Hedge Funds	174,105
Corporate Bonds and Convertible Debentures	249,380
International Common and Preferred Stocks	306,113
Real Estate Investments Trusts	114,522
Infrastructure	134,188
Federal Agency and Mortgage-Backed Certificates	133,475
U.S. Government and State Obligations	75,428
International Fixed Income	14,674
Private Equity	<u>27,605</u>
<b>Total</b>	<b>\$ <u>1,618,148</u></b>

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### **Note 3 - Deposits and Investments (Continued)**

#### **Custodial Credit Risk—Investments - Pension Trust Fund**

Custodial credit risk is the risk that, in the event a financial institution or counterparty fails, the Retirement System will not be able to recover the value of its deposits, investments or securities. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the Retirement System's name and are held by the counterparty. No formal policy exists on custodial risk. However, substantially all assets of the Retirement System are held in its name. The Retirement System did not own any repurchase agreements as of December 31, 2011. As of December 31, 2011, all deposits with banks are fully insured by the Federal Depository Insurance Corporation or the State Deposit Guarantee Fund.

#### **Interest Rate Risk—Investments - Pension Trust Fund**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. Duration is a measure of an investment's sensitivity to changes in interest rates. The higher the duration, the greater the changes in fair value when interest rates change. The Option-Adjusted Duration for a security is the percentage price sensitivity to interest rate changes of 100 basis points (or 1.0%). For example, an Option-Adjusted Duration of 5.20 means that the price of the security should fall approximately 5.20% for a 1.0% rise in the level of interest rates. Conversely, the price of a security should rise approximately 5.20% for a 1.00% fall in the level of interest rates. Interest rate changes will affect securities with negative durations in the opposite direction. The Option-Adjusted Duration method of measuring duration takes into effect the embedded options on cash flows. The Retirement System does not have a formal investment policy that limits investment maturities as a means of managing exposure to losses arising from increasing interest rates with the exception of the cash equivalent portfolio. The investment policy limits the duration of individual securities held in the cash equivalent portfolio to 2.5 years. In addition, the duration of the entire cash equivalent portfolio should be between 1 and 2 years.

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### Note 3 - Deposits and Investments (Continued)

#### Interest Rate Risk—Investments - Pension Trust Fund (Continued)

As of December 31, 2011, the Retirement System had the following Option-Adjusted Durations for the fixed income investments: (amounts are in thousands of dollars).

<u>Fixed Income Sector</u>	<u>Fair Value</u>	<u>Option Adjusted Duration (In Years)</u>	<u>Fixed Income Sector</u>	<u>Fair Value</u>	<u>Option Adjusted Duration (In Years)</u>
ABS-Car Loan	\$ 2,709	0.41	Materials	\$ 72	4.21
ABS-Equipment	1,039	1.28	Mining	302	6.39
ABS-Home Equity	1,944	0.33	News / Media	2,252	7.27
Aerospace & Defense	247	4.41	Non-US Corporate Bonds	3,665	4.96
Agency for Int'l Devel. Backed Debt	921	5.58	Non-US Corp Prvt Placements	1,513	3.26
Automobiles & Components	187	4.49	Non-US Government Bonds	95	13.41
Banking & Finance	21,365	4.35	Oil & Gas	2,277	6.98
BSDT Reserve Deposit Accts.	802	0.08	Other Corporate Bonds	108	6.95
Canadian Government Bonds	105	2.94	Other Government Obligations	658	7.96
Capital Goods	257	3.06	Private Placements-ABS	301	0.20
Chemicals	1,592	5.56	Private Placements-MBS	864	0.05
CMO-Conduit	10,253	2.81	Private Placemnts-More than 1 yr	7,802	4.05
CMO-U.S. Agencies	7,659	2.25	Provincials (Canadian)	-	0.00
CMO-Comm/Corp	-	0.00	Retail	1,103	10.03
Collateralized Mortgage Obligation	1,508	1.53	Supranational Issues	189	3.66
Commercial Services & Supplies	109	5.03	Taxable Municipals	710	14.50
Commingled Fds Cash Equivalents	75,721	0.08	Technology	2,670	6.15
FHLMC Multiclass	38,708	1.26	Transportation	1,782	7.82
FHLMC Pools	10,149	1.97	Treasury Bills-Less Than 1 Year	5,178	0.49
FNMA Pools	27,938	2.66	U.S. Agencies	4,911	5.20
FNMA REMIC	39,293	1.92	U.S. Governments	75,428	6.58
Food Beverage & Tobacco	742	6.67	Utility-Electric	5,157	6.09
Food Products	1,568	5.78	Utility-Gas	638	6.80
GNMA Multi Family Pools	2,684	1.65	Utility-Other	250	4.90
GNMA Single Family Pools	1,166	1.25	Utility-Telephone	3,249	7.97
Health Care	337	8.09	Whole Loan-CMO	20,975	0.47
Household Products	13	5.54	Whole Loan - Re-securitization	462	0.02
Industrial	438	5.28	Yankee Bonds	1,367	6.21
Insurance	1,319	4.32	Other*	159,907	
International Corporate Bonds	-	0.00			
<b>Sub-total</b>	<b>\$ 250,773</b>		<b>Sub-total</b>	<b>\$ 303,885</b>	
			<b>Total</b>	<b>\$ 554,658</b>	

\* For 2011 this represents \$ 158,238 in units of participation, \$ 56 in ABS-Home Equity, \$ 712 in FHLMC

## Note 3 - Deposits and Investments (Continued)

### Credit Risk-Investments - Pension Trust Fund

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit risk of a debt instrument is measured by nationally recognized statistical rating agencies such as Moody's Investors Services ("Moody's"), Standard and Poor ("S & P") and Fitch Ratings ("Fitch's"). With the exception of the Mellon Capital Management Aggregate Bond portfolio, bonds purchased and owned in each portfolio must have a minimum quality rating of Baa3 (Moody's) or BBB- (S & P or Fitch's). The average quality of each portfolio must be A or better. The fixed income securities for the Mellon Capital Management Aggregate Bond portfolio should have a minimum quality rating of A, with the exception of 15% of the portfolio which may have a minimum quality rating of BBB.

The credit quality ratings of investments in fixed income securities by Moody's, a nationally recognized statistical rating agency, as of December 31, 2011 are as follows:

<u>Moody's Quality Ratings</u>	<u>Fair Value</u>
AAA	\$ 14,175
AA1	1,849
AA2	6,179
AA3	5,629
A1	10,520
A2	10,489
A3	11,445
BAA1	11,355
BAA2	9,446
BAA3	4,418
BA1	526
BA2	993
BA3	388
B1	796
B2	155
B3	703
CAA2	224
CAA3	193
CA	511
NR	15,821
<b>Total Credit Risk Fixed Income Securities</b>	<b>\$ 105,815</b>
U.S. Government and Agencies	208,904
Units of Participation (Not Rated)	158,238
<b>Total Investment in Fixed Income</b>	<b>\$ 472,957</b>

### **Note 3 - Deposits and Investments (Continued)**

#### **Credit Risk-Investments - Pension Trust Fund (Continued)**

Of the \$ 15.8 million not rated by Moody's as of December 31, 2011, \$ 15.0 million is rated by Standard & Poor's as investment grade. Moody's quality rating of BAA3 or above is considered investment grade. The \$0.8 million is also not rated by Standard & Poor's.

Concentration of credit risk is a risk of loss that may be attributed to the magnitude of the Retirement System's investment in a single issuer, generally investments in any one issuer that represents five (5) percent or more of total investments. Investments issued or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this definition. The Retirement System has no investments in one issuer other than U.S. Government securities and mutual funds that exceed five (5) percent of the total investments.

#### **Foreign Currency Risk Investments - Pension Trust Fund**

Foreign currency is the risk that changes in currency exchange rates will adversely affect the fair value of an investment or deposit. The Retirement Systems exposure to foreign currency risk derives from its positions in foreign currency denominated international equity and fixed income investments.

This footnote is a required disclosure when the Retirement System directly owns investments denominated in a foreign currency. As of December 31, 2011 the Retirement System directly owned less than \$1, in investments denominated in foreign currencies.

The Pension Trust Fund does not have a policy for foreign currency risk.

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## Note 4- Receivables

Receivables as of year-end for the government's individual major funds and non-major funds in the aggregate, including the applicable allowances for uncollectibles accounts, are as follows:

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<b>Receivables:</b>					
Accounts	\$ 30,386	\$ 101	\$ 234	\$ -	\$ 30,721
Taxes:					
Current Levy	276,194	-	-	-	276,194
Delinquent	20,021	-	-	-	20,021
Interest	8,882	-	-	-	8,882
Other	38,947	-	100	1	39,048
Due from Other Governments	<u>24,167</u>	<u>-</u>	<u>17,608</u>	<u>-</u>	<u>41,775</u>
Gross Receivables	398,597	101	17,942	1	416,641
Less: Allowance for Uncollectibles	<u>(13,713)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,713)</u>
<b>Net Total Receivables</b>	<b><u>\$ 384,884</u></b>	<b><u>\$ 101</u></b>	<b><u>\$ 17,942</u></b>	<b><u>\$ 1</u></b>	<b><u>\$ 402,928</u></b>

Of the delinquent taxes receivable of \$ 20,021, \$ 7,198 are not expected to be collected within one year.

At December 31, 2011 accounts receivable of the Enterprise funds are as follows:

	<u>Airport</u>	<u>Transit System</u>	<u>Total</u>
<b>Receivables:</b>			
Accounts	\$ 5,118	\$ -	\$ 5,118
Other	79	2,136	2,215
Due from Other Governments	<u>4,849</u>	<u>6,792</u>	<u>11,641</u>
<b>Total Receivables</b>	<b><u>\$ 10,046</u></b>	<b><u>\$ 8,928</u></b>	<b><u>\$ 18,974</u></b>

All amounts are expected to be collected within one year. As of December 31, 2011 no amounts are deemed uncollectible.

## Note 4- Receivables (Continued)

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental and proprietary funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental and proprietary funds were as follows:

### Unearned Revenue - Governmental Activities:

2011 Property Tax Levy	\$	276,194
Delinquent Tax Receivables		9,866
State and Federal Revenue Unavailable for Current Expenditures		3,000
Housing Loan Receivables		5,045
Other Unearned Revenue		99
Department for Family Care Unearned Revenue		1,159
Deferred Credits - Public Works Services		<u>292</u>
<b>Total Deferred Revenue</b>	<b>\$</b>	<b>295,624</b>
Less: Amounts Earned but Not Available		<u>(4,411)</u>
<b>Net Unearned Revenue</b>	<b>\$</b>	<b><u>291,213</u></b>

### Unearned Revenue - Business-Type Activities:

Airport - Lease Revenue	\$	7,014
Deferred Credits - Transit		<u>3,701</u>
<b>Total Unearned Revenue</b>	<b>\$</b>	<b><u>10,715</u></b>

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## Note 5 - Capital Assets

### Primary Government

The following is a summary of the changes in capital assets for the fiscal year ended December 31, 2011.

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
<b>Governmental Activities</b>				
<b>Capital Assets, not being Depreciated:</b>				
Land	\$ 59,303	\$ -	\$ -	\$ 59,303
Construction in progress	41,365	31,342	(40,353)	32,354
<b>Total Capital Assets, not being Depreciated</b>	<b>100,668</b>	<b>31,342</b>	<b>(40,353)</b>	<b>91,657</b>
<b>Capital Assets, Being Depreciated</b>				
Land Improvements	239,780	5,318	(2,258)	242,840
Buildings	606,307	12,414	(462)	618,259
Fixed Equipment Buildings	49,746	6,037	-	55,783
Infrastructure	164,262	21,513	(2,350)	183,425
Machinery and Equipment	93,233	6,381	(368)	99,246
Vehicles and Related Equipment	65,151	12,048	(5,501)	71,698
Furniture and Fixtures	6,158	1,981	(3,176)	4,963
<b>Total Capital Assets, Being Depreciated</b>	<b>1,224,637</b>	<b>65,692</b>	<b>(14,115)</b>	<b>1,276,214</b>
<b>Less: Accumulated Depreciation</b>				
Land Improvements	(136,890)	(7,733)	2,245	(142,378)
Buildings	(344,378)	(16,249)	427	(360,200)
Fixed Equipment Buildings	(32,157)	(2,565)	-	(34,722)
Infrastructure	(72,700)	(9,257)	2,350	(79,607)
Machinery and Equipment	(71,091)	(5,918)	369	(76,640)
Vehicles and related Equipment	(25,820)	(4,263)	4,884	(25,199)
Furniture and Fixtures	(894)	(268)	9	(1,153)
<b>Total Accumulated Depreciation</b>	<b>(683,930)</b>	<b>(46,253)</b>	<b>10,284</b>	<b>(719,899)</b>
<b>Net Capital Assets Being Depreciated</b>	<b>540,707</b>	<b>19,439</b>	<b>(3,831)</b>	<b>556,315</b>
<b>Governmental Activities Capital Assets- Net</b>	<b>\$ 641,375</b>	<b>\$ 50,781</b>	<b>\$ (44,184)</b>	<b>\$ 647,972</b>

Governmental activities capital assets, net of accumulated depreciation, at December 31, 2011 are comprised of the following:

<b>Governmental Activities Capital Assets</b>	<u>Amount</u>
General Capital Assets, Net	\$ 638,351
Internal Service Fund Capital Assets, Net	9,621
<b>Total Capital Assets, Net</b>	<b>\$ 647,972</b>

## Note 5 - Capital Assets (Continued)

### Primary Government (Continued)

Depreciation was charged to governmental functions as follows:

#### Governmental Activities:

Legislative and Executive and Staff	\$ 5,443
Courts and Judiciary	219
General Governmental Services	29
Public Safety	6,083
Public Works and Highways	16,907
Human Services	4,174
Parks, Recreation and Culture	13,398

<b>Total</b>	<b>\$ <u>46,253</u></b>
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The following is a summary of changes in capital assets for business-type activities for the year ended December 31, 2011.

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
<b>Business-type Activities</b>				
<b>Capital Assets, not being Depreciated</b>				
Land	\$ 21,367	\$ -	\$ -	\$ 21,367
Construction in progress	21,069	19,773	(6,134)	34,708
<b>Total Capital Assets, not being Depreciated</b>	<b>42,436</b>	<b>19,773</b>	<b>(6,134)</b>	<b>56,075</b>
<b>Capital Assets, Being Depreciated</b>				
Land Improvements	176,546	31,595	-	208,141
Buildings	184,538	3,169	-	187,707
Fixed Equipment Buildings	188,705	2,314	-	191,019
Machinery and Equipment	18,214	1,604	(340)	19,478
Vehicles and related Equipment	173,133	11,405	(1,296)	183,242
Furniture and Fixtures	3,572	1,906	-	5,478
<b>Total Capital Assets, Being Depreciated</b>	<b>744,708</b>	<b>51,993</b>	<b>(1,636)</b>	<b>795,065</b>
<b>Less: Accumulated Depreciation</b>				
Land Improvements	(102,415)	(6,527)	-	(108,942)
Buildings	(112,575)	(4,638)	-	(117,213)
Fixed Equipment Buildings	(43,433)	(8,065)	-	(51,498)
Machinery and Equipment	(10,372)	(1,974)	340	(12,006)
Vehicles and Related Equipment	(113,296)	(12,499)	1,227	(124,568)
Furniture and Fixtures	(2,066)	(320)	-	(2,386)
<b>Total Accumulated Depreciation</b>	<b>(384,157)</b>	<b>(34,023)</b>	<b>1,567</b>	<b>(416,613)</b>
<b>Net Capital Assets Being Depreciated</b>	<b>360,551</b>	<b>17,970</b>	<b>(69)</b>	<b>378,452</b>
<b>Business-type Activities Capital Assets- Net</b>	<b>\$ <u>402,987</u></b>	<b>\$ <u>37,743</u></b>	<b>\$ <u>(6,203)</u></b>	<b>\$ <u>434,527</u></b>



## Note 5 - Capital Assets (Continued)

### Primary Government (Continued)

Depreciation was charged to business-type activities as follows:

**Business-type Activities:**

Airport	\$	18,915
Transit System		<u>15,108</u>
<b>Total</b>	<b>\$</b>	<b><u>34,023</u></b>

### Discretely Presented Component Units

Of the County's four component units, two have reportable capital assets, the Marcus Center for the Performing Arts and the Milwaukee Public Museum.

The capital assets of the Milwaukee Public Museum consist of the following:

Construction in progress	\$	51
Building additions and improvements		19,221
Furniture, equipment and exhibits improvements		10,459
Less: Accumulated depreciation		<u>(13,742)</u>
<b>Capital Assets, Net</b>	<b>\$</b>	<b><u>15,989</u></b>

The capital assets of the Marcus Center for the Performing Arts consist of the following:

Building Improvements	\$	17,107
Parking Structure and Improvements		5,173
Furniture and Fixtures		85
Equipment and Computers		1,989
Construction in Progress		198
Less: Accumulated Depreciation		<u>(13,476)</u>
<b>Capital Assets, Net</b>	<b>\$</b>	<b><u>11,076</u></b>

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## Note 5 - Capital Assets (Continued)

### Construction Commitments

Following is a list of capital projects approved by the Milwaukee County Board of Supervisors per the 2011 Adopted Capital Improvement Budget. These reflect projects for both governmental and proprietary funds.

Project Number	Project Description	2011 Appropriations		2011 Expenditures & Encumbrances
<b><u>Airports (WA)</u></b>				
WA042	GMIA - Bag Claim Remodeling	\$ 5,436	*	\$ 4,918
WA044	GMIA - In-line Baggage Screening Phase 2	11,589	*	6,570
WA127	GMIA - Terminal Expansion Design Study	500		-
WA131	GMIA - 150 Study Ramp Electrification	188	*	-
WA139	GMIA - Redundant Main Electric Service Feed	321	***	380
WA141	GMIA - Training Facility	489	**	101
WA142	LJT - RW 15L-33R Extension	260	***	200
WA161	GMIA - Terminal Roadway Signage	250	**	195
WA162	GMIA - Cessna Service Apron Reconstruction	95	**	-
WA163	GMIA - Perimeter Road Bridge over Howell Avenue	300	**	348
<b><u>Department of Parks, Recreation and Culture (WP)</u></b>				
WP070	Lindbergh Park Pavilion	190	*	747
WP174	Parks Major Maintenance	100	*	212
WP184	Park Retaining Wall Repairs and Replacement	50	*	2
WP186	Park Naturalization	61		-
WP190	South Shore Relocation Study	80		-
WP191	Moody Pool Renovation	5,008		10
<b><u>Zoo (WZ)</u></b>				
WZ600	Zoo Master Plan	400	**	18
<b><u>Courthouse Complex (WC)</u></b>				
WC070	Domestic Violence Area Reconstruction	459	*	125
WC071	District Attorney Office Security Card System	83	*	72
<b><u>Other County Agencies (WO)</u></b>				
WO112	Fleet Airport Equipment Acquisition	375	***	7,134
WO114	Countywide Infrastructure Improvements	11,895	***	5,919
WO205	Fiscal Automation Program	175	***	917
WO444	BHD / MCSO - Electronic Medical Records System	500	*	25
WO514	War Memorial Window Replacement and Reseal	42		-
WO515	War Memorial Window Ledge Leak Repairs	15		-
WO870	County Special Assessments	250	***	-
WO949	Inventory and Assessment of County Buildings	1,591		111
WO950	Milwaukee County Public Art Program	20	*	61
Totals		<u>\$ 40,722</u>		<u>\$ 28,065</u>

## Note 5 - Capital Assets (Continued)

### Construction Commitments (Continued)

Following is a list of capital projects transfers made in 2011. These reflect projects for both governmental funds and proprietary funds.

Project Number	Project Description	2011 Transfers		2011 Expenditures & Encumbrances
<b><u>Highways and Bridges (WH)</u></b>				
WH010	County Highway Action Program (CHAP)	\$ (1,378)	*	\$ 8,760
WH020	Major Rehabilitation	(750)	*	4,124
WH080	Bridge Rehabilitation Program	1,288	*	2,371
WH089	13th Street and Puetz Road Intersection	300		-
<b><u>Mass Transit (WT)</u></b>				
WT026	Bus Replacement Program	47,608	*	33,969
WT303	HVAC Controls at MCTS Facility	172	*	526
<b><u>Airports (WA)</u></b>				
WA124	Ground Power/Precon. Air Units	1,221	*	1,400
WA165	Reconstruction Taxiway B	827	*	2,726
WA171	GMIA Holding Room Seating	800		684
WA175	Concourse C Checkpoint	472		13
<b><u>Department of Parks, Recreation and Culture (WP)</u></b>				
WP131	Oak Leaf Trail Improvements	2,473	*	271
WP192	Countywide Parks FEMA Improvements	173		155
WP228	Boat Launch Pier Replacement	112		-
<b><u>Zoo (WZ)</u></b>				
WZ014	Small Mammal Building HVAC Replacement	3	*	746
WZ045	ACH Electrical Service Extension	50	*	188
<b><u>Courthouse Complex (WC)</u></b>				
WC075	Courthouse Masonry Improvements	551	*	113
<b><u>Other County Agencies (WO)</u></b>				
WO060	Countywide Road Improvement Program	54	***	1,411
WO112	Fleet Airport Equipment Acquisition	486	***	7,134
WO114	Countywide Infrastructure Improvements	31	***	5,919
Totals		<u>\$ 54,493</u>		<u>\$ 70,510</u>

\* Project has funding appropriation carryovers from 2010.

\*\* Project has additional funding appropriations in 2012.

\*\*\* Project has both funding carryovers from 2010 and additional funding in 2012.

## Note 5 - Capital Assets (Continued)

### Construction Commitments (Continued)

	2011 Appropriations
<b><u>2011 Funding Total</u></b>	
Encumbrances and Carryovers from 2010	\$ 316,819
2011 Appropriations	40,722
Less: Reprogrammed Bonds Issued in 2010	(8,951)
2011 Transfers	<u>54,493</u>
 Total	 <u><u>\$ 403,083</u></u>
 <b><u>2011 Appropriations - Funding Source</u></b>	
Reimbursement Revenue	\$ 804
Sales Tax Revenue	380
Miscellaneous Revenue / Sale of Asset	5,240
Private Contributions	200
Property Tax Levy	40
PFC Revenue / Airport Reserve	8,349
Bonds	<u>25,709</u>
 Total	 <u><u>\$ 40,722</u></u>
 <b><u>2011 Transfers - Funding Source</u></b>	
Reimbursement Revenue	\$ 49,357
Sales Tax Revenue	1,566
Miscellaneous Revenue / Sale of Asset	(689)
PFC Revenue / Airport Reserve	1,751
Bonds	<u>2,508</u>
 Total	 <u><u>\$ 54,493</u></u>

Capital outlays are reported as expenditures in the governmental funds and bond proceeds are reflected as revenue for projects built on behalf of the governmental funds. However, in the statement of activities, the cost of capital assets built for the governmental funds is allocated over their useful lives as depreciation expense, and the bond proceeds are no longer a revenue but an increase in the long-term liabilities. Similarly, the governmental funds also report the expenditures and associated revenues of building proprietary fund assets. However, in the statement of activities, the cost of building proprietary fund assets is reclassified as transfers between governmental and business-type activities.

## Note 6 - Interfund Transfers

The composition of interfund transfers as of December 31, 2011 is as follows:

		<b>Transfers From</b>						
		General Fund	Capital Projects Fund	Business Type Airport	Business Type Transit	Internal Service IMSD	Internal Service DPW	<b>Total</b>
<b>Transfers In</b>	General Fund	\$ -	\$ 3,820	\$ 2,150	\$ 244	\$ 984	\$ 619	<b>\$ 7,816</b>
	Capital Projects	6,956	-	-	-	-	-	<b>6,956</b>
	Debt Service	89,289	-	-	-	-	-	<b>89,289</b>
	Internal Service:							
	IMSD	473	-	-	-	-	-	<b>473</b>
	Risk	439	-	-	-	-	-	<b>439</b>
	DPW	228	-	-	-	-	-	<b>228</b>
	Business-type:							
	Transit	17,926	-	-	-	-	-	<b>17,926</b>
	<b>Total</b>	<b>\$ 115,311</b>	<b>\$ 3,820</b>	<b>\$ 2,150</b>	<b>\$ 244</b>	<b>\$ 984</b>	<b>\$ 619</b>	<b>123,128</b>
<b>Less: Government - wide eliminations</b>							<b>(107,596)</b>	
<b>Total Transfers - Government-wide Statement of Activities</b>							<b>\$ 15,532</b>	

No fund may have a reserve except for the Debt Service Fund and the Airport Fund. All funds that have a net increase at year-end must transfer that net increase to the General Fund. All funds that have a net decrease at year-end receive a transfer from the General Fund so that the fund breaks even for the year.

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## Note 7- Leases

### Operating Leases- Primary Government

The County leases facilities, office equipment, and vehicles. Total costs for such leases were \$ 2,563 for the year ended December 31, 2011.

The future minimum lease payments for these leases are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Amount</u>
2012	\$ 1,771
2013	1,484
2014	1,326
2015	578
2016	138
2017	107
2018	107
<b>Total</b>	<b><u><u>\$ 5,511</u></u></b>

### Capital Leases-Primary Government

In 2007, the County entered into a Guaranteed Energy Savings Performance Contract to improve the County's energy efficiency and promote environmental sustainability. The County is leasing equipment for a period of 10 years and is required to make annual lease payments during the life of the contract. At the end of the lease term, ownership of the equipment will transfer to the County. The gross amount of these assets under capital leases is \$ 7,717 and is presented in the capital assets in the governmental activities. In 2010, the County entered into a commitment for a capital lease from Banc of America in the amount of \$ 7,515. The County has expended \$2,875 under this commitment as of December 31, 2011.

In prior years, the County entered into capital lease agreements for various Airport vehicles and equipment. At the end of the lease term, ownership of the equipment will transfer to the County. The gross amount of these assets under capital leases is \$ 1,737 and is presented in the capital assets in the business-type activities.

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## Note 7- Leases (Continued)

### Capital Leases-Primary Government (Continued)

The assets acquired through capital leases are as follows:

	Governmental <u>Activities</u>	Business-type <u>Activities</u>
Asset:		
Machinery and Equipment	\$ 7,717	\$ -
Vehicles and Related Equipment	-	1,737
Less: Accumulated Depreciation	<u>(2,124)</u>	<u>(1,203)</u>
<b>Total</b>	<b><u>\$ 5,593</u></b>	<b><u>\$ 534</u></b>

The future minimum lease payments and the net present value on these minimum lease payments as of December 31, 2011, are as follows:

Year Ending <u>December 31</u>	Governmental <u>Activities</u>	Business-type <u>Activities</u>
2012	\$ 830	\$ 266
2013	830	193
2014	830	115
2015	830	-
2016	830	-
2017-2021	<u>2,643</u>	<u>-</u>
Sub-totals	6,793	574
Less: Amount Representing Interest	<u>(1,700)</u>	<u>(40)</u>
<b>Present Value of Future Minimum Lease Payments</b>	<b><u>\$ 5,593</u></b>	<b><u>\$ 534</u></b>

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## Note 8 - Long-term Liabilities

### Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2011 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Payments &amp;</u> <u>Adjustments</u>	<u>Ending</u> <u>Balance</u>	<u>Due in</u> <u>One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable					
General Obligation Bonds	\$ 845,515	\$ 31,757	\$ (92,930)	\$ 784,342	\$ 63,506
Add (Subtract) Deferred Amounts for:					
Premium	3,539	4,176	(2,316)	5,399	-
Discount	(473)	-	211	(262)	-
Loss on Refunding	(3,230)	(1,006)	1,151	(3,085)	-
Accretion	4,454	-	(4,454)	-	-
Sub-totals Bonds Payable	<u>849,805</u>	<u>34,927</u>	<u>(98,338)</u>	<u>786,394</u>	<u>63,506</u>
Other Liabilities					
Unfunded Claims and Judgments	2,000	125	(125)	2,000	1,000
Landfill Post-closure Costs	3,380	125	(1,535)	1,970	125
Pollution Remediation Costs	488	310	(488)	310	-
Compensated Absences	52,273	20,092	(30,181)	42,184	21,575
Risk Claims	14,077	9,859	(9,024)	14,912	10,665
Other Post Employment Benefits	203,164	101,142	(58,222)	246,084	-
Capital Leases	4,774	1,737	(918)	5,593	1,144
Sub-total Other Liabilities	<u>280,156</u>	<u>133,390</u>	<u>(100,493)</u>	<u>313,053</u>	<u>34,509</u>
<b>Total Governmental Activities Long-term Liabilities</b>	<b><u>\$ 1,129,961</u></b>	<b><u>\$ 168,317</u></b>	<b><u>\$ (198,831)</u></b>	<b><u>\$ 1,099,447</u></b>	<b><u>\$ 98,015</u></b>
<b>Business-type Activities:</b>					
Bonds Payable					
General Obligation Bonds	\$ 35,133	\$ 3,338	\$ (6,467)	\$ 32,004	\$ 3,022
Revenue Bonds	204,240	-	(8,210)	196,030	8,510
Add (Subtract) Deferred Amounts for:					
Premium	6,991	438	(946)	6,483	-
Discount	(2,440)	-	257	(2,183)	-
Loss on Refunding	(207)	-	72	(135)	-
Accretion	245	-	(245)	-	-
Sub-totals Bonds Payable	<u>243,962</u>	<u>3,776</u>	<u>(15,539)</u>	<u>232,199</u>	<u>11,532</u>



## Note 8 - Long-term Liabilities

### Changes in Long-term Liabilities (Continued)

<b>Business-type Activities: Continued</b>	<b>Beginning</b>		<b>Payments &amp;</b>	<b>Ending</b>	<b>Due in</b>
	<b>Balance</b>	<b>Additions</b>	<b>Adjustments</b>	<b>Balance</b>	<b>One Year</b>
Other Liabilities					
Compensated Absences	\$ 11,507	\$ 5,915	\$ (6,045)	\$ 11,377	\$ 6,032
Risk Claims	11,700	1,026	(1,940)	10,786	5,020
Other Post Employment Benefits - Transit	-	20,161	(19,939)	222	222
Other Post Employment Benefits - Airport	8,060	1,645	-	9,705	-
Capital Leases	390	439	(295)	534	241
Sub-total Other Liabilities	31,657	29,186	(28,219)	32,624	11,515
<b>Total Business-Type Activities Long-term Liabilities</b>	<b>\$ 275,619</b>	<b>\$ 32,962</b>	<b>\$ (43,758)</b>	<b>\$ 264,823</b>	<b>\$ 23,047</b>

Compensated Absences consist of the following:

	<b>Beginning</b>		<b>Payments &amp;</b>	<b>Ending</b>	<b>Due in</b>
	<b>Balance</b>	<b>Additions</b>	<b>Adjustments</b>	<b>Balance</b>	<b>One Year</b>
<b>Governmental Activities:</b>					
Retirement sick pay payout	\$ 28,544	\$ 1,060	\$ (8,025)	\$ 21,579	\$ 2,627
Vacation time earned	19,866	7,059	(19,866)	17,059	15,663
Overtime earned	1,332	1,411	(1,332)	1,411	1,300
Holiday pay	2,531	2,136	(2,532)	2,135	1,985
<b>Total Compensated Absences - Governmental Activities</b>	<b>\$ 52,273</b>	<b>\$ 21,666</b>	<b>\$ (31,755)</b>	<b>\$ 42,184</b>	<b>\$ 21,575</b>

	<b>Beginning</b>		<b>Payments &amp;</b>	<b>Ending</b>	<b>Due in</b>
	<b>Balance</b>	<b>Additions</b>	<b>Adjustments</b>	<b>Balance</b>	<b>One Year</b>
<b>Business-type Activities:</b>					
Retirement sick pay payout	\$ 6,565	\$ 1,020	\$ (1,103)	\$ 6,482	\$ 1,137
Vacation time earned	4,694	4,716	(4,694)	4,716	4,716
Overtime earned	145	89	(145)	89	89
Holiday pay	103	90	(103)	90	90
<b>Total Compensated Absences - Business-type Activities</b>	<b>\$ 11,507</b>	<b>\$ 5,915</b>	<b>\$ (6,045)</b>	<b>\$ 11,377</b>	<b>\$ 6,032</b>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end \$ 39,250 of internal service funds long-term liabilities are included in the above figures. Also, for the governmental activities, claims and judgments and compensated absences are liquidated as they come due for payment and their adjustments are made at year end based on a detailed reevaluation of the account. As claims and judgments expenditures are incurred the general fund is used to liquidate the costs.

## **Note 8 - Long-term Liabilities**

### **Changes in Long-term Liabilities (Continued)**

Risk claims include accruals for workers compensation and other insurance claims of the Risk Management Fund and Transit System.

Unfunded claims and judgments include estimated costs for outstanding medical, environmental, and other claims. At December 31, 2011, the outstanding amount of claims and judgments due within one year totaled \$ 1,000.

State and federal laws require the County to perform certain maintenance and monitoring functions at all of its solid waste landfill sites. Since all of the County's eleven landfill sites are no longer accepting waste, the total future costs of \$ 1,970 has been identified for maintenance and monitoring functions in accordance with Governmental Accounting Standards Board Statement No. 18, Accounting for Municipal Solid Waste Landfill Closure and Post-closure Care Costs. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The funding for these post-closure costs will be included in future County tax levies.

In accordance with GASB Statement No. 49, the County has recorded a long-term liability for its estimated pollution remediation costs. At December 31, 2011, the estimated liability for pollution remediation costs totaled \$ 310. These costs are related to cleanup of underground petroleum contamination on County-owned land.

Other Post Employment Benefits (OPEB) and pension costs are accounted for through the General Fund of the County, except for Transit, which maintains its own pension trust and OPEB trust. The County, except Transit, is on a pay-as-you-go basis for OPEB costs, and therefore contributes only the annual cost incurred, net of employee contributions. OPEB costs are allocated to departments on a prorated basis. The OPEB obligation represents the accumulated liability that has not been funded by the County, based on current accounting rules. The County, except Transit, accounts for the cost and

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## Note 8 - Long-term Liabilities (Continued)

### Changes in Long-term Liabilities (Continued)

liquidation of annual pension costs through the General Fund, and allocates the cost to all departments on a prorated basis. Transit accounts for cost and liquidation of Other Post Employment Benefits and pension costs through its fund.

### Governmental Activities

Proceeds from general obligation bonds issued are budgeted for and recorded within the Debt Service Fund, Capital Projects Fund or Proprietary Funds, where appropriate.

General obligation bonds are secured by the full faith; credit and unlimited taxing power of the County and are used to finance capital projects. General obligation bonds recorded in the Governmental Funds will be retired by future property tax levies and other resources accumulated in the Debt Service Fund.

Bond Issue	Governmental Activities General Obligation Debt					
	Date of Bonds	Final Maturity Date	Interest Rate	Original Indebted- ness	Principal Outstanding 12/31/11	Interest to Maturity
General Obligation Refunding Bonds, Series 2003A	07/01/03	08/01/17	3.48%	\$ 93,515	\$ 83,142	\$ 8,007
General Obligation Corporate Purpose Bonds, Series 2003A	02/01/03	08/01/18	3.95%	23,520	1,534	560
General Obligation Corporate Purpose Bonds, Series 2004A	02/01/04	08/01/19	3.72%	25,233	15,526	2,940
General Obligation Corporate Purpose Bonds, Series 2005A	11/01/05	12/01/20	4.24%	19,167	15,963	3,904
General Obligation Refunding Bonds, Series 2005B	11/01/05	10/01/15	3.89%	63,025	32,330	3,295
General Obligation Corporate Purpose Bonds, Series 2006A	04/01/06	10/01/21	4.14%	59,675	24,544	6,756
General Obligation Corporate Purpose Bonds, Series 2007A	06/01/07	12/01/22	4.12%	30,776	27,851	7,368
General Obligation Corporate Purpose Bonds, Series 2008A	06/01/08	12/01/23	3.93%	32,422	28,470	8,128
2007 State Trust Fund Loan	09/01/07	03/15/17	5.25%	1,000	736	143
2009 Taxable General Obligation, Series 2009A	04/02/09	12/01/28	6.36%	265,000	244,596	161,468
2009 Taxable Pension Notes, Series 2009B	04/02/09	12/01/13	5.52%	135,000	135,000	14,553
General Obligation Corporate Purpose Bonds, Series 2009C	08/01/09	10/01/24	5.04%	31,980	30,659	12,423

County of Milwaukee, Wisconsin

Notes to the Financial Statements

## Note 8 - Long-term Liabilities (Continued)

### Governmental Activities (Continued)

Governmental Activities General Obligation Debt						
Bond Issue	Date of Bonds	Final Maturity Date	Interest Rate	Original Indebted- ness	Principal Outstanding 12/31/11	Interest to Maturity
General Obligation Refunding Bonds, Series 2009D	08/01/09	10/01/13	2.78%	\$ 16,789	\$ 3,141	\$ 66
General Obligation Corporate Purpose Bonds, Series 2009E	11/15/09	08/01/24	4.87%	24,051	24,051	10,719
General Obligation Promissory Notes, Series 2009F	11/15/09	08/01/19	2.55%	15,610	12,260	1,365
2009 State Trust Fund Loan	12/08/09	03/15/19	4.50%	2,000	1,835	391
Corporate Purpose Bonds, Series 2010A	05/01/10	10/01/25	4.60%	22,725	22,725	9,566
General Obligation Promissory Notes, Series 2010B	05/01/10	10/01/18	2.37%	12,325	11,090	1,154
Corporate Purpose Bonds, Series 2010C	12/21/10	10/01/26	4.78%	27,362	27,362	13,391
General Obligation Promissory Notes, Series 2010D	12/21/10	10/01/20	2.82%	9,770	9,770	1,643
General Obligation Refunding Bonds, Series 2011A	03/15/11	10/01/18	5.04%	31,757	31,757	5,733
<b>Total Governmental Activities - General Obligation Debt</b>					<b>\$ 784,342</b>	<b>\$ 273,573</b>
<b>Premium</b>					5,399	
<b>Discount</b>					(262)	
<b>Loss</b>					(3,085)	
Total Governmental Activities - General Obligation Debt, Net					<u>\$ 786,394</u>	
<b>Bonds and Notes Payable – General Obligation (Current Liabilities)</b>					63,506	
<b>Bonds and Notes Payable – General Obligation (Non-Current Liabilities)</b>					<u>722,888</u>	
<b>Total Debt per Statement of Net Assets - Governmental Activities</b>					<u>\$ 786,394</u>	

The ratio of the aggregate indebtedness of all taxing authorities located within the County to equalized value of the taxable property was approximately 5.97% including 1.340% related to direct County indebtedness at December 31, 2011.

The County in July 2012 made the decision to payoff the 2007 and 2009 State Trust Fund Loans with funds from the Debt Service Reserve.

## Note 8 - Long-term Liabilities (Continued)

### Governmental Activities (Continued)

Wisconsin Statutes limit the County's direct general obligation borrowing to an amount equivalent to 5% of the equalized valuation of taxable property. At December 31, 2011 under Wisconsin Statutes, the County could borrow an additional \$ 2,246,813.

At December 31, 2011, the weighted average interest rate of general obligation bonds and notes outstanding was 5.03%.

The maturities of the outstanding principal and related interest requirements are as follows:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service Requirements</u>
2012	\$ 63,506	\$ 39,542	\$ 103,048
2013	200,810	36,457	237,267
2014	62,585	26,533	89,118
2015	46,819	24,015	70,834
2016	45,397	22,042	67,439
2017-2021	184,437	82,056	266,493
2022-2026	138,104	38,502	176,606
2027-2028	<u>42,684</u>	<u>4,426</u>	<u>47,110</u>
<b>Total Debt Service</b>	<b><u>\$784,342</u></b>	<b><u>\$273,573</u></b>	<b><u>\$ 1,057,915</u></b>

On March 15, 2011, the County issued \$35,095 of General Obligation Refunding Bonds, series 2011A to advance refund \$12,500 of outstanding General Obligation Bonds, series 2001A, \$15,150 of outstanding General Obligation Bonds, series 2002A and \$10,425 of outstanding General Obligation Bonds, series 2003A. Net proceeds of \$39,692 (par amount of bond issue of \$35,095, plus premium of \$4,614, less issue costs and underwriter's discount of \$267) along with \$90 of funds on hand were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the outstanding bonds. As a result, the outstanding bonds are considered defeased and the liability for those bonds has been removed from these financial statements.

The cash flow requirements on the refunded bonds prior to the advance refunding was \$46,038 from 2012 through 2018. The cash flow requirements on

## Note 8 - Long-term Liabilities (Continued)

### Governmental Activities (Continued)

the refunding bonds are \$42,313, a savings of \$3,725. The advance refunding resulted in an economic gain (difference between the present values of the debt service payment of the old and new debt) of \$3,573.

### Business-type Activities

The County has pledged future airport revenues generated from the ownership and operation of General Mitchell International Airport and Lawrence J. Timmerman Airport, net of specified operating expenses, to repay \$ 199,884 of revenue bonds issued in previous years. Proceeds from the revenue bonds provided financing for capital improvements. The bonds are payable solely from net revenues and deposits made to the Coverage Fund, and are payable through December 1, 2034. The Coverage Fund is equal to 25% of the highest annual revenue bond debt service amount. Net revenues plus Coverage Fund assets are required to cover a minimum of 125% of annual debt service for the revenue bonds. Principal and interest paid for the current year and net revenues plus Coverage Fund assets were \$18,345 and \$30,752, respectively, resulting in net revenues plus Coverage Fund assets of 164% of annual debt service for 2011. The total principal and interest remaining to be paid on the bonds is \$296,786. The principal and interest payment of \$18,345 represents 21% of operating revenues.

#### Business-type Activities General Obligation and Revenue Bond Debt

Bond Issue	Date of bonds	Final Maturity Date	Interest Rate	Original Indebted- ness	Principal Outstanding 12/31/11	Interest to Maturity
General Airport Revenue Bonds, Series 2003A	01/01/03	12/01/22	4.88%	\$ 7,125	\$ 4,125	\$ 1,309
General Obligation Corporate Purpose Bonds, Series 2003A	02/01/03	08/01/18	3.95%	2,430	191	70
General Obligation Refunding Bonds, Series 2003A	07/01/03	08/01/17	3.48%	6,510	5,788	557
General Obligation Corporate Purpose Bonds, Series 2004A	02/01/04	08/01/19	3.72%	1,717	1,144	217
General Airport Revenue Bonds, Series 2004A	03/31/04	12/01/20	4.47%	37,360	30,655	15,077
General Obligation Corporate Purpose Bonds, Series 2005A	11/01/05	12/01/20	4.24%	950	712	174
General Obligation Refunding Bonds, Series 2005B	11/01/05	10/01/15	3.89%	3,350	1,815	185

## Note 8 - Long-term Liabilities (Continued)

### Business-type Activities (continued)

#### Business-type Activities General Obligation and Revenue Bond Debt

<b>Bond Issue</b>	<b>Date of bonds</b>	<b>Final Maturity Date</b>	<b>Interest Rate</b>	<b>Original Indebted- Ness</b>	<b>Principal Outstanding 12/31/11</b>	<b>Interest to Maturity</b>
General Airport Revenue Bonds, Series 2005A	12/22/05	12/01/30	4.90%	\$ 29,010	28,345	17,550
Airport Refunding Bonds, Series 2005B	12/22/05	12/01/14	3.65%	7,755	2,900	235
General Obligation Corporate Purpose Bonds, Series 2006A	04/01/06	10/01/21	4.14%	819	736	203
Airport Refunding Bonds, Series 2006B	10/01/06	12/01/15	4.08%	5,020	1,430	178
General Airport Revenue Bonds, Series 2006A	11/16/06	12/01/31	4.60%	25,665	23,025	13,755
General Obligation Corporate Purpose Bonds, Series 2007A	06/01/07	12/01/22	4.12%	203	189	50
General Airport Revenue Bonds, Series 2007A	11/15/07	12/01/32	4.60%	13,445	12,225	7,377
General Obligation Corporate Purpose Bonds, Series 2008A	06/01/08	12/01/23	3.93%	185	185	54
General Purpose Bonds, Series 2009C	08/01/09	10/01/24	5.04%	636	636	311
General Obligation Refunding Bonds, Series 2009D	08/01/09	10/01/16	2.00%	461	154	3
General Obligation Corporate Purpose Bonds, Series 2009E	11/15/09	08/01/24	4.87%	6,314	6,314	2,814
General Airport Revenue Bonds, Series 2009A	12/21/09	12/01/32	4.90%	12,690	12,690	8,315
General Airport Revenue Bonds, Series 2009B	12/21/09	12/01/14	3.20%	2,350	1,380	98
Airport Revenue Bonds, Series 2010A	10/14/10	12/01/34	4.30%	31,570	31,570	21,920
Airport Revenue Refunding Bonds, Series 2010B	10/14/10	12/01/23	3.75%	51,590	47,684	14,941
Taxable General Obligation Corporate Purpose Bonds, Series 2010C	12/21/10	10/01/26	4.78%	10,803	10,803	5,287
General Obligation Refunding Bonds, Series 2011A	03/15/11	10/01/18	5.04%	3,338	3,338	603
<b>Total Business-Type - General Obligation Debt</b>					<b>\$ 228,034</b>	<b>\$ 111,283</b>

## Note 8 - Long-term Liabilities (Continued)

### Business-type Activities (continued)

Premium	6,483
Discount	(2,183)
Loss	<u>(135)</u>
Total Business-Type - General Obligation Debt, Net	<u>\$ 232,199</u>
<b>Bonds and Notes Payable – General Obligation (Current Liabilities)</b>	<b>\$ 3,022</b>
<b>Bonds and Notes Payable – Revenue (Current Liabilities)</b>	<b>8,510</b>
<b>Bonds and Notes Payable – General Obligation (Non-Current Liabilities)</b>	<b>29,293</b>
<b>Bonds and Notes Payable – Revenue (Non-Current Liabilities)</b>	<b><u>191,374</u></b>
<b>Total Debt per Statement of Net Assets – Business-Type Activities</b>	<b><u>\$ 232,199</u></b>

The maturities of the outstanding principal and related interest requirements are as follows:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service Requirements</u>
2012	\$ 11,532	\$ 10,829	\$ 22,361
2013	12,209	10,249	22,458
2014	12,253	9,715	21,968
2015	12,185	9,170	21,355
2016	11,943	8,620	20,563
2017-2021	61,388	34,484	95,872
2022-2026	56,239	19,674	75,913
2027-2031	41,680	7,764	49,444
2032-2034	<u>8,605</u>	<u>778</u>	<u>9,383</u>
<b>Total Debt Service</b>	<b><u>\$ 228,034</u></b>	<b><u>\$ 111,283</u></b>	<b><u>\$ 339,317</u></b>

### Prior-Year Defeasance of Debt

In prior years, the County defeased certain general obligation bonds and Airport revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased notes and bonds are not included in the County's financial statements. At December 31, 2011, \$10,425 of bonds outstanding is considered defeased.



## Note 8 - Long-term Liabilities (Continued)

### Debt Issued on Behalf of Other Entities / Conduit Debt

In 2003, the County guaranteed \$ 14,400 of loans for a local corporation. The loans are secured by mortgages and a cash trust of \$ 5,944 on certain buildings. In July 2010 Milwaukee County agreed to transfer the credit assistance agreement to a subsidiary of the parent corporation.

In order to develop the Milwaukee County Research Park, the City of Wauwatosa created the Tax Incremental District #2 (TID) in 1994. In 1997, the Wauwatosa Redevelopment Authority issued redevelopment lease revenue bonds of \$8,860 to fund infrastructure development costs in TID #2. In 2004, the Wauwatosa Redevelopment Authority issued lease revenue bonds of \$ 24,500 for construction of facilities at the Milwaukee County Research Park located in TID #2. In 2007, the Wauwatosa Redevelopment Authority retired \$ 7,100 of principal remaining on the 1997 bonds with redevelopment refunding lease revenue bonds of \$ 6,200. The County has agreed to guarantee the payment of the lease revenue bonds, if the tax increments generated by Tax Incremental District #2 are insufficient to pay principal and interest due on the 2004 and 2007 notes. The total of the 2004 and 2007 redevelopment lease notes outstanding as of December 31, 2011 was \$ 16,700 and \$ 6,200 respectively.

## Note 9 - Net Assets

### Governmental Activities

Restricted net assets consist of the following:

#### **Governmental Activities**

2013 Appropriations	\$	5,539
2012 Appropriations		8
Debt Service		11,577
General Fund Commitments		9,021
Capital Projects Commitments		10,047
Department of Family Care - State Restricted		12,182
Department of Family Care - Excess Reserves		12,910
Delinquent Property Tax		14,826
Investment Market Value in Excess of Book Value		1,850
Housing		1,369
Health and Safety		136
Zoo		874
Parks		1,027
Persons with Disabilities		115
Behavioral Health Division		7,169
Fleet and Facilities Divisions		5,781
Airport- PFC and Debt		27,199

**Total Net Assets - Restricted – Governmental Activities**      **\$      121,630**

## Note 9 - Net Assets (Continued)

### Business-type Activities

Restricted net assets consist of the following:

#### **Business-type Activities**

Debt Service	\$	15,161
Capital Asset Needs		8,039
<b>Total Net Assets - Restricted - Business-type Activities</b>	<b>\$</b>	<b>23,200</b>

### Discretely Presented Component Units

Restricted net assets for the Marcus Center for the Performing Arts, Inc., the Milwaukee County Research Park, Inc., and the Milwaukee County War Memorial, Inc. consist of the following:

#### **Temporarily Restricted**

Restricted for Programming Events - Marcus Center for the Performing Arts, Inc.	\$	57
Restricted for the Research Development Fund - Milwaukee County Research Park, Inc.		305
Restricted for the Building Account - Milwaukee County War Memorial, Inc.		2
<b>Total</b>	<b>\$</b>	<b>364</b>

Restricted net assets for the Milwaukee Public Museum consist of the following:

#### **Temporarily Restricted**

Exhibits and Museum Renovations	\$	654
Educational Lecture Costs		107
Purchase and Maintenance of Collections		293
Restricted for time		158
Capital Campaign - Debt		1,818
Endowment Fund:		
Purchase and Maintenance of Collections		673
Internship Programs		44
<b>Total Temporarily Restricted Assets</b>	<b>\$</b>	<b>3,747</b>

#### **Permanently Restricted**

Operations	\$	2,511
Special Exhibits		1,237
Starr Adventure and Internship		71
<b>Total Permanently Restricted Assets</b>	<b>\$</b>	<b>3,819</b>

## Note 10 - Risk Management

The County is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employee or natural disasters. The County uses a Risk Management Fund, which is presented as an internal service fund, to account for the financing of uninsured risks of loss. The County is self-insured for worker's compensation. In accordance with Wisconsin Statutes, the County's overall exposure for general liability and automobile liability is limited to \$ 50 and \$ 250 per person respectively. The County purchases commercial insurance to cover a substantial portion of the potential general liability, automobile liability and discrimination claims. The County also purchases commercial insurance for claims in excess of coverage provided by the Risk Management Fund and for all other risks of loss. Settled claims from insured losses have not exceeded commercial insurance coverage for each of the past three years.

All funds of the County except for the Transit System participate in the program and make payments to the Risk Management Fund based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish a claims reserve. In accordance with Governmental Accounting Standards Board Statement No 10, a liability for claims is reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The claims liability at December 31, 2011 was \$ 14,912.

The County has recognized \$ 14,912 of claims liabilities in the Risk Management Fund. Changes in the balances of claim liabilities during the past two years are as follows:

	Year Ended <u>12/31/2011</u>	Year Ended <u>12/31/2010</u>
Beginning of year Liability	\$ 14,077	\$ 10,894
Current Year Claims and Changes in Estimates	9,859	9,862
Claims Payments	<u>(9,024)</u>	<u>(6,679)</u>
<b>End of Year Liability</b>	<b><u>\$ 14,912</u></b>	<b><u>\$ 14,077</u></b>

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## Note 10 - Risk Management (continued)

The claims liability for the Transit System at December 31, 2011 was \$ 10,786. The Transit System has recognized \$ 10,786 of claims liability in the Transit System fund. Changes in the Transit System balances of the claims liability for the past two years are as follows:

	Year ended 12/31/2011	Year ended 12/31/2010
Beginning of year Liability	\$ 11,700	\$ 8,590
Current Year Claims and Changes in Estimates	1,026	5,218
Claims Payments	<u>(1,940)</u>	<u>(2,108)</u>
<b>End of Year Liability</b>	<b><u>\$ 10,786</u></b>	<b><u>\$ 11,700</u></b>

## Note 11 - Related Party Transactions

Milwaukee County provides funds required for the operation of the War Memorial Center, Charles Allis/ Villa Terrace Art Museums and Marcus Center for the Performing Arts. To the extent these funds exceed actual disbursements, such excess is required to be returned to Milwaukee County. Milwaukee County and the War Memorial Center agreed that when revenues exceed budget, the War Memorial Center is permitted to create a reserve account whereas up to \$ 25 can be deposited annually. These funds are to be used in future years for the War Memorial Center's operational needs. Total appropriations received by the Memorial for 2011 were \$ 3,028, of which \$1,280 was transferred to the Marcus Center for the Performing Arts for its operations. Interest earned on the investment of excess funds is not considered to be revenue, which must be returned to Milwaukee County. Milwaukee County has agreed to permit this interest income to be used at the discretion of the Board of Trustees for the benefit of their respective operations.

The Milwaukee County Treasurer's office acts as the trustee for the Charles Allis Art Museum Trust. Distributions from the trust totaling \$ 1 were made to the Memorial during 2011.

Milwaukee County has legal title to the Milwaukee Public Museum (MPM, Inc.) building, exhibits and artifacts, including any building additions and improvements and additions funded by the County or MPM, Inc. All such assets are leased to MPM, Inc. under a long-term lease. MPM, Inc. has not recorded the building and exhibits from the long-term lease in its consolidated financial statements, as the value cannot be determined. MPM, Inc. capitalizes building additions, improvements and exhibit costs when MPM, Inc. is obligated to pay for those capital items including the IMAX Theater, the Butterfly Wing, the Concourse, the garden gallery, gift shops and restaurants. These assets will revert to Milwaukee County if MPM, Inc. were to vacate the facility. MPM, Inc. amortizes these costs over their anticipated useful lives.

## **Note 11 - Related Party Transactions (Continued)**

Milwaukee County and MPM, Inc. entered into a Lease and Management Agreement, which provides for the not-for-profit operations and management of MPM, Inc. The agreement, effective March 31, 1992, encompasses (1) the lease and management of MPM, Inc. and (2) the transition of employees to MPM, Inc. The Agreement includes annual rental payments of \$ 10.00 (ten dollars) and is renewable every five years through March 31, 2042. MPM, Inc. is responsible for all real estate taxes (if any), utilities, insurance, normal repair and maintenance expenses. The Agreement also provides for certain employee benefits for qualifying employees then employed by the County who became employees of MPM, Inc. in 1992. The County is responsible for, among other items, any special assessments, structural repairs and capital projects.

An amendment to the Agreement provides for base annual operating support of \$ 3,502 per year for 10 years beginning in calendar year 2008 through 2017. In addition, the County committed to a minimum of \$ 4 million in capital expenditures over a period of five years, from 2008 to 2012 for infrastructure and deferred maintenance projects. Total payments to MPM, Inc. for the year ended August 31, 2011 was \$ 3,502.

Milwaukee County and the Milwaukee County Research Park Corporation entered into a ground lease for 100 years commencing March 24, 1993 at \$ 1.00 (one dollar) per year. This lease covers approximately 158 acres consisting of the southwest quadrant, the Watertown Plank Road Park and Ride Lot and approximately 16 acres of northeast quadrant of the Milwaukee County grounds located in Wauwatosa, Wisconsin.

Milwaukee County and the Milwaukee County Research Park Corporation entered into a lease, to manage and sublease the Technology Innovation Center (TIC), through September 30, 2013 with one additional five-year extension option. The rentable space now comprises most of the basement and the entire first through fifth floors of the building. The rent due to Milwaukee County is based on space actually occupied by tenants and requires the Milwaukee County Research Park Corporation to charge annual base rentals of not less than \$ 7.50 (seven dollars and 50 cents) per tenant occupied space foot, payable monthly. Discounts to the base rental amount require approval by Milwaukee County. As occupancy occurs, the Milwaukee County Research Park Corporation will pay Milwaukee County 66-2/3% of the base rent collected.

## **Note 12 - Subsequent Events**

There are no subsequent events to report at this time.

## **Note 13 - Commitments and Contingencies**

### **Claims and Other Legal Proceedings**

The County is subject to numerous claims and other legal proceedings incidental to the ordinary course of its operations, including Environmental Protection Agency claims. Although the outcome of these claims and legal proceedings is not presently determinable, in the opinion of the County's corporate counsel the resolution of these matters will not have a materially adverse effect on the financial condition of the County.

### **Storm and Sanitary Sewer System**

The County has sanitary sewer and storm sewer systems that it is responsible for on County land. The State Attorney General issued an order that requires monitoring, maintenance, and repair of these systems. The purpose of this order is to ensure that the metropolitan areas sanitary sewer systems receive only sanitary system flow from the County. Storm water shall not be allowed to flow into the metropolitan sanitary system. The order will require future capital and operating commitments. For 2012, the commitment is \$ 335

### **Intergovernmental Awards**

Intergovernmental awards are subject to audit and adjustment by the funding agency or their representatives. If grant revenues are received for expenditures, which are subsequently disallowed, the County may be required to repay the revenues to the funding agency. In the opinion of management, liabilities resulting from such disallowed expenditures, if any, would not be material to the accompanying government-wide and fund financial statements at December 31, 2011.

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## **Note 14 - Other Post-employment Benefits**

### **Countywide Program (excluding Transit System)**

#### **Description and Provisions**

The County administers a single-employer defined benefit healthcare and life insurance plans for retired employees. The plans provide health and life insurance contributions for eligible retirees and eligible spouses through the County's self-insured health insurance plans and the County's group life insurance plan. The retiree healthcare and life insurance plans do not issue separate financial reports.

The retiree healthcare benefits are authorized by County Ordinance, Section 17.14. The retirement health benefit is non-contributory for retirees with 15 or more years of service who were hired before January 1, 1994, except for certain union groups, which have a later cut off date for this benefit. Retirees with less than 15 years of service pay full premium. Retiree health insurance premiums are charged at different rates than active employees. Retirees may enroll in either a self-insured Health Maintenance Organization (HMO) or a self-insured Preferred Provider Option (PPO). The non-contributory health benefit includes reimbursement of the Medicare Part B premium for retirees and covered spouses. Employees hired on and after January 1, 1994 are responsible for the full cost of the health insurance premiums upon retirement. These employees shall have the full value of their accrued sick allowance at the time of retirement (total hours accrued times the hourly rate at the time of retirement) credited toward the cost of health insurance after retirement. See Note 1.D.6 for information regarding the County's accrued sick leave liability as of December 31, 2011.

The retiree life insurance benefits are authorized by County Ordinance, Section 62.02. Employees hired prior to January 1, 1994 who retire with no break in service from active employee status retain group term life insurance coverage under the same contribution schedule as when actively employed. Life insurance coverage is the amount in force at retirement. A coverage reduction schedule takes effect at age 65 when the plan becomes non-contributory. Employees hired on and after January 1, 1994, except for certain union groups who have a later cut off date, are responsible for the full cost of the life insurance premiums upon retirement.

## Note 14 - Other Post-employment Benefits (Continued)

### Countywide Program (excluding Transit System Continued)

#### Funding Policy

The health insurance and life insurance benefits for retirees are financed on a pay-as-you-go basis with current tax levy funds through the General Fund. The County pays 100 percent of the health insurance premium for employees with 15 or more years of service that were hired before January 1, 1994. Retirees with less than 15 years of service and employees hired on and after January 1, 1994 are responsible for 100 percent of the health insurance premium after retirement. Employees who retire with no break in service from active employee status that were hired before January 1, 1994 pay group term life insurance premiums at the same contribution schedule as when actively employed. Employees hired on and after January 1, 1994 pay 100 percent of the life insurance premiums upon retirement.

#### Annual OPEB Cost and Net OPEB Obligation

The County's annual OPEB cost (expense) is calculated based on the Annual Required Contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liability (or asset) over a period not to exceed thirty years. The following schedules provide the components of the County's 2011, 2010, and 2009 OPEB costs:

#### Schedule of Annual OPEB Costs For the Year Ending December 31,

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Normal Cost	\$ 12,370	\$ 12,370	\$ 18,392
Amortization of Unfunded Actuarial Accrued Liability	106,442	106,442	112,360
Annual Required Contribution (ARC)	118,812	118,812	130,752
Interest on Net OPEB Obligation	12,673	10,232	6,541
Adjustment to the ARC	(28,698)	(23,171)	(14,811)
<b>Annual OPEB Cost</b>	<b>\$ 102,787</b>	<b>\$ 105,873</b>	<b>\$ 122,482</b>

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## Note 14 - Other Post-employment Benefits (Continued)

### Countywide Program (excluding Transit System Continued)

#### Annual OPEB Cost and Net OPEB Obligation – Continued

Schedule of Employer Contributions for the Year Ending December 31,			
	<u>2011</u>	<u>2010</u>	<u>2009</u>
Premiums Paid on Behalf of Retirees	\$ 62,372	\$ 66,500	\$ 62,579
Less: Retiree Contributions	(4,150)	(1,310)	(1,628)
<b>Net Employer Contribution</b>	<b>\$ 58,222</b>	<b>\$ 65,190</b>	<b>\$ 60,951</b>
<b>Percent of Annual OPEB Cost Contributed by Employer</b>	<b>56.6%</b>	<b>61.6%</b>	<b>49.8%</b>

Schedule of Net OPEB Obligation For the Year Ending December 31,			
	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net OPEB Obligation - January 1,	\$ 211,224	\$ 170,541	\$ 109,010
Annual OPEB Cost	102,787	105,873	122,482
Less: Net Employer Contributions	(58,222)	(65,190)	(60,951)
<b>Net OPEB Obligation - December 31,</b>	<b>\$ 255,789</b>	<b>\$ 211,224</b>	<b>\$ 170,541</b>

#### Funded Status and Funding Progress

As of January 1, 2010, the most recent actuarial valuation date, the County's OPEB plan was not funded. The actuarial accrued liability for benefits was \$1,465,159, and there was no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$ 1,465,159. The annual payroll of active employees covered by the plan was \$ 97,620, and the ratio of UAAL to covered payroll was 15.0 to 1. The schedule of funding progress, presented as Required Supplementary Information, following the notes to the financial statements, presents multiyear trend information.

#### Actuarial Assumptions and Methods

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of future events. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amount determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and estimates are revised. The schedule of funding progress is presented as required supplementary information following the notes to the financial statements.

## Note 14 - Other Post-employment Benefits (Continued)

### Countywide Program (excluding Transit System Continued)

#### Actuarial Assumptions and Methods - Continued

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The schedules of funding progress presented in the supplementary schedules were determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	January 1, 2010
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Payments
Remaining Amortization Period	30 Years, Closed
Asset Valuation Method	Not Applicable

#### **Actuarial Assumptions:**

Investment Rate of Return	6.0%
Healthcare Cost Trend:	
Less than 65 Years of Age	9.0% Grading Down to 5% at 1% Per Year
65 Years of Age and Older	9.0% Grading Down to 5% at 1% Per Year
Mortality	Sex-Distinct RP2000 Combined Mortality Table
Disability	Graduated Rates Based Upon Current Age
Retirement Age	Estimates Vary Based Upon Historical Experience of the County
Withdrawal	Graduated Rates Based Upon Current Age, Years of Service, and Employment Category
Rate of Salary Increases	Varies from 3.0% to 10.0% Based Upon Current Age and Employment Category

#### Contributions Required and Contributions Made

The County does not have a formal funding policy for OPEB plans. It funds the costs for retiree health insurance and life insurance premiums on an annual pay-as-you-go basis using property tax levy.

## **Note 14 - Other Post-employment Benefits (Continued)**

### **Contributions Required and Contributions Made (Continued)**

As of December 31, 2011, the County had 5,879 of retirees enrolled in a health plan. The 2011 expenditures for retiree healthcare costs were \$ 61,461. The County's 2011 expenditures also included reimbursement of Medicare Part B premiums for health plan retirees of \$ 6,129. The total health plan expenditures were offset by \$ 3,839 in contributions from retirees and federal reimbursement for post-retirement health costs. The retiree contributions were \$ 1,314 for certain retirees who were responsible for the partial or full health benefit premium cost.

As of December 31, 2011, the County had 5,140 retirees enrolled in the group life insurance plan. The 2011 expenditures for the group life insurance plan were \$ 911. The total life insurance expenditures were offset by \$ 311 in retiree contributions for certain retirees who were responsible for the partial or full health benefit premium cost.

### **Transit System Program**

#### **Description and Provisions – Transit System Program**

Milwaukee Transport Services, Inc. (the "Transit System") provides single-employer defined benefit healthcare and life insurance benefits for eligible retired employees and eligible surviving spouses. The retiree healthcare and life insurance benefits are provided pursuant to the general labor agreement between the Transit System and the Amalgamated Transit Union Local 998 and the Office and Professional Employees International Union Local 35. The same benefits are provided to non-represented employees and retirees. Employees hired after July 16, 2007 are not eligible for retiree healthcare benefits. Employees eligible for pension benefits who retired before April 1, 2007 with ten (10) or more years of service are eligible for healthcare benefits. Employees eligible for pension benefits who retire after April 1, 2007, with less than twelve (12) years of service will not be eligible for retiree healthcare benefits. Employees eligible for pension benefits who retire after April 1, 2009 with less than fourteen (14) years of service will not be eligible for retiree healthcare benefits. Effective July 1, 2007, all participants are required to contribute a portion of their healthcare insurance premium up to a maximum of 10 percent by January 1, 2010. Effective January 1, 2012, any participant whose combined age and years of service equal less than 75 will pay an additional monthly contribution of 20% over regular retiree contributions, and if number is between 75 but less than 80, participant will pay an additional contribution of 12% over regular retiree contributions, New Participants, after April 1, 2007, who join the Preferred Provider Option (PPO), will pay a 50% contribution rate for the PPO. Surviving spouses eligible for Medicare may continue healthcare coverage under the plan provided the surviving spouse pays 100 percent of the healthcare

## **Note 14 - Other Post-employment Benefits (Continued)**

### **Transit System Program (Continued)**

#### **Description and Provisions – Transit System Program (Continued)**

insurance premium. For surviving spouses not eligible for Medicare and dependent children, the Transit System will pay one-half ( $\frac{1}{2}$ ) of the healthcare insurance premium until the spouse becomes eligible for Medicare or remarries, provided the employee has completed at least twelve (12) years of service.

The Transit System pays the full premiums on a term life insurance policy for all employees who have retired onto pension, at the face value in effect at the time of retirement. The face value of life insurance for employees who retired before April 1, 2001 range from \$500 to \$16,500 (five-hundred to sixteen-thousand five-hundred dollars). The face value for employees retiring after April 1, 2001 but before April 1, 2007 is \$8,500 (eight-thousand five-hundred dollars). The face value for employees retiring after April 1, 2007 is \$9,000 (nine-thousand dollars).

#### **Funding Policy - Transit System Program**

The health insurance and life insurance benefits for retirees are recognized under the accrual method of accounting. Under this method retiree healthcare and life insurance benefits are recognized when the benefits are earned by employees. In addition, the Transit System recognizes a portion of the unfunded actuarial accrual liability (UAAL) for the past service costs of its employees and retirees. The UAAL is amortized over thirty (30) years under the level percent method. Under the level percent method, the UAAL is paid off by contributing a fixed percentage of payroll each year. Under this method, the payments are smaller in the initial years and increase over time, as the payroll increases. It is assumed that the active group of employees' size remains constant and that the payroll increases 3 percent per year. It is the Transit System's intent to contribute the annual OPEB expense, after payment of the net retiree healthcare and life insurance premiums, into a trust. The Transit System does not issue a publicly available report that includes the financial statements for the trust on OPEB.

#### **Annual OPEB Cost and Net OPEB Obligation - Transit System Program**

The Transit System's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liability (or asset) over a period of thirty (30) years.

## Note 14 - Other Post-employment Benefits (Continued)

### Transit System Program (Continued)

#### Funding Policy - Transit System Program (Continued)

The following schedule provides the components of the Transit System's 2011, 2010, and 2009 OPEB costs:

#### Schedule of Annual OPEB Costs For the Year Ending December 31,

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Normal Cost	\$ 3,979	\$ 3,893	\$ 4,942
Amortization of Unfunded Actuarial Accrued Liability	14,945	14,729	12,092
Annual Required Contribution (ARC)	18,924	18,622	17,034
Interest on Net OPEB Obligation	-	(1)	(194)
Adjustment to the ARC	-	1	(12)
<b>Annual OPEB Cost</b>	<b>\$ 18,924</b>	<b>\$ 18,622</b>	<b>\$ 16,828</b>

#### Schedule of Employer Contributions For the Year Ending December 31,

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Premiums Paid on Behalf of Retirees	\$ 12,338	\$ 14,306	\$ 11,844
Contribution to OPEB Trust	9,000	3,000	3,500
Less: Retiree and Survivor Contribution	(1,399)	(1,526)	(1,529)
Less: Medicare Part D*	-	-	(407)
<b>Net Employer Contribution</b>	<b>\$ 19,939</b>	<b>\$ 15,780</b>	<b>\$ 13,408</b>
<b>Percent of Annual OPEB Cost Contributed by Employer</b>	<b>105.4%</b>	<b>84.7%</b>	<b>79.7%</b>

#### Schedule of Net OPEB Obligation For the Year Ending December 31,

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net OPEB Obligation - January 1,	\$ 1,237	\$ (10)	\$ (3,430)
Annual OPEB Cost	18,924	18,622	16,828
Less: Net Employer Contributions	(19,939)	(15,780)	(13,408)
Medicare Part D reclassified to revenue*	-	(1,595)	-
<b>Net OPEB Obligation - December 31,</b>	<b>\$ 222</b>	<b>\$ 1,237</b>	<b>\$ (10)</b>

\*Beginning in 2010, Medicare D is not part of the OPEB trust. Medicare Part D monies 2009 have been reclassified from the Net OPEB Obligation to revenue.

## **Note 14 - Other Post-employment Benefits (Continued)**

### **Transit System Program (Continued)**

#### **Funding Policy - Transit System Program (Continued)**

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing overtime relative the actuarial accrued liability for benefits.

#### **Funded Status and Funding Progress - Transit System Program**

As of January 1, 2012, the most recent actuarial valuation date, the Transit System's OPEB plan was partially funded. The actuarial accrued liability for benefits was \$ 245,991, and the actuarial value of assets was \$ 34,603, resulting in an unfunded actuarial accrued liability (UAAL) of \$ 211,388. The annual payroll of active employees covered by the plan was \$ 46,695, and the ratio of UAAL to the covered payroll was 4.53 to 1.

#### **Actuarial Assumptions and Methods - Transit System Program**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of future events. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amount determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and estimates are revised. The schedule of funding progress is presented as required supplementary information following the notes to the financial statements.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

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## Note 14 - Other Post-employment Benefits (Continued)

### Transit System Program (Continued)

#### Actuarial Assumptions and Methods - Transit System Program (continued)

The schedules of funding progress presented in the supplementary schedules were determined as part of the actuarial valuations at the dates indicated.

Valuation Date	January 1, 2012
Actuarial Cost Method	Unit Credit
Amortization Method	Level Percent of Payroll
Remaining Amortization Period	25 Years
Asset Valuation Method	Market

#### **Actuarial Assumptions:**

Investment Rate of Return	7.5%
Healthcare Cost Trend:	
Healthcare	8.0% Grading Down to 5.0% at 0.5% Per Year
Prescription Drugs	8.0% Grading Down to 5.0% at 0.5% Per Year
Mortality	1983 Group Annuity Mortality Table
Disability	Not Applicable
Retirement Age	Estimates Vary Based Upon Historical Experience of the Transit System
Withdrawal	Graduated Rates Based Upon Current Age Years of Service and Employment Category
Rate of Salary Increases	3% per Year

#### Contributions Required and Contributions Made - Transit System Program

The Transit System's policy is to fully fund its OPEB plan. The Transit System funds its annual OPEB cost with operating revenues and tax levy support from Milwaukee County and the State of Wisconsin. As of December 31, 2011, the Transit System had 981 retirees and survivors enrolled in the HMO and PPO healthcare plans. The 2011 expenditures for the HMO and PPO healthcare plans were \$ 12,061. The total HMO and PPO expenditures were offset by \$ 1,399 in retiree contributions for certain retirees and survivors who were responsible for the partial or full health benefit premium cost.

As of December 31, 2011, the Transit System had 946 retirees enrolled in the life insurance plan. The 2011 expenditures for the life insurance plan were \$ 277. There were no retiree contributions towards the life insurance plan.

## **Note 15 - Employee Retirement Systems and Pension Plans**

### **Countywide Program (excluding Transit System)**

#### **Plan Description and Provisions**

**The Employees' Retirement System of the County of Milwaukee ("ERS" or the "Retirement System")** is a single-employer defined benefit plan that was created to encourage qualified personnel to enter and remain in the service of the County of Milwaukee (the "County") by providing for a system of retirement, disability and death benefits to or on behalf of its employees. Under Chapter 201 of the Laws of Wisconsin for 1937, the County was mandated to create the Retirement System as a separate legal entity. The County did so by passing Section 201.24 of the General Ordinances of Milwaukee County. The authority to manage and control the Retirement System is vested in the Pension Board of ERS (the "Board").

The Board consists of nine members – three members appointed by the County Executive (subject to confirmation by the County Board of Supervisors), three employee members elected by active employee members, two members appointed by the County Board chairperson and one retiree member elected by retirees. The Board created two (2) committees to assist in the administration of the Board's duties. The Investment Committee reviews the investment portfolio on a monthly basis, endorses strategies and submits investment recommendations to the full Board. The Audit Committee reviews legal issues, Ordinance adherence and submits recommendations to the full Board regarding the annual audit and the Annual Report of the Pension Board.

For most members, the normal retirement age is either 60 or 64 depending on ERS enrollment date and collective bargaining agreement. A few labor agreements also require a minimum of 5 years creditable service in addition to the age requirement. For deputy sheriff members, the normal retirement age is 57 or age 55 with 15 years of creditable service. Depending on enrollment date and collective bargaining agreement, some active members are eligible to retire when their age added to their years of creditable service equals 75 (the "Rule of 75"). The multiplier is determined by Ordinance, collective bargaining agreement and ERS enrollment date. At this time, the multiplier percentage can be 1.5%, 1.6%, 2% or 2.5%. A member's three or five consecutive years of highest earnings are used to calculate their final average salary as defined by the Ordinance and labor agreement. Annually after retirement, the monthly benefit is increased by 2% of the benefit paid for the first full month of retirement subject to IRS limits. By Ordinance, the maximum benefit (excluding post-retirement increases) payable to a member cannot exceed the sum of 80% of the member's final average monthly salary.



## **Note 15 - Employee Retirement Systems and Pension Plans (Continued)**

### **Countywide Program (excluding Transit System Continued)**

#### **Plan Description and Provisions (Continued)**

For some members, depending on enrollment date and collective bargaining agreement, the member may elect to receive a backdrop benefit. This benefit permits an employee to receive a lump-sum payment plus a monthly pension benefit upon retirement. The lump-sum payment is the total of the monthly pension amounts, adjusted for COLA increases that a member would be entitled to from a prior date (“backdrop date”) to the date that the member terminates employment plus compounded interest. The backdrop date must be at least one calendar year prior to the termination date and the member must have been eligible to retire as of that date. The member will be entitled to a COLA based on the backdrop date once the member terminates employment.

A member who meets the requirements for an accidental or ordinary disability retirement benefit is entitled to an amount computed in the same manner as a normal pension but not less than 60% of the member’s final average salary for accidental disability (75% for a represented deputy sheriff). A total of 15 years of creditable service is required to apply for ordinary disability.

Most members are immediately vested upon attaining age 60 or 64. A vested member is eligible for a deferred pension beginning as of the member’s normal retirement date.

A member who is 55 years of age and has 15 years of credited service may elect to receive early-reduced retirement benefits. The member would be entitled to a benefit equal to the normal retirement benefit with a lifetime reduction of 5% for each year prior to the normal retirement date.

Upon the death of a member (generally after 1 year of service and depending on collective bargaining agreements), a spouse with a dependent child as defined by Ordinance will receive 40% of the deceased member’s salary, reduced by Social Security benefits payable to the spouse. An additional 10% of salary, reduced by Social Security benefits, is paid for each dependent child. Generally, the total benefit, including Social Security benefits, cannot exceed 90% of the prior salary level of the member. At age 60, the spouse will receive 50% of the normal retirement benefit based on the member’s projected service to age 60. If there is no spouse or child, the death benefit payable to a designated beneficiary is equal to 50% of the deceased member’s final average salary, but not to exceed \$2,000.

## **Note 15 - Employee Retirement Systems and Pension Plans (Continued)**

### **Countywide Program (excluding Transit System Continued)**

#### **Plan Description and Provisions (Continued)**

A member who becomes eligible for normal retirement, but continues to work may elect a Protective Survivorship Option (“PSO”) designating a person to receive a pension (100% or 50% option) in the event of their death while in active service. The PSO election must be filed in writing on an approved form. In the absence of an election, a surviving spouse will be paid a 100% survivorship pension.

Participants should refer to applicable ordinances or labor agreements for more complete information.

The County issues a publicly available financial report that includes financial statements and required supplementary information for the ERS and OBRA. The financial report may be obtained by writing to the Pension Board, 901 North 9<sup>th</sup> Street, Room 210-C, Milwaukee, Wisconsin 53233 or by calling (414) 278-4207.

**OBRA 1990 Retirement System of the County of Milwaukee (OBRA)** – The County established the OBRA 1990 Retirement System of the County of Milwaukee (OBRA) to cover seasonal and certain temporary employees who are not enrolled in the Retirement System. Assets of the OBRA system are commingled for investment purposes with the assets of the Retirement System. The assets of the Retirement System are legally available to pay benefits of either the ERS or OBRA and all assets have been commingled. The Retirement System and OBRA are considered a single plan for financial reporting purposes.

#### **Summary of Significant Accounting Policies - Pension Fund**

**Basis of Accounting** – The financial information of the ERS was prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed and expenses are recorded when the corresponding liabilities are incurred.

**GASB Statement No. 50-** The Retirement System follows the provisions of GASB 50. GASB 50 requires that information about the funded status of the pension plan as of the most recent actuarial valuation be disclosed in notes to the financial statements. Additionally, GASB 50 requires disclosure of information about actuarial methods and assumptions used in valuations on which reported information about the ARC and the funded status and progress are based.

## **Note 15 - Employee Retirement Systems and Pension Plans (Continued)**

### **Countywide Program (excluding Transit System Continued)**

#### **Summary of Significant Accounting Policies - Pension Fund (Continued)**

The required schedules of funding progress, immediately following the notes to the financial statements, will present multiyear trend information. The trend information will show whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Expenses – ERS** Administrative expenses incurred by the County related to the Retirement System are payable by the Retirement System to the County. Such expenses totaled \$1,549 in 2011.

**Investments** – Investments, primarily stocks, bonds, certain government loans and mortgage-backed certificates, are stated at quoted fair value. Temporary cash investments are valued at cost, which approximates fair value. Investments in venture capital partnerships, real estate, long/short hedge and infrastructure are valued at estimated fair value, as provided by the Retirement System's investment managers. Investment transactions are recorded on the trade date. Realized gains and losses are computed based on the average cost method.

**Valuation of International Securities** – Securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts on the date of valuation. Purchases and sales of securities and income items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions.

**Security Lending** – Section 201.24 (9.1) of the General Ordinances of Milwaukee County and Board policies permit ERS to lend its securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. ERS participates in such a security-lending program through its custodian, the Bank of New York Mellon, acting as ERS's securities lending agent. ERS requires collateral from the borrower in the form of cash or securities. Collateral for domestic issues is set at 102% of the fair value of the securities loaned at the time of the initial transaction. If the value falls to 100% of the fair value of the securities loaned, additional collateral is obtained to reestablish collateral at 102% of the fair value of securities loaned. Collateral for international securities is maintained at a level of 105% of the fair value of securities loaned at all times.

## Note 15 - Employee Retirement Systems and Pension Plans (Continued)

### Countywide Program (excluding Transit System Continued)

#### Summary of Significant Accounting Policies - Pension Fund (Continued)

The securities lending program guidelines attempt to preserve capital while earning a moderate rate of return. Earnings from securities lending, after all fees are paid, are split on a percentage basis with the custodian. For 2011 the net investment income realized from security lending was \$154.

ERS also invested in several commingled funds managed by Mellon Capital Management that participated in securities lending programs. The earnings and losses attributable to the commingled funds' securities lending programs are combined with the commingled funds' performance and are not reported separately in ERS's financial statements.

Securities loaned and the collateral held as of December 31, 2011 were as follows:

Fair Value of Securities Loaned:	\$	64,599
Fair Value of Collateral:	\$	66,492
Percent Collateral to Securities Loaned:		102.93%

The collateral received from security lending transactions are recorded as assets at quoted fair value of the financial statement date. The Retirement System records an identical amount as a liability, representing the obligation of the Retirement System to return the collateral at the time the borrower of the Retirement System's securities return those securities.

The collateral received from securities lending transactions includes cash of \$58,499 and U.S. Treasury securities of \$7,993 for the year ended December 31, 2011. Under the terms of the securities lending agreement, the Retirement System has the right to sell or pledge the cash collateral. The non-cash collateral in the amount of \$7,993 for the year ended December 31, 2011 is controlled by the custodian and, correspondingly, is not reflected in the financial statements.

At year-end, the Retirement System has no credit risk exposure to borrowers because the amounts the Retirement System owes the borrowers exceed the amounts the borrowers owe the Retirement System. The contract with the Retirement System's custodian requires it to indemnify the Retirement System if a borrower fails to return the securities (and if the collateral is inadequate to

## **Note 15 - Employee Retirement Systems and Pension Plans (Continued)**

### **Countywide Program (excluding Transit System (Continued))**

#### **Summary of Significant Accounting Policies - Pension Fund (Continued)**

replace the securities lent) or fails to pay the Retirement System for income distributions by the securities' issuers while the securities are on loan.

**Financial Instruments With Off-Balance Sheet Risks** – A currency forward is a contractual agreement between two parties to pay or receive amounts of foreign currency at a future date in exchange for another currency at an agreed-upon exchange rate. Forward commitments are entered into with the foreign exchange department of a bank located in a major money market. These transactions are entered into in order to hedge risks from exposure to foreign currency rate fluctuations. Recognition of realized gain or loss depends on whether the currency exchange rate has moved favorably or unfavorably to the contract holder upon termination of the contract. Prior to termination of the contract, the Retirement System records the amount receivable or payable at fair value, with the unrealized gain or loss reported as a component of net appreciation in fair value. All contracts are short-term in duration and mature within 90 days. Financial instruments with off-balance sheet risk held were zero as of December 31, 2011.

ERS invests in financial futures contracts in order to improve the performance of the fund. The Retirement System purchases contracts that approximate the amount of cash held by US equity investment managers and cash used to pay benefits and expenses. Financial futures contracts are agreements to buy or sell a specified amount at a specified delivery or maturity date for an agreed upon price. The market values of the futures contracts vary from the original contract price. A gain or loss is recognized and paid to or received from the clearinghouse. Financial futures represent an off balance sheet obligation, as there are no balance sheet assets or liabilities associated with those contracts. The cash or securities to meet these obligations are held in the investment portfolio. All contracts are short-term in duration and mature within 90 days.

ERS is subject to credit risk in the event of non-performance by counter parties to financial futures and forward contracts. ERS generally only enters into transactions with credit worthy institutions. The Retirement System is exposed to market risk, the risk that future changes in market conditions may make an instrument less valuable. Exposure to market risk is managed in accordance with risk limits set by ERS management and by buying or selling futures or forward contracts. The cash or securities to meet these obligations are held in the investment portfolio.

**Note 15 - Employee Retirement Systems and Pension Plans  
(Continued)**

**Countywide Program (excluding Transit System Continued)**

**Contributions Required and Contributions Made**

	<u>December 31, 2011</u>
Cash Held:	
U.S. Equity Managers	\$ 13,545
Cash Used to Pay Benefits and Expenses	<u>65,486</u>
Total Cash Held	<u>79,031</u>
Futures Purchased:	
S&P 500 (U.S. Equity)	\$ 38,393
Barclays AGG (Fixed Income)	26,437
MSCI EAFE (International Equity)	<u>11,909</u>
Total Futures Purchased	<u>76,739</u>
Futures Below Cash	<u>\$ (2,292)</u>
Market Value	<u>\$ 1,004</u>

2011 Changes in Plan Provisions or Actuarial Assumptions since Prior Year:

- During 2011, the multiplier was reduced from 2.0% to 1.6% for elected officials, the bargaining unit of American Federation of State, County and Local Municipal Employees (AFSCME DC-48) and certain smaller represented bargaining units.
- During 2011, the retirement age for AFSCME DC-48 and certain smaller represented bargaining units new hires were increased from 60 to 64.

The Retirement System's funding policy provides for periodic County contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. Payroll contribution rates are determined using the Aggregate Entry Age Normal method of funding. The Retirement System also uses the level percentage of payroll method to amortize the unfunded liability over a 30-year period. The significant actuarial assumptions used to compute the contribution requirements are the same as those used to compute the pension benefit obligation.

The County makes contributions to the Retirement System based upon the Annual Required Contribution ("ARC") and legal requirements, at the discretion of the County Board. An actuary hired by the Pension Board establishes the ARC. Data used in the determination of the ARC is based upon the prior fiscal

**Note 15 - Employee Retirement Systems and Pension Plans  
(Continued)**

**Countywide Program (excluding Transit System Continued)**

**Contributions Required and Contributions Made (Continued)**

year's demographics. The actual contribution made to the pension plans is set during the County's budget process and may differ from the ARC as a result of changes in plan provisions implemented subsequent to establishment of the ARC and budgetary restraints. During the year, the Retirement System accrues those contributions that the County has included in its current year's budget.

Three year Trend Information for the ERS and OBRA are as follows:

	Fiscal Year <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension Obligation <u>(Asset)</u>
ERS	12/31/11	\$ 22,508	140.1%	\$ (413,315)
	12/31/10	22,570	145.7%	(404,328)
	12/31/09	23,803	1922.2%	(395,607)
OBRA	12/31/11	\$ 815	248.1%	\$ (1,254)
	12/31/10	712	110.4%	-
	12/31/09	655	100.8%	-

County contributions to ERS totaling \$ 31,589, \$ 32,894 and \$ 457,789 were recorded in 2011, 2010, and 2009, respectively. The 2011, 2010 and 2009 contribution was \$4,736, \$ 5,344 and \$ 427,434, respectively, above the Funding Contribution Amount ("FCA"). The 2011 and 2010 actual contributions are above the FCA due to contributions being based on budgeted estimates without adjustment for subsequent changes in actuarial assumptions. The 2009 contribution was well above the FCA due to a one-time contribution from pension obligation bonds of \$ 397.8 million and settlement of a lawsuit of \$ 29.0 million. In 2011, employees began making contributions toward the annual pension cost. The 2011 County Contribution of \$31,589 includes employee contributions of \$3,313 for the year.

OBRA's funding policy provides for an annual County contribution at an actuarially determined rate. Liabilities and contributions are computed using the Unit Credit method of funding. OBRA also used the Unit Credit method to amortize the unfunded liability over a 30-year period. The actuarial accrued liability of OBRA at December 31, 2011, 2010 and 2009 was \$ 2,444, \$ 5,520 and \$ 5,069, respectively, leaving net assets available less than the actuarial accrued liability of (\$ 1,209), (\$ 4,117), and (\$ 4,030), respectively.

**Note 15 - Employee Retirement Systems and Pension Plans  
(Continued)**

**Countywide Program (excluding Transit System Continued)**

**Contributions Required and Contributions Made (Continued)**

The County made contributions to the OBRA system totaling \$ 2,022, \$ 786, and \$ 661 in 2011, 2010, and 2009, respectively. The Funding Contribution Amount for 2011, 2010, and 2009 was \$ 807, \$ 716, and \$ 661. The 2011 contribution exceeded the FCA due to additional proceeds needed for payouts that occurred in 2011.

The County maintains a Net Pension Asset, due to a contribution of \$397,000 in 2009 from the issuance of Pension Obligation Bonds. The following is an accounting of the Net Pension Asset for 2011.

	<b>ERS</b>
Valuation Date	January 1, 2012
Annual Required Contribution (ARC)	\$ 29,621
Interest on Net Pension Asset	(32,346)
Adjustment to ARC	25,233
Annual Pension Cost (APC)	<u>\$ 22,508</u>
Pension Contribution Made	\$ 31,589
Less Annual Pension Cost (APC)	22,508
Less other adjustments	94
Increase in Net Pension Asset	<u>8,987</u>
Net Pension Asset Beginning of Year	404,328
Net Pension Asset End of Year	<u>\$ 413,315</u>

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**Note 15 - Employee Retirement Systems and Pension Plans  
(Continued)**

**Countywide Program (excluding Transit System Continued)**

**Funded Status and Actuarial Information**

The Retirement System engages an independent actuarial firm to perform an annual actuarial valuation. The funded status of the Retirement System as of January 1, 2012, the most recent actuarial valuation date, is as follows:

	Actuarial Value of Assets <u>(a)</u>	Actuarial Accrued Liability- AAL <u>(b)</u>	Funded Ratio <u>(a/b)</u>	Unfunded AAL- UAAL <u>(b-a)</u>	Covered Payroll <u>(c)</u>	UAAL as a Percentage of Covered Payroll <u>((b-a)/c)</u>
ERS	\$ 1,836,543	\$ 2,059,554	89.2%	\$ 223,011	\$ 190,748	116.9%
OBRA	\$ 1,235	\$ 2,444	50.5%	\$ 1,209	\$ 8,936	13.5%

The schedules of funding progress, presented as required supplementary information (RSI) immediately following the notes to the financial statements, presents multiyear trend information about whether the actuarial values of the plan assets are increasing or decreasing over time relative to the AALs for benefits.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates about the future. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. These calculations reflect long-term perspectives and use techniques that are designed to reduce short-term volatility.

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**Note 15 - Employee Retirement Systems and Pension Plans  
(Continued)**

**Countywide Program (excluding Transit System Continued)**

**Funded Status and Actuarial Information (Continued)**

Following is a listing of the actuarial method significant assumptions used to determine the Annual Required Contribution (ARC) for the current year:

	<u>ERS</u>	<u>OBRA</u>
Valuation Date	January 1, 2012	January 1, 2012
Actuarial Cost Method	Aggregate Entry Age Normal	Unprojected Unit Credit
Asset Valuation Method	5-year Smoothed Market	Market
<b>Amortization Methods:</b>		
Contribution Variance	Level Dollar, Closed	Level Dollar, Closed
Administrative Expenses	Level Dollar, Closed	Level Dollar, Closed
All Other Unfunded Liability	Level Percent of Payroll, Closed	Level Percent of Payroll, Closed
<b>Remaining Amortization Periods:</b>		
Contribution Variance	5 Years	5 Years
Administrative Expenses	10 Years	10 Years
All Other Unfunded Liability	30 Years	30 Years
<b>Actuarial Assumptions:</b>		
Investment Rate of Return	8.0%	8.0%
Rate of Salary Increases	3.50%	5.00%
Post-retirement Benefit Increases	2.0%, simple	2.0%, simple
Mortality-Healthy Pensioners	Sex-Distinct UP- 1994 Mortality Table	Sex-Distinct UP- 1994 Mortality Table
Mortality-Disabled Pensioners	RP2000 Disabled Mortality Table	-
Inflation Rate	3.0%	3.0%

**Transit System Program**

**Plan Description and Provisions-Transit System Program**

The Transit System's Transport Employees' Pension Plan ("The Plan") is a single employer contributory defined benefit plan sponsored by Milwaukee Transport Services, Inc. The Plan is administered by an administration board, which consists of three members representing Milwaukee Transport Services, Inc. and three members representing the employees. The Plan is not subject to the reporting and disclosure requirements of the Employee Retirement Income Security Act of 1974 as amended (ERISA), as it is a governmental plan exempted under Section 4(b)(1) of Title I of the Act. All regular full-time employees of Milwaukee Transport Services, Inc. are eligible to participate in the Plan.

## **Note 15 - Employee Retirement Systems and Pension Plans (Continued)**

### **Transit System Program (Continued)**

#### **Plan Description and Provisions-Transit System Program (Continued)**

Participants become fully vested after five (5) years of continuous credited service. Participants are eligible for normal retirement benefits at age 62 with five years of credited service or a combination of age plus credited service total 85 or more.

Participants are eligible for reduced retirement benefits at age 57 with five years of credited service. Effective April 1, 1998, participants who have completed twenty-five or more years of credited service are eligible for normal retirement benefits. Participants may elect to receive their pension benefits in the form of a joint and survivor annuity. The Plan also provided for death and disability benefits.

Under the terms of the Plan, a participant, upon normal retirement, is entitled to receive a monthly benefit of 2% (1.77% for participants retiring between April 1, 2001 and March 31, 2002, 1.82% for participants retiring between April 1, 2002 and March 31, 2003 and 1.87% for participants retiring between April 1, 2003 and March 31, 2004 and 2% for participants retiring after April 1, 2004) of his/her average monthly earnings during the three highest earnings years times the number of years of credited service after March 31, 1966, plus \$ 90 times the numbers of years of credited service prior to April 1, 1966. The total number of years of credited service cannot exceed thirty-five (35). A minimum monthly benefit of \$ 250 is provided for all retirees with at least ten (10) years of credited service.

Upon termination of employment before five years of credited service, participants will receive a refund equal to their own employee contributions and interest income at a rate of approximately 2%. Information concerning the Plan including vesting, benefits and termination provisions may be obtained from the summary plan booklet distributed by Milwaukee Transport Services, Inc.

The Transit System issues a publicly available report that includes the financial statements and required supplementary information for the Transport Employees' Pension Plan. The financial report may be obtained by writing to the Transport Employees Pension Plan, 1942 North 17<sup>th</sup> Street, Milwaukee, Wisconsin 53205.

## Note 15 - Employee Retirement Systems and Pension Plans (Continued)

### Transit System Program (Continued)

#### Summary of Significant Accounting Policies - Transit System Program

**Basis of Accounting** - The financial information of the Plan has been prepared using the accrual basis of accounting in conformity with generally accepted accounting principles within the United States of America.

**GASB Statement No. 50-** The Plan implemented provisions of GASB Statement No. 50- Pension Disclosures, an Amendment of GASB Statements No. 25 and No. 27. This statement requires that information about the funded status of the pension plan as of the most recent actuarial valuation be disclosed in notes to the financial statements. Additionally, GASB 50 requires disclosure of information about actuarial methods and assumptions used in the valuations on which reported information about Annual Required Contributions (“ARC”) and the funded status and progress are based. The schedules of funding progress present multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Investments** - Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Investments that do not have an established market are reported at estimated value. Because of the inherent uncertainty of valuation, the estimated values for the limited partnerships may differ significantly from the values that would have been used had a ready market for the investments existed. Income and realized gains from investments are reinvested. Investment security transactions and the related gains and losses are recognized as of the trade date. The average cost basis is used in determining the cost of investments sold. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividend is recorded on the ex-dividend date.

**Income Taxes** - The Plan is exempt from Federal income taxes under section 115 of the Internal Revenue Code.

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**Note 15 - Employee Retirement Systems and Pension Plans  
(Continued)**

**Transit System Program (Continued)**

**Contributions Required and Contributions Made - Transit System Program**

Employees covered under the Plan contribute an amount equal to 15% (25% after to January 1, 2012) of the actuarially determined contribution necessary to fund the Plan. Milwaukee Transport Services, Inc. contributes an amount equal to 85% (75% after to January 1, 2012) of the actuarially determined contribution necessary to fund the Plan.

In 2011 and 2010, Milwaukee Transport Services, Inc, was required to make monthly pension contributions payments to the Plan equal to 20.35% and 18.11% respectively, of the gross amount of wages or salaries paid to each employee covered under the Plan. The employer and employee portion was 85% and 15%, respectively, of the gross amount of wages. Employees were required to contribute 3.05% in 2011 and 2.72% in 2010 of their gross wages or salaries.

Three year Trend Information for the Milwaukee Transport Employees' Pension Plan is as follows:

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
<u>Ending</u>	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
12/31/11	\$ 9,867	100.0%	\$ -
12/31/10	9,939	100.0%	-
12/31/09	9,190	100.0%	-

Contributions are designated to fund current service costs as well as to fund, over approximately 30 years, the estimated accrued benefit costs arising from qualifying service that occurred prior to the establishment of the Plan or subsequent Plan amendments. Interest on employee contributions is accumulated at a rate of 2% per year. The Annual Required Contributions for Employer portion of the Transport Employees' Pension Plan were \$ 9,867, \$ 9,939, and \$9,190 for 2011, 2010 and 2009 respectively. The Annual Required Contribution for the employee portion of the Transport Employees' Pension Plan were \$ 1,741 and \$ 1,754 for 2011 and 2010, respectively.

**Note 15 - Employee Retirement Systems and Pension Plans  
(Continued)**

**Transit System Program (Continued)**

**Funded Status and Actuarial Information - Transit System Program**

Milwaukee Transport Services, Inc. funds the Annual Required Contribution during the fiscal year beginning on the valuation date. The Annual Required Contribution comprises the normal cost plus amortization of the Unfunded Actuarial Accrued Liability on a level dollar basis over an open period of thirty years.

Following is a listing of the actuarial method significant assumptions used to determine the Annual Required Contribution (ARC) for the current year:

<u>Transit</u>	
Valuation Date	January 1, 2012
Actuarial Cost Method	Frozen Initial Liability Method
Asset Valuation Method	Fair Market Value
<b>Amortization Methods:</b>	
All Other Unfunded Liability	Level Dollar Basis over a period of thirty years (30)
<b>Actuarial Assumptions:</b>	
Investment Rate of Return	7.75%
Rate of Salary Increases	3.75%
Post-retirement Benefit Increases	2.0%, simple
Mortality-Healthy Pensioners	RP-2000 Generational Mortality Table
Mortality-Disabled Pensioners	RP-2000 Disabled Mortality Table
Inflation Rate	3.0%

The Transport Employees' Pension Plan engages an independent actuarial firm to perform an annual actuarial valuation. The funded status of the Plan as of January 1, 2012, the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability-	Funded Ratio	(Overfunded) Underfunded AAL- UAAL	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/12	\$ 352,553	\$ 442,809	79.6%	\$ 90,256	\$ 55,615	162.3%

## **Note 15 - Employee Retirement Systems and Pension Plans (Continued)**

### **Transit System Program (Continued)**

#### **Funded Status and Actuarial Information - Transit System Program**

The schedules of funding progress, presented as required supplementary information (RSI) immediately following the notes to the financial statements, presents multiyear trend information about whether the actuarial values of the plan assets are increasing or decreasing over time relative to the Actuarial Accrued Liabilities for benefits.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates about the future. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. These calculations reflect long-term perspectives and use techniques that are designed to reduce short-term volatility.

### **Note 16 - Pending Governmental Accounting Standards**

GASB Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements, will be effective for the County beginning the year ending December 31, 2012. This statement addresses issues related to service concession arrangements (SCA's), which are a type of public-private or public-public partnership. The standard addresses SCAs in which there is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility) in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. The statement also includes required disclosures about the SCAs.

GASB Statement No. 61, The Financial Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and No. 34, will be effective for the County beginning the year ending December 31, 2013. This statement modifies certain requirements for inclusion of component units, amends criteria for blending, and clarifies the reporting of equity interests in legally separate entities.

## **Note 16 - Pending Governmental Accounting Standards (continued)**

GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA pronouncements, will be effective for the County beginning the year ending December 31, 2012. This statement incorporates into GASB's authoritative literature certain accounting and financial reporting guidance included in Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants (AICPA) Committee on Accounting Procedure, which do not conflict with or contradict GASB pronouncements.

GASB State No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position, will be effective for the County beginning they year ending December 31, 2012. This statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources.

GASB Statement No. 64, Derivative instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53, effective for periods beginning after June 15, 2011, clarifies whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider.

Unless otherwise stated, the County's management has not yet determined the effect these GASB statements will have on the financial statements.



## **REQUIRED SUPPLEMENTARY INFORMATION**

### **Schedules of Funding Progress and Employer Contributions**

#### **Employee's Retirement System**

##### **Retirement System**

Substantially all full-time employees of the County are participants in the Employees' Retirement System of the County of Milwaukee (Retirement System), which is a single-employer defined benefit pension plan that is non-contributory.

##### **OBRA**

The County established the OBRA 1990 Retirement System of the County of Milwaukee to cover seasonal and certain temporary employees who are not enrolled in the Retirement System.

##### **Transit System**

The Transport Employees' Pension Plan sponsored by Milwaukee Transport Services Inc., a nonprofit, non-stock corporation, is a single employer contributory defined benefit pension plan. All regular full-time employees of Milwaukee Transport Services Inc. are eligible to participate in the plan.

#### **Other Postemployment Benefits (OPEB)**

##### **Countywide Program**

The County administers single-employer defined benefit healthcare and life insurance plans for retired employees. The plan provides health and life insurance contributions for eligible retirees and their spouses through the County's self-insured health insurance plans and the County's group life insurance plan.

##### **Transit System Program**

Milwaukee Transport Services, Inc provides single-employer defined benefit healthcare and life insurance benefits for retired employees. The retiree healthcare and life insurance benefits are provided pursuant to the general labor agreement between the Transit System and the Amalgamated Transit Union Local 998 and the Office and Professional Employees International Union Local 35.

**County of Milwaukee**  
**Required Supplementary Information**  
**(Unaudited)**  
**Schedule of Funding Progress - Pension Plan**  
(in Thousands of Dollars)

	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability- AAL (b)	Funded Ratio (a/b)	(Overfunded) Unfunded AAL- UAAL* (b-a)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll** (b-a)/c
<b>Retirement System</b>							
	1/1/12	\$ 1,836,543	\$ 2,059,554	89.17%	\$ 223,011	\$ 190,748	116.91%
	1/1/11	1,929,428	2,091,927	92.23%	162,499	221,647	73.31%
	1/1/10	1,956,444	2,097,332	93.28%	140,888	237,040	59.44%
	1/1/09*	1,968,518	2,057,377	95.68%	88,859	233,820	38.00%
	1/1/08	1,627,288	2,024,923	80.36%	397,635	227,364	174.89%
	1/1/07	1,525,532	1,931,220	78.99%	405,688	223,005	181.92%
	1/1/06	1,454,302	1,909,321	76.17%	455,019	225,722	201.58%
	1/1/05	1,424,918	1,782,884	79.90%	357,966	209,796	170.60%
	1/1/04	1,446,726	1,707,999	84.70%	261,273	233,478	111.90%
	1/1/03	1,446,860	1,542,045	93.80%	95,185	234,679	40.60%
<b>OBRA</b>							
	1/1/12	\$ 1,235	\$ 2,444	50.54%	\$ 1,209	\$ 8,936	13.53%
	1/1/11	1,402	5,520	25.40%	4,117	8,936	46.07%
	1/1/10	1,039	5,069	20.50%	4,030	6,901	58.40%
	1/1/09	860	4,452	19.32%	3,592	8,498	42.27%
	1/1/08	1,355	4,077	33.24%	2,722	8,284	32.86%
	1/1/07	1,261	3,843	32.80%	2,582	7,057	36.60%
	1/1/06	1,090	3,530	30.90%	2,440	8,353	29.20%
	1/1/05	944	2,872	32.90%	1,928	8,406	22.90%
	1/1/04	790	2,535	31.15%	1,745	8,397	20.80%
	1/1/03	674	2,049	32.90%	1,376	8,596	16.00%

\* In order to facilitate long-term planning, the pension board for the Retirement System requested the actuary to include the \$397,797 in pension obligation bond proceeds received in April 2009 in its determination of the plan's funded status as of January 1, 2009.

Note: Analysis of the dollar amounts of plan assets, actuarial accrued liability (AAL), and unfunded (overfunded) actuarial accrued liability (UAAL) in isolation can be misleading. Expressing plan net assets as a percentage of the AAL provides one indication of the Retirement System's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the Retirement System. Trends in the AAL and annual covered payroll are both affected by inflation. Expressing the UAAL as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids the analysis of the Retirement System's progress in accumulating sufficient assets to pay benefits when due. Generally, the lower this percentage is, the stronger the Retirement System.

**County of Milwaukee**  
**Required Supplementary Information**  
**(Unaudited)**  
**Schedule of Employer Contributions - Pension Plan**  
**For the Year Ended December 31,**  
(In Thousands of Dollars)

<u>Retirement System</u>	<u>Fiscal Year</u>	Annual Required Contribution (ARC)	<u>Contribution</u>	Percentage of ARC <u>Contributed</u>
	2011	\$ 29,621	\$ 31,589	106.64%
	2010	29,529	32,894	111.40%
	2009	30,356	457,789	1508.07%
	2008	53,064	34,841	65.66%
	2007	52,395	49,289	94.07%
	2006	52,638	27,435	52.12%
	2005	37,438	35,415	94.60%
	2004	33,248	35,249	106.02%
	2003	23,131	33,981	146.91%
	2002	7,536	2,580	34.24%
 <u>OBRA</u>				
	2011	\$ 807	\$ 2,022	250.56%
	2010	716	786	109.78%
	2009	661	661	100.00%
	2008	558	522	93.55%
	2007	486	529	108.85%
	2006	499	462	92.59%
	2005	386	365	94.56%
	2004	338	348	102.96%
	2003	280	280	100.00%
	2002	275	275	100.00%

**County of Milwaukee**  
**Required Supplementary Information**  
**(Unaudited)**  
**Schedule of Funding Progress - OPEB**  
(in Thousands of Dollars)

	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability-	Funded Ratio	(Overfunded) Underfunded AAL- UAAL	Covered Payroll	UAAL as a Percentage of Covered Payroll
<u>County-wide Program</u>							
	1/1/2010	\$ -	\$ 1,465,159	0.0%	\$ 1,465,159	\$ 97,620	1500.9%
	1/1/2008	-	1,546,458	0.0%	1,546,458	118,977	1299.8%
	1/1/2006	-	1,313,632	0.0%	1,313,632	99,327	1322.5%
<u>Transit System Program</u>							
	1/1/2012	\$ 34,603	\$ 245,991	14.1%	\$ 211,388	\$ 46,695	452.7%
	1/1/2011	24,840	243,077	10.2%	218,237	50,958	428.3%
	1/1/2010	19,676	209,963	9.4%	190,287	57,356	331.8%
	1/1/2009	12,678	201,686	6.3%	189,008	63,921	295.7%

**County of Milwaukee**  
**Required Supplementary Information**  
**(Unaudited)**  
**Schedule of Employer Contributions - OPEB**  
**For the Year Ended December 31,**  
(In Thousands of Dollars)

	<u>Fiscal Year</u>	<u>Annual Required Contribution</u>	<u>Net Employer Contribution</u>	<u>Employer Percentage Contributed</u>
<u>County-Wide Program</u>				
	2011	\$ 118,812	\$ 58,222	49.0%
	2010	118,812	65,190	54.9%
	2009	130,752	60,951	46.6%

	<u>Fiscal Year</u>	<u>Annual Required Contribution</u>	<u>Net Employer Contribution</u>	<u>Employer Percentage Contributed</u>
<u>Transit System Program</u>				
	2011	\$ 18,924	\$ 19,939	105.4%
	2010	18,622	14,804	79.5%
	2009	17,034	13,407	78.7%

**County of Milwaukee**  
**Required Supplementary Information**  
**(Unaudited)**  
**Schedule of Funding Progress - Transit Pension Plan**  
(in Thousands of Dollars)

<u>Actuarial</u> <u>Valuation</u> <u>Date</u>	<u>Actuarial</u> <u>Value of</u> <u>Assets</u>	<u>Actuarial</u> <u>Accrued</u> <u>Liability-</u>	<u>Funded</u> <u>Ratio</u>	(Overfunded) Underfunded	<u>AAL-</u> <u>UAAL</u>	<u>Covered</u> <u>Payroll</u>	<u>UAAAL as a</u> <u>Percentage</u> <u>of Covered</u> <u>Payroll</u>
<u>Transit System</u>							
1/1/12	\$ 352,553	\$ 442,809	79.6%	\$	90,256	\$ 55,615	162.3%
1/1/11	352,396	410,915	85.8%		58,519	57,300	102.1%
1/1/10	318,883	378,311	84.3%		59,427	60,000	99.0%
1/1/09	321,519	384,833	83.5%		63,314	61,000	103.8%
1/1/08	351,688	375,684	93.6%		23,995	62,000	38.7%
1/1/07	327,134	354,337	92.3%		27,203	62,000	43.9%
1/1/06	308,489	334,648	92.2%		26,159	63,750	41.0%
1/1/05	293,281	312,184	93.9%		18,802	63,350	29.7%
1/1/04	254,519	284,683	89.4%		30,164	64,500	46.8%
1/1/03	242,635	269,635	90.0%		27,000	64,700	41.7%

**County of Milwaukee  
Required Supplementary Information  
(Unaudited)**

**Schedule of Employer Contributions - Transit Pension Plan  
For the Year Ended December 31,  
(In Thousands of Dollars)**

<u>Transit System</u>	<u>Fiscal Year</u>	Annual Required Contribution (ARC)	<u>Contribution</u>	Percentage of ARC <u>Contributed</u>
	2011	\$ 9,867	\$ 9,867	100.00%
	2010	9,939	9,939	100.00%
	2009	9,190	9,190	100.00%
	2008	7,243	7,243	100.00%
	2007	7,429	7,429	100.00%
	2006	7,251	7,251	100.00%
	2005	7,316	7,316	100.00%
	2004	7,391	7,391	100.00%
	2003	6,555	6,555	100.00%
	2002	5,134	5,134	100.00%

## **SUPPLEMENTARY INFORMATION**

### **Combining and Individual Fund Financial Statements and Schedules**



## **BUDGETARY COMPARISON SCHEDULES**

COUNTY OF MILWAUKEE  
 Statement of Revenues, Expenditures and  
 Changes in Fund Balances-Budget and Actual  
 (Non-GAAP Budgetary Basis)  
 General Fund  
 For the Year Ended December 31, 2011  
 (In Thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ 281,048	\$ 297,079	\$ 279,289	\$ (17,790)
Property Taxes	272,538	272,538	273,297	759
Sales Taxes	64,426	64,426	63,968	(458)
Charges for Services	373,863	392,322	391,496	(826)
Fines and Forfeits	3,447	3,447	2,932	(515)
Licenses and Permits	547	547	453	(94)
Investment Income and Rents	9,789	9,789	9,545	(244)
Other	45,006	46,414	41,201	(5,213)
Total Revenues	<u>1,050,664</u>	<u>1,086,562</u>	<u>1,062,181</u>	<u>(24,381)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
County Board	6,313	6,295	5,839	456
Department of Audit	2,528	2,508	2,443	65
Veterans Service	348	332	284	48
Community Development Business Partners	944	1,100	900	200
Procurement	676	690	666	24
Employee Benefits	2,653	2,572	2,168	404
Labor Relations	487	506	447	59
Office for Persons with Disabilities	853	1,012	1,001	11
County Executive	1,110	1,103	1,008	95
Civil Service Commission	40	40	50	(10)
Personnel Review Board	220	217	196	21
Corporation Counsel	1,581	1,551	1,430	121
Department of Human Resources	1,923	1,798	1,557	241
Department of Administrative Services	4,110	4,087	3,866	221
Other Executive and Staff	2,044	3,061	1,478	1,583
Legislative, Executive and Staff	<u>25,830</u>	<u>26,872</u>	<u>23,333</u>	<u>3,539</u>
County-funded State Court Services	33,880	34,118	32,771	1,347
Child Support Enforcement	19,646	19,641	18,084	1,557
Alternatives to Incarceration	4,587	5,157	4,717	440
Courts and Judiciary	<u>58,113</u>	<u>58,916</u>	<u>55,572</u>	<u>3,344</u>
Election Commission	611	827	828	(1)
County Treasurer	1,586	1,572	1,134	438
County Clerk	741	734	705	29
Register of Deeds	4,626	4,680	4,581	99
General Governmental Services	<u>7,564</u>	<u>7,813</u>	<u>7,248</u>	<u>565</u>
Sheriff	145,354	150,034	146,333	3,701
District Attorney	17,887	17,976	17,114	862
Medical Examiner	4,348	4,444	4,382	62
Public Safety	<u>167,589</u>	<u>172,454</u>	<u>167,829</u>	<u>4,625</u>

COUNTY OF MILWAUKEE  
 Statement of Revenues, Expenditures and  
 Changes in Fund Balances-Budget and Actual  
 (Non-GAAP Budgetary Basis)  
 General Fund  
 For the Year Ended December 31, 2011  
 (In Thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget
Highway Maintenance	\$ 13,844	\$ 14,310	\$ 14,245	\$ 65
Fleet / Facilities Services	29,402	33,821	30,833	2,988
Administration	1,911	2,009	1,615	394
Public Works and Highways	<u>45,157</u>	<u>50,140</u>	<u>46,693</u>	<u>3,447</u>
Department on Aging	18,508	18,689	17,794	895
Family Care	263,565	277,158	273,644	3,514
DHHS - Behavioral Health Division	186,758	194,511	193,358	1,153
Department of Human Services	<u>130,984</u>	<u>137,844</u>	<u>116,679</u>	<u>21,165</u>
Human Services	<u>599,815</u>	<u>628,202</u>	<u>601,475</u>	<u>26,727</u>
Department of Parks	40,063	40,453	37,721	2,732
Zoological Department	24,193	24,443	22,105	2,338
UW Extension Service	250	254	241	13
Other Cultural Organizations	<u>697</u>	<u>719</u>	<u>754</u>	<u>(35)</u>
Parks, Recreation and Culture	<u>65,203</u>	<u>65,869</u>	<u>60,821</u>	<u>5,048</u>
Total Expenditures	<u>\$ 969,271</u>	<u>\$ 1,010,266</u>	<u>\$ 962,971</u>	<u>\$ 47,295</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>81,393</u>	<u>76,296</u>	<u>99,210</u>	<u>22,914</u>
Other Financing Sources (Uses):				
Transfers In	-	-	7,816	7,816
Transfers Out	(79,006)	(73,909)	(82,061)	(8,152)
Transfers To Component Units	<u>(6,531)</u>	<u>(6,531)</u>	<u>(6,531)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(85,537)</u>	<u>(80,440)</u>	<u>(80,776)</u>	<u>(336)</u>
Net Change in Fund Balance	(4,144)	(4,144)	18,434	22,578
Fund Balances -- Beginning	<u>45,175</u>	<u>45,175</u>	<u>45,175</u>	<u>-</u>
Fund Balances -- Ending	<u>\$ 41,031</u>	<u>\$ 41,031</u>	<u>\$ 63,609</u>	<u>\$ 22,578</u>

COUNTY OF MILWAUKEE  
 Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual  
 (Non-GAAP Budgetary Basis)  
 Debt Service Fund  
 For the Year Ended December 31, 2011  
 (In Thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Intergovernmental Revenue	\$ -	\$ -	\$ 1,945	\$ 1,945
Other	14,658	14,658	11,354	(3,304)
Total Revenues	<u>14,658</u>	<u>14,658</u>	<u>13,299</u>	<u>(1,359)</u>
Expenditures:				
Debt Service:				
Principal Retirement	61,626	61,626	61,626	-
Interest and Other Charges	34,925	34,925	36,894	(1,969)
Total Expenditures	<u>96,551</u>	<u>96,551</u>	<u>98,520</u>	<u>(1,969)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(81,893)</u>	<u>(81,893)</u>	<u>(85,221)</u>	<u>(3,328)</u>
Other Financing Sources (Uses):				
General Obligation Bonds Issued	-	-	31,757	31,757
Premium on Debt Issued	-	-	4,176	4,176
Payment to Refunded Bond Escrow Agent	-	-	(35,756)	(35,756)
Transfers In	75,999	75,999	89,289	13,290
Total Other Financing Sources (Uses)	<u>75,999</u>	<u>75,999</u>	<u>89,466</u>	<u>13,467</u>
Net Change in Fund Balance	(5,894)	(5,894)	4,245	10,139
Fund Balances - Beginning	7,332	7,332	7,332	-
Fund Balances - Ending	<u>\$ 1,438</u>	<u>\$ 1,438</u>	<u>\$ 11,577</u>	<u>\$ 10,139</u>

COUNTY OF MILWAUKEE  
 Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual  
 (Non-GAAP Budgetary Basis)  
 Capital Projects Fund  
 For the Year Ended December 31, 2011  
 (In Thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ 41	\$ 33,623	\$ 37,542	\$ 3,919
Sales Tax	380	1,946	380	(1,566)
Investment Income and Rents	-	191	800	609
Other	6,874	925	347	(578)
Total Revenues	<u>7,295</u>	<u>36,685</u>	<u>39,069</u>	<u>2,384</u>
<b>Expenditures:</b>				
Capital Outlay	12,343	122,637	117,939	4,698
Total Expenditures	<u>12,343</u>	<u>122,637</u>	<u>117,939</u>	<u>4,698</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,048)</u>	<u>(85,952)</u>	<u>(78,870)</u>	<u>7,082</u>
<b>Other Financing Sources (Uses):</b>				
General Obligation Bonds Issued	5,008	8,865	-	(8,865)
Transfers In	40	-	6,956	6,956
Transfers Out	-	-	(3,820)	(3,820)
Total Other Financing Sources (Uses)	<u>5,048</u>	<u>8,865</u>	<u>3,136</u>	<u>(5,729)</u>
Net Change in Fund Balance	-	(77,087)	(75,734)	1,353
Fund Balances - Beginning	98,216	98,216	98,216	-
Fund Balances - Ending	<u>\$ 98,216</u>	<u>\$ 21,129</u>	<u>\$ 22,482</u>	<u>\$ 1,353</u>

COUNTY OF MILWAUKEE  
 Schedule of Revenues, Expenses and Changes in Fund Net Assets-Budget and Actual  
 (Non-GAAP Budgetary Basis)  
 Airports Enterprise Fund  
 For the Year Ended December 31, 2011  
 (In Thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget
Operating Revenues:				
Rentals and Other Service Fees	\$ 70,450	\$ 75,398	\$ 70,996	\$ (4,402)
Admissions and Concessions	10,108	10,108	16,244	6,136
Total Charges for Services	<u>80,558</u>	<u>85,506</u>	<u>87,240</u>	<u>1,734</u>
Other Revenues	15	15	14	(1)
Total Operating Revenues	<u>80,573</u>	<u>85,521</u>	<u>87,254</u>	<u>1,733</u>
Operating Expenses:				
Personnel Services	24,701	24,577	25,301	(724)
Contractual Services	20,200	22,870	21,543	1,327
Intra-County Services	10,312	10,312	9,977	335
Commodities	4,672	5,906	5,578	328
Depreciation and Amortization	15,045	15,045	18,915	(3,870)
Maintenance	767	1,657	2,529	(872)
Other	806	960	183	777
Total Operating Expenses	<u>76,503</u>	<u>81,327</u>	<u>84,026</u>	<u>(2,699)</u>
Operating Income (Loss)	<u>4,070</u>	<u>4,194</u>	<u>3,228</u>	<u>(966)</u>
Nonoperating Revenues (Expenses):				
Intergovernmental Revenues	75	75	159	84
Investment Income	1,050	1,050	313	(737)
Interest Expense	(9,872)	(9,872)	(10,194)	(322)
Total Nonoperating Revenues (Expenses)	<u>(8,747)</u>	<u>(8,747)</u>	<u>(9,722)</u>	<u>(975)</u>
Income (Loss) Before Transfers	(4,677)	(4,553)	(6,494)	(1,941)
Add Depreciation on Capital Assets				
Acquired by Capital Grants that Reduces Contributed Capital From Capital Grants	4,677	4,677	35,767	31,090
Transfers Out	-	(124)	(2,150)	(2,026)
Change in Net Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,123</u>	<u>\$ 27,123</u>

COUNTY OF MILWAUKEE  
Schedule of Revenues, Expenses and Changes in Fund Net Assets-Budget and Actual  
(Non-GAAP Budgetary Basis)  
Transit Enterprise Fund  
For the Year Ended December 31, 2011  
(In Thousands)

	Original Budget	Final Budget	Actual	Variance With Final Budget
Operating Revenues:				
Rentals and Other Service Fees	\$ 100	\$ 100	\$ 120	\$ 20
Transit Fares	57,642	57,642	52,403	(5,239)
Total Charges for Services	57,742	57,742	52,523	(5,219)
Other Revenues	5,709	5,709	4,083	(1,626)
Total Operating Revenues	<u>63,451</u>	<u>63,451</u>	<u>56,606</u>	<u>(6,845)</u>
Operating Expenses:				
Personnel Services	115,594	115,594	112,624	2,970
Contractual Services	35,253	35,255	26,513	8,742
Intra-County Services	1,187	1,187	1,304	(117)
Commodities	15,046	15,046	15,875	(829)
Depreciation and Amortization	12,516	12,516	15,108	(2,592)
Maintenance	223	1,185	2,172	(987)
Other	1,049	1,049	2,259	(1,210)
Total Operating Expenses	<u>180,868</u>	<u>181,832</u>	<u>175,855</u>	<u>5,977</u>
Operating Income (Loss)	<u>(117,417)</u>	<u>(118,381)</u>	<u>(119,249)</u>	<u>(868)</u>
Nonoperating Revenues (Expenses):				
Intergovernmental Revenues	91,975	91,975	89,670	(2,305)
Interest Expense	(1,254)	(1,254)	(1,380)	(126)
Total Nonoperating Revenues (Expenses)	<u>90,721</u>	<u>90,721</u>	<u>88,290</u>	<u>(2,431)</u>
Income (Loss) Before Transfers	(26,696)	(27,660)	(30,959)	(3,299)
Add Depreciation on Capital Assets				
Acquired by Capital Grants that Reduces Contributed Capital From Capital Grants	10,727	10,727	15,816	5,089
Transfers In	15,969	16,933	17,926	993
Transfers Out	-	-	(244)	(244)
Change in Net Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,539</u>	<u>\$ 2,539</u>

## **NON-MAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

The Special Revenue Funds are used to account for endowments, bequests and restricted donations, where the principal may be expended in the course of their designated operations. The specific purpose of each Special Revenue Fund is as follows:

**Zoo** - Purchase of animals and maintenance of the miniature passenger railroad.

**Parks** - Enhancement of the Todd Wehr Nature Center and restoration of the Trimborn Farm as a historic park.

**Persons with Disabilities** - Special projects to help free disabled persons from environmental and attitudinal barriers.

**Behavioral Health Division** - Mental health research, patient activities and special events, and compensated absence payouts for BHD retirees.

**Public Works (DTPW)**- Compensated absence payouts for retirees from the Fleet and Facilities divisions.

**Airport PFC (Passenger Facility Charge)** –Federal Aviation Administration (FAA) approved capital projects at the Airport.

**Health and Safety** – Countywide safety training and new employee screenings.



COUNTY OF MILWAUKEE  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 December 31, 2011  
 (In Thousands)

	Special Revenue Funds							Total Nonmajor Governmental Funds
	Zoo	Parks	Persons with Disabilities	Behavioral Health Division	Airport	Health and Safety	DTPW	
<b>ASSETS</b>								
Cash and Investments	\$ 1,053	\$ 1,026	\$ 115	\$ 7,169	\$ -	\$ 136	\$ 5,781	\$ 15,280
Cash and Investments -- Restricted	-	-	-	-	27,199	-	-	27,199
Receivables -- Other	-	1	-	-	-	-	-	1
Total Assets	<u>\$ 1,053</u>	<u>\$ 1,027</u>	<u>\$ 115</u>	<u>\$ 7,169</u>	<u>\$ 27,199</u>	<u>\$ 136</u>	<u>\$ 5,781</u>	<u>\$ 42,480</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts Payable	\$ 179	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 179
Total Liabilities	<u>179</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>179</u>
Fund Balances:								
Restricted	874	1,027	115	7,169	27,199	136	5,781	42,301
Total Fund Balances	<u>874</u>	<u>1,027</u>	<u>115</u>	<u>7,169</u>	<u>27,199</u>	<u>136</u>	<u>5,781</u>	<u>42,301</u>
Total Liabilities and Fund Balances	<u>\$ 1,053</u>	<u>\$ 1,027</u>	<u>\$ 115</u>	<u>\$ 7,169</u>	<u>\$ 27,199</u>	<u>\$ 136</u>	<u>\$ 5,781</u>	<u>\$ 42,480</u>

COUNTY OF MILWAUKEE  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2011  
(In Thousands)

	Special Revenue Funds						Total Nonmajor Governmental Funds	
	Zoo	Parks	Persons with Disabilities	Behavioral Health Division	Airport	Health and Safety		DTPW
Revenues:								
Charges for Services	\$ 645	\$ 45	\$ -	\$ -	\$ 12,952	\$ -	\$ -	\$ 13,642
Investment Income and Rents	21	-	-	-	364	-	-	385
Other	192	52	-	1	-	-	-	245
Total Revenues	<u>858</u>	<u>97</u>	<u>-</u>	<u>1</u>	<u>13,316</u>	<u>-</u>	<u>-</u>	<u>14,272</u>
Expenditures:								
Current:								
Public Works and Highways	-	-	-	-	13,038	-	402	13,440
Human Services	-	-	6	1,192	-	-	-	1,198
Parks, Recreation and Culture	695	-	-	-	-	-	-	695
Total Expenditures	<u>695</u>	<u>-</u>	<u>6</u>	<u>1,192</u>	<u>13,038</u>	<u>-</u>	<u>402</u>	<u>15,333</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>163</u>	<u>97</u>	<u>(6)</u>	<u>(1,191)</u>	<u>278</u>	<u>-</u>	<u>(402)</u>	<u>(1,061)</u>
Net Changes in Fund Balance	163	97	(6)	(1,191)	278	-	(402)	(1,061)
Fund Balances -- Beginning	711	930	121	8,360	26,921	136	6,183	43,362
Fund Balances -- Ending	<u>\$ 874</u>	<u>\$ 1,027</u>	<u>\$ 115</u>	<u>\$ 7,169</u>	<u>\$ 27,199</u>	<u>\$ 136</u>	<u>\$ 5,781</u>	<u>\$ 42,301</u>

## INTERNAL SERVICE FUNDS

### **Internal Service Funds**

The Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the County, or to other governmental entities, on a cost-reimbursement basis. The specific purpose of each Internal Service Fund is listed below.

**Information Management Services** – This fund is used to account for electronic data processing, graphics and telecommunication services provided to County departments.

**Public Works Services** – This fund is used to account for various services provided to other County departments including:

**Professional Services** – provides engineering, architectural and administrative services.

**Water Utility** – maintains the water distribution system that is located on the Milwaukee County Grounds.

**Risk Management** – This fund accounts for risk financing, loss control and insurance-related activities for the County and its employees.

COUNTY OF MILWAUKEE  
Combining Balance Sheet  
Internal Service Funds  
December 31, 2011  
(In Thousands)

	Information Management Services	Public Works Services	Risk Management	Total
<b><u>Assets</u></b>				
Current Assets:				
Cash and Investments	\$ 7,273	\$ 6,288	\$ 13,277	\$ 26,838
Accounts Receivable (Net of Allowances for Uncollectible Accounts)	1	223	587	811
Due From Other Governments	-	29	-	29
Prepaid Items	131	-	2,007	2,138
Total Current Assets	<u>7,405</u>	<u>6,540</u>	<u>15,871</u>	<u>29,816</u>
Capital Assets:				
Construction in Progress	1,484	-	-	1,484
Land Improvements	-	3,284	-	3,284
Building and Improvements	1,523	2,160	-	3,683
Furniture, Machinery and Equipment	36,700	2,071	7	38,778
Total Capital Assets	<u>39,707</u>	<u>7,515</u>	<u>7</u>	<u>47,229</u>
Less Accumulated Depreciation	<u>(32,672)</u>	<u>(4,928)</u>	<u>(7)</u>	<u>(37,607)</u>
Net Capital Assets	<u>7,035</u>	<u>2,587</u>	<u>-</u>	<u>9,622</u>
Total Assets	<u>\$ 14,440</u>	<u>\$ 9,127</u>	<u>\$ 15,871</u>	<u>\$ 39,438</u>
<b><u>Liabilities</u></b>				
Current Liabilities:				
Accounts Payable	\$ 989	\$ 174	\$ 117	\$ 1,280
Accrued Interest	118	6	-	124
Unearned Revenues	-	1	-	1
Bonds and Notes Payable - General Obligation	1,774	58	-	1,832
Compensated Absences	505	495	47	1,047
Risk Claims	-	-	10,665	10,665
Total Current Liabilities	<u>3,386</u>	<u>734</u>	<u>10,829</u>	<u>14,949</u>
Long-Term Liabilities:				
Bonds and Notes Payable - General Obligation	10,356	1,597	-	11,953
Compensated Absences	538	689	53	1,280
Risk Claims	-	-	4,247	4,247
Other Post Employment Benefits	4,128	3,567	531	8,226
Total Long-Term Liabilities	<u>15,022</u>	<u>5,853</u>	<u>4,831</u>	<u>25,706</u>
Total Liabilities	<u>18,408</u>	<u>6,587</u>	<u>15,660</u>	<u>40,655</u>
<b><u>Net Assets (Liabilities)</u></b>				
Unrestricted	1,127	1,608	211	2,946
Invested in Capital Assets, Net of Related Debt	<u>(5,095)</u>	<u>932</u>	<u>-</u>	<u>(4,163)</u>
Total Net Assets (Liabilities)	<u>(3,968)</u>	<u>2,540</u>	<u>211</u>	<u>(1,217)</u>
Total Liabilities and Net Assets (Liabilities)	<u>\$ 14,440</u>	<u>\$ 9,127</u>	<u>\$ 15,871</u>	<u>\$ 39,438</u>

COUNTY OF MILWAUKEE  
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
Internal Service Funds  
For The Year Ended December 31, 2011  
(In Thousands)

	Information Management Services	Public Works Services	Risk Management	Total
Operating Revenues:				
Charges for Services	\$ 15,885	\$ 10,257	\$ 7,363	\$ 33,505
Other	159	277	127	563
Total Operating Revenues	<u>16,044</u>	<u>10,534</u>	<u>7,490</u>	<u>34,068</u>
Operating Expenses:				
Personnel Services	7,024	5,750	582	13,356
Contractual Services	6,103	1,537	70	7,710
Intra-County Services	247	2,096	124	2,467
Commodities	621	49	2	672
Depreciation and Amortization	1,589	258	1	1,848
Maintenance	-	432	-	432
Insurance and Claims	-	-	7,102	7,102
Total Operating Expenses	<u>15,584</u>	<u>10,122</u>	<u>7,881</u>	<u>33,587</u>
Operating Income (Loss)	<u>460</u>	<u>412</u>	<u>(391)</u>	<u>481</u>
Nonoperating Revenues (Expenses):				
Intergovernmental Revenues	1,096	228	-	1,324
Interest Expense	(572)	(68)	-	(640)
Total Nonoperating Revenues (Expenses)	<u>524</u>	<u>160</u>	<u>-</u>	<u>684</u>
Income (Loss) Before Contributions and Transfers	984	572	(391)	1,165
Capital Contributions	1,472	-	-	1,472
Transfers In	473	228	439	1,140
Transfers Out	(984)	(619)	-	(1,603)
Change in Net Assets	1,945	181	48	2,174
Net Assets (Liabilities) -- Beginning	(5,913)	2,359	163	(3,391)
Net Assets (Liabilities) -- Ending	<u>\$ (3,968)</u>	<u>\$ 2,540</u>	<u>\$ 211</u>	<u>\$ (1,217)</u>

COUNTY OF MILWAUKEE  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended December 31, 2011  
(In Thousands)

	Information Management <u>Services</u>	Public Works <u>Services</u>	Risk Management	<u>Total</u>
Cash Flows Provided (Used) by Operating Activities:				
Receipts from Customers and Users	\$ 126	\$ 5,192	\$ 2,224	\$ 7,542
Receipts from Interfund Services	15,885	5,323	7,574	28,782
Payments to Suppliers	(6,282)	(2,108)	(7,059)	(15,449)
Payments to Employees	(6,504)	(5,469)	(482)	(12,455)
Payments for Interfund Services Used	(347)	(2,096)	-	(2,443)
Net Cash Flows Provided (Used) by Operating Activities	<u>2,878</u>	<u>842</u>	<u>2,257</u>	<u>5,977</u>
Cash Flows Provided (Used) by Noncapital Financing Activities:				
Intergovernmental Revenues	1,096	498	-	1,594
Transfers From Other Funds	473	228	439	1,140
Transfers (To) Other Funds	(984)	(619)	-	(1,603)
Net Cash Flows Provided (Used) by Noncapital Financing Activities	<u>585</u>	<u>107</u>	<u>439</u>	<u>1,131</u>
Cash Flows Provided (Used) by Capital and Related Financing Activities:				
Capital Contributions	1,472	-	-	1,472
Proceeds from Long-Term Debt	83	-	-	83
Principal Payment on Long-Term Debt	(1,887)	(31)	-	(1,918)
Interest Paid on Long-Term Debt	(558)	(67)	-	(625)
Acquisition of Capital Assets	(1,485)	(41)	-	(1,526)
Net Cash Flows Provided (Used) by Capital and Related Financing Activities	<u>(2,375)</u>	<u>(139)</u>	<u>-</u>	<u>(2,514)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,088	810	2,696	4,594
Cash and Cash Equivalents at Beginning of Year	6,185	5,478	10,581	22,244
Cash and Cash Equivalents at End of Year	<u>\$ 7,273</u>	<u>\$ 6,288</u>	<u>\$ 13,277</u>	<u>\$ 26,838</u>

**Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities**

Operating Income (Loss)	<u>\$ 460</u>	<u>\$ 412</u>	<u>\$ (391)</u>	<u>\$ 481</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows Provided (Used) by Operating Activities:				
Depreciation and Amortization	1,589	258	1	1,848
(Increase) Decrease in Assets:				
Accounts Receivable	-	(19)	1,597	1,578
Inventories	-	-	-	-
Prepaid Items	(33)	-	109	76
Increase (Decrease) in Liabilities:				
Accounts Payable	342	(90)	6	258
Accrued Liabilities	(57)	(1)	-	(58)
Risk Claims	-	-	835	835
Other Post Retirement Benefits	724	450	98	1,272
Compensated Absences	(147)	(168)	2	(313)
Total Adjustments	<u>2,418</u>	<u>430</u>	<u>2,648</u>	<u>5,496</u>
Net Cash Flows Provided (Used) by Operating Activities	<u>\$ 2,878</u>	<u>\$ 842</u>	<u>\$ 2,257</u>	<u>\$ 5,977</u>

## **FIDUCIARY FUNDS**

### **Agency Funds**

Agency funds are custodial in nature and are used to account for assets held by the County as an agent for individuals, private organizations, and other governmental units. Significant Agency Funds consist of Civil Court-ordered family support payments.

COUNTY OF MILWAUKEE  
Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Year Ended December 31, 2011  
(In Thousands)

	<u>January 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>December 31, 2011</u>
<b><u>CIVIL COURT ORDERED AGENCY FUND FOR FAMILY SUPPORT/PAYMENTS</u></b>				
Cash and Investments	\$ 28,716	\$ 61,088	\$ 72,356	\$ 17,448
<b>Total Assets</b>	<u>\$ 28,716</u>	<u>\$ 61,088</u>	<u>\$ 72,356</u>	<u>\$ 17,448</u>
Agency Deposits	\$ 28,716	\$ 50,755	\$ 62,023	\$ 17,448
<b>Total Liabilities</b>	<u>\$ 28,716</u>	<u>\$ 50,755</u>	<u>\$ 62,023</u>	<u>\$ 17,448</u>
<b><u>OTHER AGENCY FUNDS</u></b>				
Cash and Investments	\$ 4,494	\$ 127,923	\$ 125,829	\$ 6,588
Other Receivables	1,218	32,169	33,387	-
<b>Total Assets</b>	<u>\$ 5,712</u>	<u>\$ 160,092</u>	<u>\$ 159,216</u>	<u>\$ 6,588</u>
Accounts Payable	\$ 327	\$ 4,885	\$ 5,004	\$ 208
Agency Deposits	5,384	38,926	37,930	6,380
<b>Total Liabilities</b>	<u>\$ 5,711</u>	<u>\$ 43,811</u>	<u>\$ 42,934</u>	<u>\$ 6,588</u>
<b><u>SUMMARY</u></b>				
Cash and Investments	\$ 33,210	\$ 189,011	\$ 198,185	\$ 24,036
Other Receivables	1,218	32,169	33,387	-
<b>Total Assets</b>	<u>\$ 34,428</u>	<u>\$ 221,180</u>	<u>\$ 231,572</u>	<u>\$ 24,036</u>
Accounts Payable	\$ 327	\$ 4,885	\$ 5,004	\$ 208
Agency Deposits	34,100	89,681	99,953	23,828
<b>Total Liabilities</b>	<u>\$ 34,427</u>	<u>\$ 94,566</u>	<u>\$ 104,957</u>	<u>\$ 24,036</u>



## **OTHER SUPPLEMENTARY INFORMATION**

### **Milwaukee County Family Care Financial Statements**

COUNTY OF MILWAUKEE  
 Statements of Net Assets  
 Milwaukee County Family Care  
 December 31, 2011  
 With Comparative Amounts for December 31, 2010  
 (In Thousands)

	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Cash	\$ 34,036	\$ 102,094
Restricted Cash	11,432	11,432
Due from State - Prior Year Capitation	5,198	7,488
Member Receivable - Cost Share/Room & Board	1,742	2,257
Allowance for Member Receivable	(890)	(1,512)
Provider Receivable - Audits	322	405
Deposit Solvency Insurance	750	750
Security deposits	6	9
Inventory - Taxi Tickets	52	8
Accounts Receivable - Other	23	74
Advances to Third-Party Claims Administrator	11	
<b>Total Assets</b>	<u>\$ 52,682</u>	<u>\$ 123,005</u>
<b>Liabilities</b>		
Accounts Payable	\$ 1,364	\$ 2,608
Accrued Payroll	175	
Accrued Vacation/Sick Leave Liability	747	936
Member Cost - Incurred but not Reported	24,146	24,254
Due to State - Unearned Capitation	1,159	658
Deferred Capitation Revenue	-	79,134
<b>Total Liabilities</b>	<u>27,591</u>	<u>107,590</u>
<b>Net Assets</b>		
<b>Restricted For:</b>		
Working Capital Reserve	7,824	7,824
Restricted Reserve	3,608	3,608
Solvency & Risk Reserve	750	750
<b>Unrestricted - Designated For</b>		
Surplus Reserve	12,552	2,694
Capital Carryover Reserve	357	539
<b>Total Net Assets</b>	<u>25,091</u>	<u>15,415</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 52,682</u>	<u>\$ 123,005</u>

**COUNTY OF MILWAUKEE**  
**Statements of Revenues, Expenses and Changes in Net Assets**  
**Milwaukee County Family Care**  
**For the Year Ended December 31, 2011**  
**With Comparative Amounts for Year Ended December 31, 2010**  
**(In Thousands)**

	<u>2011</u>	<u>2010</u>
Operating Revenues:		
State/Fed Capitated Member Payment	\$ 253,367	\$ 236,364
Member Cost Share/ Room & Board	29,495	27,981
State Grants	28	50
Other Revenues	430	367
Total Operating Revenues	<u>283,320</u>	<u>264,762</u>
Operating Expenses:		
Direct - Member Service Costs	260,875	243,974
Indirect - Salaries and Fringe Benefits	6,823	7,185
Indirect - Outside Services	4,529	4,533
Indirect - Commodities and Supplies	205	233
Indirect - Inter-Dept Service Charges	1,212	3,890
Total Operating Expenses	<u>273,644</u>	<u>259,815</u>
Change in Net Assets	9,676	4,947
Net Assets -- Beginning	15,415	10,468
Net Assets -- Ending	<u>\$ 25,091</u>	<u>\$ 15,415</u>

COUNTY OF MILWAUKEE  
 Statements of Cash Flows  
 Milwaukee County Family Care  
 For the Year Ended December 31, 2011  
 With Comparative Amounts for Year Ended December 31, 2010  
 (In Thousands)

	<u>2011</u>	<u>2010</u>
Cash Flows Provided (Used) by Operating Activities:		
Receipts from Customers and Users	\$ 206,503	\$ 338,398
Receipts from Interfund Services	-	-
Payments to Suppliers	(266,337)	(240,848)
Payments to Employees	(7,012)	(6,670)
Payments for Interfund Services Used	(1,212)	(3,890)
Net Cash Flows Provided (Used) by Operating Activities	<u>(68,058)</u>	<u>86,990</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(68,058)	86,990
Cash and Cash Equivalents at Beginning of Year	<u>113,526</u>	<u>26,536</u>
Cash and Cash Equivalents at End of Year	<u>\$ 45,468</u>	<u>\$ 113,526</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>\$ -</u>	<u>\$ -</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>		
Operating Income	<u>\$ 9,676</u>	<u>\$ 4,947</u>
Adjustments to Reconcile Operating Income to Net Cash Flows Provided (Used) by Operating Activities:		
(Increase) Decrease in Assets:		
Due from State - Prior Year Capitation	2,290	(5,858)
Member Receivable - Cost Share/Room & Board	515	38
Allowance for Member Receivable	(622)	99
Provider Receivable - Audits	83	189
Deposit Solvency Insurance	-	(750)
Security deposits	3	6
Inventory - Taxi Tickets	(44)	1
Accounts Receivable - Other	51	35
Advances to Third-Party Claims Administrator	(11)	-
Increase (Decrease) in Liabilities:		
Accounts Payable	(1,244)	118
Accrued Payroll	175	-
Accrued Vacation/Sick Leave Liability	(189)	515
Member Cost - Incurred but not Reported	(108)	8,445
Due to State - Unearned Capitation	501	72
Deferred Capitation Revenue	(79,134)	79,133
Total Adjustments	<u>(77,734)</u>	<u>82,043</u>
Net Cash Flows Provided (Used) by Operating Activities	<u>\$ (68,058)</u>	<u>\$ 86,990</u>

**STATISTICAL SECTION (UNAUDITED)**

## **STATISTICAL SECTION (UNAUDITED)**

The information in this section is not covered by the Independent Auditor's report, but is presented as supplemental data for the benefit of the readers of the comprehensive financial report.

### **Financial Trends**

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

### **Revenue Capacity**

These schedules contain information to help the reader assess the County's most significant local revenue sources, property tax.

### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

### **Operating Information**

These schedules contain service and capital asset data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB 34 in 2002; schedules presenting government-wide information include information beginning in that year.

**County of Milwaukee, Wisconsin**  
**Net Assets by Component**  
**Last Ten Years Ended December 31,**  
**(In Thousands)**

	<u>2011</u>	<u>2010</u>	<u>2009*</u>	<u>2008</u>	<u>2007**</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b><u>Governmental Activities:</u></b>										
Invested in Capital Assets, Net of Related Debt	\$ 293,406	\$ 269,272	\$ 198,007	\$ 222,474	\$ 207,437	\$ 215,539	\$ 239,957	\$ 252,316	\$ 251,485	\$ 213,207
Restricted For:										
Debt	11,577	7,332	6,220	10,757	6,071	3,594	2,415	8,130	6,862	19,116
Commitments	19,068	-	-	-	-	-	-	-	-	-
Department of Family Care	25,092	12,182	10,012	6,142	5,779	-	-	-	-	-
Delinquent Property Tax	14,826	-	-	-	-	-	-	-	-	-
Airport - PFC and Debt	27,199	26,921	22,179	34,082	32,603	34,128	34,155	-	-	-
Behavioral Health Division	7,169	8,360	8,978	9,344	9,671	-	-	-	-	-
Fleet and Facilities Divisions	5,781	6,183	6,499	-	-	-	-	-	-	-
Other	10,918	1,898	1,909	2,021	1,676	1,872	1,845	-	-	-
Unrestricted	(241,327)	(193,380)	(122,177)	(151,947)	(77,848)	(16,122)	(44,305)	(30,190)	(20,064)	240
<b>Subtotal Governmental Activities Net Assets</b>	<b>173,709</b>	<b>138,768</b>	<b>131,627</b>	<b>132,873</b>	<b>185,389</b>	<b>239,011</b>	<b>234,067</b>	<b>230,256</b>	<b>238,283</b>	<b>232,563</b>
<b><u>Business-type Activities:</u></b>										
Invested in Capital Assets, Net of Related Debt	242,984	206,417	178,590	177,253	182,931	194,022	174,016	206,060	196,792	197,495
Restricted For:										
Debt	15,161	14,836	14,253	14,000	13,049	12,061	10,328	9,505	8,190	8,194
Capital Asset Needs	8,039	5,057	5,113	5,115	5,121	4,120	3,414	-	-	-
Other	-	-	-	-	-	-	-	3,899	5,854	5,854
Unrestricted	5,104	9,924	5,256	2,777	2,496	5,424	25,999	3,268	2,831	-
<b>Subtotal Business-type Activities Net Assets</b>	<b>271,288</b>	<b>236,234</b>	<b>203,212</b>	<b>199,145</b>	<b>203,597</b>	<b>215,627</b>	<b>213,757</b>	<b>222,732</b>	<b>213,667</b>	<b>211,543</b>

**County of Milwaukee, Wisconsin  
Net Assets by Component  
Last Ten Years Ended December 31,  
(In Thousands)**

	<u>2011</u>	<u>2010</u>	<u>2009*</u>	<u>2008</u>	<u>2007**</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Primary Government :</b>										
Invested in Capital Assets, Net of Related Debt	536,390	475,689	376,597	399,727	390,368	409,561	413,973	458,376	448,277	410,702
Restricted For:										
Debt	26,738	22,168	20,473	24,757	19,120	15,655	12,743	17,635	15,052	27,310
Commitments	19,068	-	-	-	-	-	-	-	-	-
Department of Family Care	25,092	12,182	10,012	6,142	5,779	-	-	-	-	-
Delinquent Property Tax	14,826	-	-	-	-	-	-	-	-	-
Airport - PFC and Debt	27,199	26,921	22,179	34,082	32,603	34,128	34,155	-	-	-
Behavioral Health Division	7,169	8,360	8,978	9,344	9,671	-	-	-	-	-
Fleet and Facilities Divisions	5,781	6,183	6,499	-	-	-	-	-	-	-
Capital Asset Needs	8,039	5,057	5,113	5,115	5,121	4,120	3,414	-	-	-
Other	10,918	1,898	1,909	2,021	1,676	1,872	1,845	3,899	5,854	5,854
Unrestricted	(236,223)	(183,456)	(116,921)	(149,170)	(75,352)	(10,698)	(18,306)	(26,922)	(17,233)	240
<b>Total Primary Government Activities Net Assets</b>	<b>\$ 444,997</b>	<b>\$ 375,002</b>	<b>\$ 334,839</b>	<b>\$ 332,018</b>	<b>\$ 388,986</b>	<b>\$ 454,638</b>	<b>\$ 447,824</b>	<b>\$ 452,988</b>	<b>\$ 451,950</b>	<b>\$ 444,106</b>

**Notes:**

(1) Accounting standards require that net assets be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. Net assets are considered restricted when externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

\*In 2009, the County began reporting the activities of its Fleet and Facilities Divisions as part of the General Fund. Prior to 2009, they had been reported as part of the internal service funds.

\*\*In 2007, the County began reporting the activities of its Behavioral Health Division (BHD) as part of the General Fund. Prior to 2007, it had been reported as a separate proprietary fund.

Source: County of Milwaukee, Wisconsin Comprehensive Annual Financial Reports



**County of Milwaukee, Wisconsin**  
**Changes in Net Assets**  
**Last Ten Years Ended December 31,**  
**(Accrual Basis of Accounting)**  
**(In Thousands)**

	<u>2011</u>	<u>2010</u>	<u>2009*</u>	<u>2008</u>	<u>2007**</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Expenses (by Function):</b>										
<b><u>Governmental Activities:</u></b>										
Legislative, Executive and Staff	\$ 51,886	\$ 51,340	\$ 52,144	\$ 54,395	\$ 70,318	\$ 65,242	\$ 70,546	\$ 65,142	\$ 56,569	\$ 60,416
Courts and Judiciary	53,132	57,121	63,839	67,435	64,486	58,432	56,517	54,715	52,427	49,860
General Governmental Services	6,668	4,077	7,991	8,912	8,545	9,884	8,152	8,992	8,426	8,246
Public Safety	162,316	164,447	148,192	180,186	178,063	146,410	138,885	136,896	128,134	115,415
Public Works and Highways	89,559	66,641	93,756	81,522	80,433	64,445	88,133	82,543	77,079	79,991
Human Services	597,078	616,717	648,296	675,169	637,120	398,245	363,558	345,251	320,705	281,934
Parks, Recreation and Culture	79,709	77,221	83,520	85,321	81,779	72,361	69,150	69,861	70,609	72,174
Other	-	-	-	-	6,996	14,587	19,222	9,086	15,812	20,081
Interest on Long-term Debt	29,448	39,472	35,361	16,351	15,964	16,520	17,497	17,502	20,279	17,752
<b>Total Governmental Activities Expenses</b>	<u>1,069,796</u>	<u>1,077,036</u>	<u>1,133,099</u>	<u>1,169,291</u>	<u>1,143,704</u>	<u>846,126</u>	<u>831,660</u>	<u>789,988</u>	<u>750,040</u>	<u>705,869</u>
<b><u>Business-type Activities:</u></b>										
Airport	90,183	82,692	74,305	77,432	68,401	64,254	58,894	54,720	51,949	42,333
DHHS - Behavioral Health	-	-	-	-	-	171,064	157,233	147,055	137,908	134,958
Transit	175,880	174,960	178,208	174,725	169,557	163,619	157,623	154,003	148,710	144,946
<b>Total Business-type Activities Expenses</b>	<u>266,063</u>	<u>257,652</u>	<u>252,513</u>	<u>252,157</u>	<u>237,958</u>	<u>398,937</u>	<u>373,750</u>	<u>355,778</u>	<u>338,567</u>	<u>322,237</u>
<b>Total Primary Government Expenses</b>	<u>1,335,859</u>	<u>1,334,688</u>	<u>1,385,612</u>	<u>1,421,448</u>	<u>1,381,662</u>	<u>1,245,063</u>	<u>1,205,410</u>	<u>1,145,766</u>	<u>1,088,607</u>	<u>1,028,106</u>

**County of Milwaukee, Wisconsin**  
**Changes in Net Assets**  
**Last Ten Years Ended December 31,**  
**(Accrual Basis of Accounting)**  
**(In Thousands)**

	<u>2011</u>	<u>2010</u>	<u>2009*</u>	<u>2008</u>	<u>2007**</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b><u>Program Revenues (by Function):</u></b>										
<b><u>Governmental Activities:</u></b>										
Charges for Services:										
Legislative, Executive and Staff	\$ 198	\$ 1,786	\$ 5,811	\$ 4,806	\$ 10,153	\$ 8,839	\$ 10,494	\$ 10,397	\$ 7,777	\$ 2,870
Courts and Judiciary	4,431	4,622	4,758	6,209	4,854	3,597	3,527	3,574	3,176	4,343
General Governmental Services	4,571	4,243	4,782	5,181	5,785	6,314	7,144	6,132	6,922	5,737
Public Safety	9,986	9,992	10,500	11,337	6,494	5,233	3,938	4,962	4,532	10,101
Public Works and Highways	30,260	29,537	27,746	27,321	32,106	25,707	29,524	29,469	25,926	309
Human Services	347,018	328,101	286,763	319,912	286,465	179,628	163,613	133,412	110,966	95,197
Parks, Recreation and Culture	29,491	31,381	31,726	33,104	26,543	26,607	25,640	23,741	21,220	25,451
Other	-	-	-	-	-	-	-	-	-	2,908
Operating Grants and Contributions:										
Legislative, Executive and Staff	3,635	1,530	355	4,839	19,513	19,125	19,733	18,749	17,425	16,271
Courts and Judiciary	23,212	26,626	22,063	21,595	24,857	24,249	23,272	23,667	20,676	22,207
General Governmental Services	50	43	79	247	82	121	100	167	122	161
Public Safety	18,543	18,015	17,967	21,766	19,148	19,906	19,133	23,845	14,955	18,556
Public Works and Highways	37,853	17,526	16,913	17,280	23,170	24,976	37,612	21,399	8,568	12,554
Human Services	169,911	202,219	261,271	259,845	252,592	182,859	169,708	162,599	146,917	138,407
Parks, Recreation and Culture	2,105	1,382	680	4,001	1,272	1,368	1,227	1,480	(3,498)	257
Other	-	-	-	-	-	-	-	-	3,247	-
Capital Grants and Contributions:										
Legislative, Executive and Staff	-	-	-	1,164	1,046	-	3,484	-	-	-
Courts and Judiciary	-	-	-	-	-	-	-	-	-	-
General Governmental Services	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	4,835	2,997	550
Public Works and Highways	71	160	30,638	5,231	2,183	-	(74)	33,652	-	-
Human Services	-	-	-	-	-	-	-	-	-	-
Parks, Recreation and Culture	-	-	2,074	-	-	-	-	1,215	-	-
<b>Total Governmental Activities</b>	<b>681,335</b>	<b>677,163</b>	<b>724,126</b>	<b>743,838</b>	<b>716,263</b>	<b>528,529</b>	<b>518,075</b>	<b>503,295</b>	<b>391,928</b>	<b>355,879</b>
<b>Program Revenues</b>	<b>681,335</b>	<b>677,163</b>	<b>724,126</b>	<b>743,838</b>	<b>716,263</b>	<b>528,529</b>	<b>518,075</b>	<b>503,295</b>	<b>391,928</b>	<b>355,879</b>

**County of Milwaukee, Wisconsin**  
**Changes in Net Assets**  
**Last Ten Years Ended December 31,**  
**(Accrual Basis of Accounting)**  
**(In Thousands)**

	<u>2011</u>	<u>2010</u>	<u>2009*</u>	<u>2008</u>	<u>2007**</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b><u>Program Revenues (by Function) continued:</u></b>										
<b><u>Business-type Activities:</u></b>										
Charges for Services:										
Airport	\$ 87,254	\$ 79,644	\$ 70,997	\$ 74,221	\$ 64,559	\$ 61,744	\$ 55,599	\$ 52,146	\$ 48,515	\$ 39,650
DHHS - Behavioral Health	-	-	-	-	-	62,873	59,870	58,494	52,270	54,974
Transit	56,606	57,624	55,424	56,501	52,443	53,936	47,757	45,592	44,063	41,975
Operating Grants and Contributions:										
Airport	159	309	179	-	35	216	312	1,158	562	2,421
DHHS - Behavioral Health	-	-	-	-	-	69,135	61,136	54,780	56,632	56,340
Transit	89,670	89,186	89,931	88,522	82,513	79,162	79,133	77,108	76,646	72,894
Capital Grants and Contributions:										
Airport	35,767	25,284	23,119	10,354	8,124	8,445	7,371	-	5,006	14,168
DHHS - Behavioral Health	-	-	-	-	-	45	(826)	-	(32)	(670)
Transit	15,816	24,205	(5,536)	569	1,408	1,758	582	-	11,374	11,406
<b>Total Business-type Activities</b>										
<b>Program Revenues</b>	<u>285,272</u>	<u>276,252</u>	<u>234,114</u>	<u>230,167</u>	<u>209,082</u>	<u>337,314</u>	<u>310,934</u>	<u>289,278</u>	<u>295,036</u>	<u>293,158</u>
<b>Total Primary Government</b>										
<b>Program Revenues</b>	<u>966,607</u>	<u>953,415</u>	<u>958,240</u>	<u>974,005</u>	<u>925,345</u>	<u>865,843</u>	<u>829,009</u>	<u>792,573</u>	<u>686,964</u>	<u>649,037</u>
<b><u>Net (Expense)/ Revenue:</u></b>										
Governmental Activities	(388,461)	(399,873)	(408,973)	(425,453)	(427,441)	(317,597)	(313,585)	(286,693)	(358,112)	(349,990)
Business-type Activities	19,209	18,600	(18,399)	(21,990)	(28,876)	(61,623)	(62,816)	(66,500)	(43,531)	(29,079)
<b>Total Primary Net (Expense) / Revenue</b>	<u>(369,252)</u>	<u>(381,273)</u>	<u>(427,372)</u>	<u>(447,443)</u>	<u>(456,317)</u>	<u>(379,220)</u>	<u>(376,401)</u>	<u>(353,193)</u>	<u>(401,643)</u>	<u>(379,069)</u>
<b><u>General Revenues and Other Changes in Net Assets:</u></b>										
<b><u>Governmental Activities:</u></b>										
Taxes										
Property Taxes	273,297	266,973	260,724	251,495	243,144	234,317	228,628	220,612	221,265	220,702
Sales Taxes	64,348	61,534	59,258	67,112	63,613	63,654	62,673	60,498	59,788	58,122
Intergovernmental Revenues Not Related to										
Specific Programs	45,238	44,952	46,056	39,734	42,387	41,332	40,242	40,472	74,590	65,305
Investment Income	3,554	4,476	7,120	13,516	16,329	12,185	4,839	4,444	10,207	16,656
Gain on Sale of Capital Assets	-	-	-	146	96	93	93	725	182	735
Proceeds from Settlement of Lawsuit	-	-	29,000	-	-	-	-	-	-	-
Other Revenue	52,497	43,339	27,090	17,037	22,997	32,724	33,730	26,654	42,609	31,901
Transfers	(15,532)	(14,260)	(21,521)	(16,103)	(19,073)	(61,764)	(52,809)	(74,739)	(44,809)	(36,485)
<b>Total Governmental Activities</b>	<u>423,402</u>	<u>407,014</u>	<u>407,727</u>	<u>372,937</u>	<u>369,493</u>	<u>322,541</u>	<u>317,396</u>	<u>278,666</u>	<u>363,832</u>	<u>356,936</u>

**County of Milwaukee, Wisconsin**  
**Changes in Net Assets**  
**Last Ten Years Ended December 31,**  
**(Accrual Basis of Accounting)**  
**(In Thousands)**

	<u>2011</u>	<u>2010</u>	<u>2009*</u>	<u>2008</u>	<u>2007**</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b><u>Business-type Activities:</u></b>										
Investment Income	\$ 313	\$ 162	\$ 945	\$ 1,417	\$ 2,070	\$ 1,698	\$ 1,001	\$ 794	\$ 872	\$ -
Gain (Loss) on Sale of Capital Assets	-	-	-	18	29	31	31	32	(26)	-
Transfers	15,532	14,260	21,521	16,103	19,073	61,764	52,809	74,739	44,809	36,485
<b>Total Business-type Activities</b>	<u>15,845</u>	<u>14,422</u>	<u>22,466</u>	<u>17,538</u>	<u>21,172</u>	<u>63,493</u>	<u>53,841</u>	<u>75,565</u>	<u>45,655</u>	<u>36,485</u>
<b>Total Primary Government</b>	<u>439,247</u>	<u>421,436</u>	<u>430,193</u>	<u>390,475</u>	<u>390,665</u>	<u>386,034</u>	<u>371,237</u>	<u>354,231</u>	<u>409,487</u>	<u>393,421</u>
<b><u>Change in Net Assets:</u></b>										
Governmental Activities	34,941	7,141	(1,246)	(52,516)	(57,948)	4,944	3,811	(8,027)	5,720	6,946
Business-type Activities	35,054	33,022	4,067	(4,452)	(7,704)	1,870	(8,975)	9,065	2,124	7,406
<b>Total Primary Government</b>	<u>\$ 69,995</u>	<u>\$ 40,163</u>	<u>\$ 2,821</u>	<u>\$ (56,968)</u>	<u>\$ (65,652)</u>	<u>\$ 6,815</u>	<u>\$ (5,164)</u>	<u>\$ 1,038</u>	<u>\$ 7,844</u>	<u>\$ 14,352</u>

**Notes:**

\*In 2009, the County began reporting the activities of its Fleet and Facilities Divisions as part of the General Fund.  
Prior to 2009, they had been reported as separate internal service funds.

\*\*In 2007, the County began reporting the activities of its Behavioral Health Division (BHD) as part of the General Fund.  
Prior to 2007, it had been reported as a separate proprietary fund.

Source: County of Milwaukee, Wisconsin Comprehensive Annual Financial Reports

**County of Milwaukee, Wisconsin**  
**Fund Balances of Governmental Funds**  
**Last Ten Years Ended December 31,**  
**(In Thousands)**

	<u>2011</u>	<u>2010</u>	<u>2009*</u>	<u>2008</u>	<u>2007**</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>General Fund (Per GASB 54): *</b>										
Non-spendable:										
Inventories	\$ 2,085									
Restricted:										
2013 Appropriations	5,539									
2012 Appropriations	8									
Commitments	9,021									
Department of Family Care - State Restricted	12,182									
Department of Family Care - Excess Reserves	12,910									
Delinquent Property Tax	14,826									
Investment Market Value in Excess of Book Value	1,850									
Housing	1,369									
Committed:										
Economic Development	196									
	<u>59,986</u>									
<b>General Fund (Prior to GASB 54): *</b>										
Reserved For:										
Reserved for 2012 Appropriations	\$ 8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved for 2011 Appropriations	4,144	4,144	-	-	-	-	-	-	-	-
Reserved for 2010 Appropriations	-	4,144	4,144	-	-	-	-	-	-	-
Reserved for 2009 Appropriations	-	-	7,947	7,947	-	-	-	-	-	-
Reserved for 2008 Appropriations	-	-	-	4,901	4,901	-	-	-	-	-
Reserved for 2007 Appropriations	-	-	-	-	4,664	4,664	-	-	-	-
Reserved for 2006 Appropriations	-	-	-	-	-	(1,573)	(1,573)	-	-	-
Reserved for 2005 Appropriations	-	-	-	-	-	-	(3,534)	(3,534)	-	-
Reserved for 2004 Appropriations	-	-	-	-	-	-	-	4,010	4,010	4,010
Reserved for 2003 Appropriations	-	-	-	-	-	-	-	-	-	708
Reserved for Encumbrances	5,092	6,205	9,349	11,810	22,617	15,516	9,208	8,685	7,970	7,970
Reserved for Milwaukee County Family Care	12,182	10,012	6,142	5,779	-	-	-	-	-	-
Reserved for Inventories	2,070	1,837	1,012	1,269	1,156	1,023	1,191	1,299	1,913	1,913
Reserved for Behavioral Health Division	-	-	-	-	-	-	-	-	-	-
Reserved for Fleet and Facilities Division	-	-	-	-	-	-	-	-	-	-
Reserved for Delinquent Property Tax	14,826	13,558	10,487	8,278	5,522	3,999	3,555	3,245	2,560	2,560
Unreserved:										
Designated for Economic Development	196	196	201	200	150	138	137	211	138	138
Designated for Housing	948	813	2,193	1,954	270	267	-	-	2	2
Designated for Family Care	3,233	-	-	-	-	-	-	-	-	-
Designated for Aging CMO	-	437	4,115	4,919	-	-	-	-	-	-
Designated for Investments	2,476	2,561	3,480	1,217	-	-	-	506	2,017	2,017
<b>Subtotal General Fund</b>	<u>45,175</u>	<u>43,907</u>	<u>49,070</u>	<u>48,274</u>	<u>39,280</u>	<u>24,034</u>	<u>8,984</u>	<u>14,422</u>	<u>19,318</u>	<u>19,318</u>

**County of Milwaukee, Wisconsin  
Fund Balances of Governmental Funds  
Last Ten Years Ended December 31,  
(In Thousands)**

	<u>2011</u>	<u>2010</u>	<u>2009*</u>	<u>2008</u>	<u>2007**</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>All Other Governmental Funds (Per GASB 54): *</b>										
Restricted:										
Debt Service	\$ 11,577									
Commitments	67,872									
Airport - Passenger Facilities Charges and Debt	27,199									
Health and Safety	136									
Zoo	874									
Parks	1,027									
Persons with Disabilities	115									
Behavioral Health Division	7,169									
Fleet and Facilities Divisions	5,781									
<b>Subtotal All Other Governmental Funds</b>	<b>121,750</b>									
<b>Total Governmental Funds Balance</b>	<b>\$ 181,736</b>									
<b>All Other Governmental Funds (Prior to GASB 54): *</b>										
Reserved For:										
Reserved for Debt Service	\$ 7,332	\$ 6,220	\$ 10,757	\$ 6,071	\$ 5,573	\$ 2,979	\$ 8,130	\$ 12,006	\$ 19,116	
Reserved for Encumbrances	98,216	64,468	11,595	17,983	7,987	8,455	12,302	13,834	28,041	
Reserved for Other	-	-	-	-	-	-	23	-	-	
Reserved for Health and Safety	136	136	136	112	70	46	-	-	-	
Reserved for Zoo	711	652	685	587	553	541	559	664	794	
Reserved for Parks	930	998	1,072	853	711	658	501	256	394	
Reserved for Persons with Disabilities	121	123	128	124	115	122	101	102	104	
Reserved for Behavioral Health Division***	8,360	8,978	9,344	9,671	423	478	490	536	540	
Reserved for Airport - PFC and Debt	26,921	22,179	34,082	32,603	34,128	34,155	21,529	23,495	16,981	
Reserved for Fleet and Facilities Divisions**	6,183	6,499	-	-	-	-	-	-	-	
<b>Subtotal All Other Governmental Funds</b>	<b>148,910</b>	<b>110,253</b>	<b>67,799</b>	<b>68,004</b>	<b>49,560</b>	<b>47,434</b>	<b>43,635</b>	<b>50,893</b>	<b>65,970</b>	
<b>Total Governmental Funds Balance</b>	<b>\$ 194,085</b>	<b>\$ 154,160</b>	<b>\$ 116,869</b>	<b>\$ 116,278</b>	<b>\$ 88,840</b>	<b>\$ 71,468</b>	<b>\$ 52,619</b>	<b>\$ 65,315</b>	<b>\$ 85,288</b>	

\* Prior to 2011 and the implementation of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type definitions*, fund balances were classified as Reserved or Unreserved. Under GASB Statement No. 54, fund balances are classified as Nonspendable, Restricted, Committed, Assigned or Unassigned.

\*\* In 2009, the County began reporting the activities of its Fleet and Facilities Divisions as part of the General Fund. Prior to 2009, they had been reported as separate internal service funds.

\*\*\* In 2007, the County began reporting the activities of its Behavioral Health Division (BHD) as part of the General Fund. Prior to 2007, it had been reported as a separate proprietary fund.

Source: County of Milwaukee, Wisconsin Comprehensive Annual Financial Reports

**County of Milwaukee, Wisconsin**  
**Changes in Fund Balance-Governmental Funds**  
**Last Ten Years Ended December 31,**  
**(In Thousands)**

	<u>2011</u>	<u>2010</u>	<u>2009*</u>	<u>2008</u>	<u>2007**</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Revenues:</b>										
Intergovernmental	\$ 318,776	\$ 335,573	\$ 380,540	\$ 365,495	\$ 370,814	\$ 302,975	\$ 299,179	\$ 310,503	\$ 296,554	\$ 283,923
Property Taxes	273,297	266,973	260,724	251,495	243,144	234,317	228,628	220,612	221,265	220,430
Sales Taxes	64,348	61,534	59,258	67,112	63,613	63,654	62,673	61,123	59,788	58,122
Charges for Services	405,138	388,274	344,591	379,907	347,478	239,891	224,005	181,591	157,766	132,924
Fines and Forfeits	2,932	3,284	3,245	3,375	3,571	3,616	2,823	3,129	2,909	3,276
Licenses and Permits	453	640	453	978	552	634	442	443	413	399
Investment Income and Rents	10,730	11,540	11,352	17,679	20,411	16,288	8,741	7,952	10,207	16,656
Other	53,147	46,903	40,142	36,208	34,510	34,907	37,888	44,490	51,500	44,709
<b>Total Revenues</b>	<b>1,128,821</b>	<b>1,114,721</b>	<b>1,100,305</b>	<b>1,122,249</b>	<b>1,084,093</b>	<b>896,282</b>	<b>864,379</b>	<b>829,843</b>	<b>800,402</b>	<b>760,439</b>
<b>Expenditures:</b>										
Legislative, Executive and Staff	21,433	21,309	22,191	26,688	36,094	37,729	38,774	38,246	39,257	39,462
Courts and Judiciary	52,699	55,384	59,984	69,274	61,120	56,964	57,456	55,748	52,862	50,889
General Governmental Services	6,746	6,747	7,395	7,628	7,886	7,731	8,203	6,608	6,775	6,662
Public Safety	159,708	154,196	146,994	166,832	147,082	136,634	136,398	135,596	126,758	122,089
Public Works and Highways*	57,549	50,676	64,062	28,482	28,621	13,850	16,532	16,553	13,489	13,008
Human Services**	591,802	611,136	628,574	657,004	618,062	394,619	362,770	345,208	322,025	283,826
Parks, Recreation and Culture	65,271	64,062	66,806	66,799	66,414	64,194	62,984	62,485	66,853	68,574
Other	-	-	-	10,905	3,231	15,406	18,737	37,663	8,097	9,539
Capital Outlay	72,549	80,584	56,994	49,938	33,587	45,608	48,182	77,409	81,413	103,373
Debt Service:										
Principal Retirement	61,626	60,202	48,164	38,677	31,063	28,437	24,657	20,132	35,826	26,733
Interest	36,894	38,036	32,215	15,476	15,473	15,025	16,232	16,035	18,267	16,570
<b>Total Expenditures</b>	<b>1,126,277</b>	<b>1,142,332</b>	<b>1,133,379</b>	<b>1,137,703</b>	<b>1,048,633</b>	<b>816,197</b>	<b>790,925</b>	<b>811,683</b>	<b>771,622</b>	<b>740,725</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>2,544</b>	<b>(27,611)</b>	<b>(33,074)</b>	<b>(15,454)</b>	<b>35,460</b>	<b>80,085</b>	<b>73,454</b>	<b>18,160</b>	<b>28,780</b>	<b>19,714</b>
<b>Other Financing Sources (Uses):</b>										
General Obligation Bonds Issued	31,757	82,985	90,000	30,860	33,625	31,595	24,610	26,950	25,623	40,783
General Obligation Bonds Issued - Premium Premium/(Discount) on Debt Issued	4,176	-	-	-	-	-	-	-	-	-
Refunding Bonds Issued	-	-	(80)	31	-	2,121	518	-	(80)	-
Payment to Refunded Bond Escrow Agent	(35,756)	-	-	3,252	-	-	55,248	-	114,270	51,402
Payment on Current Refunded Bonds	-	-	(9,214)	-	-	-	(54,821)	-	(82,326)	(49,857)
Pension Obligation Bonds Issued	-	-	400,000	-	-	-	-	-	(30,943)	-
Contribution to Employee Retirement System	-	-	(426,692)	-	-	-	-	-	-	-
Proceeds from Legal Settlement	-	-	29,000	-	-	-	-	-	-	-
Wisconsin State Trust Fund Bonds Issued	-	-	-	-	-	-	-	18,627	-	-
Transfers In	104,061	212,816	89,852	54,950	137,797	42,366	58,972	42,090	44,950	57,147
Transfers Out	(119,131)	(228,265)	(102,501)	(73,048)	(190,547)	(138,795)	(139,132)	(118,523)	(120,247)	(132,509)
<b>Total Other Financing Sources (Uses)</b>	<b>(14,893)</b>	<b>67,536</b>	<b>70,365</b>	<b>16,045</b>	<b>(19,125)</b>	<b>(62,713)</b>	<b>(54,605)</b>	<b>(30,856)</b>	<b>(48,753)</b>	<b>(33,034)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (12,349)</b>	<b>\$ 39,925</b>	<b>\$ 37,291</b>	<b>\$ 591</b>	<b>\$ 16,335</b>	<b>\$ 17,372</b>	<b>\$ 18,849</b>	<b>\$ (12,696)</b>	<b>\$ (19,973)</b>	<b>\$ (13,320)</b>

**Debt Service as a Percentage of  
Noncapital Expenditures**

	<b>9.35%</b>	<b>9.25%</b>	<b>7.47%</b>	<b>4.98%</b>	<b>4.58%</b>	<b>5.64%</b>	<b>5.51%</b>	<b>4.93%</b>	<b>7.84%</b>	<b>6.79%</b>
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\*In 2009, the County began reporting the activities of its Fleet and Facilities Divisions as part of the General Fund. Prior to 2009, they were reported as separate internal service funds.

\*\*In 2007, the County began reporting the activities of its Behavioral Health Division (BHD) as part of the General Fund. Prior to 2007, it had been reported as a separate proprietary fund.

Source: County of Milwaukee, Wisconsin Comprehensive Annual Financial Reports

**County of Milwaukee, Wisconsin  
Property Tax Levies and Collections  
Last Ten Years Ended December 31,  
(In Thousands)**

<u>Tax Levy Year</u>	<u>Tax Budget Year</u>	<u>Total Tax Levy</u>	<u>Tax Collections From Municipalities</u>	<u>Percent of Tax Collections From Municipalities</u>	<u>Total Delinquent Tax</u>	<u>Delinquent Tax Collections Through 12/31/11</u>	<u>Delinquent Tax Balance As of 12/31/11</u>	<u>Total Tax Collections Through 12/31/11</u>	<u>Percent of Total Tax Collections Through 12/31/11</u>
2001	2002	\$ 219,541	\$ 211,125	96.17%	\$ 8,416	\$ 8,379	\$ 37	\$ 219,504	99.98%
2002	2003	220,327	213,020	96.68%	7,307	7,257	50	220,277	99.98%
2003	2004	220,259	212,312	96.39%	7,947	7,885	62	220,197	99.97%
2004	2005	226,721	219,183	96.68%	7,538	7,426	112	226,609	99.95%
2005	2006	233,430	223,930	95.93%	9,500	9,271	229	233,201	99.90%
2006	2007	241,882	230,955	95.48%	10,927	10,348	579	241,303	99.76%
2007	2008	250,733	237,137	94.58%	13,596	12,395	1,201	249,532	99.52%
2008	2009	258,479	243,129	94.06%	15,350	12,734	2,616	255,863	98.99%
2009	2010	264,102	248,427	94.06%	15,675	10,492	5,183	258,919	98.04%
2010	2011	270,386	256,180	94.75%	14,206	4,664	9,542	260,844	96.47%

Taxes are levied to the municipalities in Milwaukee County in December of the tax levy year and used in the following year's budget. The municipalities collect the tax payments and forward payments to Milwaukee County beginning in January following the tax levy year. Towards the end of the year following the tax levy year, the outstanding tax balances, (which are considered delinquent), are transferred from the municipalities to Milwaukee County for collection. The tax collections from municipalities are considered as current collections.

Taxes levied in 2011 for the 2012 budget year were \$276,194 which the municipalities began forwarding payments to Milwaukee County beginning January 2012.

Source: County of Milwaukee, Wisconsin Treasurer's Office Tax Collection Records



**County of Milwaukee, Wisconsin  
Equalized Value of Taxable Property  
Last Ten Years Ended December 31,  
(In Thousands)**

Tax Levy Year	Tax Budget Year	Real Property				Personal Property	Total Equalized Value (1)	Less: Tax Incremental District	Total Taxable Equalized Value (1)	Total Direct Tax Rate	Aggregate Assessed Value (2)
		Residential	Commercial	Manufacturing	Other						
2002	2003	\$ 28,940,897	\$ 12,196,646	\$ 1,415,096	\$ 34,195	\$ 1,692,790	\$ 44,279,624	\$ (962,958)	\$ 43,316,666	5.09	\$ 42,112,896
2003	2004	31,166,329	13,012,921	1,404,688	33,957	1,648,770	47,266,665	(1,158,855)	46,107,810	4.77	44,660,290
2004	2005	34,014,070	14,182,468	1,393,938	34,472	1,528,412	51,153,360	(1,428,204)	49,725,156	4.56	48,174,120
2005	2006	37,974,709	15,641,660	1,405,059	33,368	1,625,890	56,680,686	(1,787,127)	54,893,559	4.26	52,016,827
2006	2007	42,355,573	18,062,700	1,438,619	34,351	1,717,938	63,609,181	(1,969,160)	61,640,021	3.93	58,452,397
2007	2008	44,452,500	19,336,150	1,489,362	27,495	1,813,776	67,119,283	(2,637,236)	64,482,047	3.89	62,331,793
2008	2009	44,933,692	19,653,568	1,551,601	31,031	2,054,176	68,224,068	(2,652,150)	65,571,918	3.96	64,224,181
2009	2010	43,426,050	19,907,219	1,487,194	28,960	1,986,731	66,836,154	(3,156,683)	63,679,471	4.15	63,517,201
2010	2011	40,952,804	18,922,989	1,520,372	27,242	1,980,103	63,403,510	(2,673,043)	60,730,467	4.46	62,221,937
2011	2012	39,498,360	18,265,539	1,503,698	29,309	1,802,123	61,099,029	(2,547,465)	58,551,564	4.72	61,277,079

(1) Equalized value is the State of Wisconsin's estimated value of property in a defined jurisdiction. Equalized value is used to apportion County property tax levies among municipalities.

(2) Each municipality assesses their own property values which is sent to the State of Wisconsin on the Statement of Assessment form.

The totals represent the values from January 2nd of the previous year to January 1st of the year listed. The 2011 year totals are from 1/2/10 through 1/1/11.

Source: Wisconsin Department of Revenue - Reports - Equalized Value - Statement of Changes in Equalized Value (Report 2) and Wisconsin Department of Revenue - Reports - Assessments - Statement of Assessments

**County of Milwaukee, Wisconsin**  
**Property Tax Rates - (per 1,000 of Equalized Value)**  
**Last Ten Years Ended December 31,**  
**(In Thousands)**

<u>Tax Levy Year</u>	<u>Tax Budget Year</u>	<u>Equalized Value (Including TIF) (1)</u>	<u>Less: Value of TIF Districts (2)</u>	<u>Equalized Value (Excluding TIF) (3)</u>	<u>Property Taxes Operating Levy (3)</u>	<u>Property Taxes Debt Levy (3)</u>	<u>Property Taxes Total Levy (3)</u>	<u>Property Taxes Operating Rate (3)</u>	<u>Property Taxes Debt Rate (3)</u>	<u>Property Taxes Total Direct Rate (3)</u>
2002	2003	\$44,279,624	(\$962,958)	\$43,316,666	\$166,420	\$53,950	\$220,370	\$3.84	\$1.25	\$5.09
2003	2004	47,266,665	(1,158,855)	46,107,810	186,433	33,871	220,304	4.04	0.73	4.77
2004	2005	51,153,360	(1,428,204)	49,725,156	190,546	36,230	226,776	3.83	0.73	4.56
2005	2006	56,680,686	(1,787,127)	54,893,559	188,725	44,743	233,468	3.44	0.82	4.26
2006	2007	63,609,181	(1,969,160)	61,640,021	197,576	44,360	241,936	3.21	0.72	3.93
2007	2008	67,119,283	(2,637,236)	64,482,047	197,342	53,432	250,774	3.06	0.83	3.89
2008	2009	68,224,068	(2,652,150)	65,571,918	198,748	59,767	258,515	3.04	0.92	3.96
2009	2010	66,836,154	(3,156,683)	63,679,471	203,868	60,281	264,149	3.20	0.95	4.15
2010	2011	63,403,510	(2,673,043)	60,730,467	217,175	53,260	270,435	3.58	0.88	4.46
2011	2012	61,099,029	(2,547,465)	58,551,564	219,678	56,553	276,231	3.75	0.97	4.72

(1) Source: Wisconsin Department of Revenue - Reports - Equalized Value - Statement of Changes in Equalized Value (Report 2).

(2) The full value of Tax Increment Finance (TIF) Districts as determined by the Wisconsin Department of Revenue.

(3) Source: Wisconsin Department of Revenue - Reports - Property Tax - Rates - County Property Tax Rates.

Late November in the tax levy year, a "Certification of the Apportionment of State and County Property Taxes and Charges" is filed with the Wisconsin Department of Revenue, for the tax budget year following. The Property Taxes Total Levy includes State Charitable and Penal Charges and Southeastern Wisconsin Regional Planning Commission (SEWPC) charges. These rates are based on the Equalized Value excluding TIFs. The rates do not include State Forestry charges, which are based on the Equalized Value including TIFs. The Property Taxes Total Levy amount will vary slightly from the actual tax levy amount billed in December of the tax levy year.

**County of Milwaukee, Wisconsin  
Property Tax Rates by Municipality  
Last Ten Years Ended December 31,  
(Rate Per 1,000 of Assessed Value)**

Tax Levy Year Tax Budget Year	Taxable Equalized Value (1)	Taxable Equalized Value %		2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
	2011 2012	2011 2012		2011 2012	2010 2011	2009 2010	2008 2009	2007 2008	2006 2007	2005 2006	2004 2005	2003 2004	2002 2003
Milwaukee County - (1)	\$58,551,564	100.00%		\$4.72	\$4.46	\$4.15	\$3.96	\$3.89	\$3.93	\$4.26	\$4.56	\$4.77	\$5.09
<b><u>Villages - (2):</u></b>													
Bayside - (3)	604,307	1.0321%	not		26.31	25.07	24.07	23.69	23.82	25.27	26.43	27.40	28.58
Brown Deer	985,830	1.6837%	available		28.23	26.91	25.69	24.16	24.35	26.31	26.47	27.60	27.99
Fox Point - (3)	1,081,270	1.8467%	from		26.22	24.72	23.51	23.02	23.23	24.47	25.40	26.61	27.13
Greendale	1,268,637	2.1667%	Wis.		27.17	25.48	24.35	24.55	24.10	24.55	28.45	29.69	30.32
Hales Corners	660,903	1.1288%	Dept.		25.67	23.91	22.58	22.24	22.04	23.14	25.44	26.42	27.31
River Hills - (3)	514,712	0.8791%	of Rev.		24.49	23.42	22.20	22.03	22.42	23.71	25.40	25.70	27.01
Shorewood	1,307,167	2.2325%	at time of		28.40	26.24	25.72	25.21	24.59	24.99	27.20	28.73	29.01
West Milwaukee	303,449	0.5183%	printing		30.57	28.59	27.34	26.75	26.75	28.27	31.50	32.24	33.80
Whitefish Bay	1,955,947	3.3406%			24.14	22.32	21.47	21.73	21.86	22.48	24.37	24.82	26.26
<b><u>Cities - (2):</u></b>													
Cudahy	1,033,516	1.7651%			27.09	25.40	25.17	24.59	23.81	25.18	28.01	27.75	29.51
Franklin - (4)	3,563,677	6.0864%			25.45	23.58	22.45	22.72	22.07	23.78	25.88	27.43	28.14
Glendale - (3)	1,736,386	2.9656%			24.12	23.28	22.78	22.64	22.43	23.72	24.93	25.58	26.16
Greenfield - (3)	2,984,084	5.0965%			26.33	24.72	22.82	22.18	21.90	23.11	24.89	26.06	27.04
Milwaukee	26,841,396	45.8423%			26.96	25.64	24.15	22.63	22.21	24.59	26.26	26.60	28.06
Oak Creek	3,055,899	5.2192%			23.07	21.99	20.86	20.75	20.03	22.50	23.39	25.15	26.27
St. Francis	634,212	1.0832%			26.99	24.52	23.86	23.24	23.31	25.20	28.12	29.14	29.93
South Milwaukee	1,213,149	2.0719%			26.03	24.14	23.55	22.35	23.02	23.74	25.25	25.77	27.06
Wauwatosa	5,004,833	8.5477%			23.43	22.20	21.31	20.20	20.27	21.13	23.14	23.70	24.67
West Allis	3,802,190	6.4937%			27.50	25.62	24.05	23.73	23.66	25.16	27.56	28.08	28.84

(1) Source: Wisconsin Department of Revenue - Reports - Property Tax - Rates - County Property Tax Rates.

(2) Source: Wisconsin Department of Revenue - Reports - Property Tax - Rates - Town, Village and City Taxes

The rate is the gross full value rate, including school district taxes, Milwaukee County taxes, local taxes and other taxes.

The rate is before the State of Wisconsin Property Tax Credit.

(3) Municipalities have multiple property tax rates depending on which school district the property is located in.

(4) Municipality has multiple property tax rates depending on which school district the property is located in and / or if sewer is included.

**County of Milwaukee, Wisconsin**  
**Weighted Average of Property Taxes to Taxable Equalized Value**  
**For the Year Ended December 31, 2011**  
**(In Thousands)**

	2010 Equalized Value Excluding TIF Districts	2010 Property Tax After State Credit	2010 Weighted Average
<b><u>Villages:</u></b>			
Bayside - (1)	\$ 615,319	\$ 15,024	0.000247386
Brown Deer	1,038,268	28,152	0.000463552
Fox Point - (1)	1,062,263	25,675	0.000422769
Greendale	1,310,876	32,936	0.000542329
Hales Corners	638,681	15,947	0.000262591
River Hills - (1)	512,856	11,689	0.000192476
Shorewood	1,389,476	37,868	0.000623539
West Milwaukee	313,467	10,129	0.000166791
Whitefish Bay	1,967,419	44,711	0.000736225
<b><u>Cities:</u></b>			
Cudahy	1,010,544	31,130	0.000512595
Franklin - (2)	3,393,827	87,148	0.001434999
Glendale - (1)	1,905,571	54,628	0.000899517
Greenfield - (1)	2,937,205	72,249	0.001189670
Milwaukee	28,452,003	744,917	0.012265946
Oak Creek	3,055,915	67,278	0.001107821
St. Francis	649,558	16,490	0.000271531
South Milwaukee	1,268,925	32,225	0.000530623
Wauwatosa	5,206,270	121,029	0.001992885
West Allis	4,002,025	106,538	0.001754274
Totals	<u>\$ 60,730,468</u>	<u>\$ 1,555,764</u>	<u>0.025617520</u>

(1) - Municipalities have multiple property tax rates depending on which school district the property is located in.

(2) - Municipality has multiple property tax rates depending on which school district the property is located in and / or if sewer is included.

Source: Wisconsin Department of Revenue/Report/Property Tax/Town,Village, City Taxes 2010.  
2011 data unavailable from the Wisconsin Department of Revenue at time of printing.

**County of Milwaukee, Wisconsin  
Top Fifteen Principal Property Tax Payers  
(In Thousands)**

<u>Company:</u>	<u>Type of Business</u>	<u>2011 Full Market Value</u>	<u>Percent of County Equalized Value</u>
Bayshore Town Center LLC	Real Estate	\$ 345,237	0.57%
Northwestern Mutual Life Insurance Co.	Insurance	318,820	0.52%
Mayfair Property, Inc.	Shopping Mall	271,418	0.44%
US Bank Corp.	Banking	257,466	0.42%
Mandel Group	Real Estate	135,581	0.22%
Metropolitan Associates	Real Estate	124,534	0.20%
Columbia St. Mary's	Health Care	117,624	0.19%
Marcus Corp / Milw. City Center / Pfister	Hotels, Theaters and Restaurants	108,821	0.18%
Wheaton Franciscan Services	Health Care	106,577	0.17%
Bre Southridge Mall, LLC	Real Estate	100,124	0.16%
Harley Davidson	Manufacturer - Motorcycles	97,916	0.16%
Wal-Mart / Sam's Club	Retailer	96,855	0.16%
General Electric	Manufacturer - Medical Equipment	93,792	0.15%
NNN 411 East Wisconsin LLC	Real Estate	89,727	0.15%
Town Realty	Real Estate	83,254	0.14%

**Total Milwaukee County Equalized Value, (including TIF Districts), at January 1, 2011, is \$61,099,029.**

<u>Company:</u>	<u>Type of Business</u>	<u>2002 Full Market Value</u>	<u>Percent of County Equalized Value</u>
Mayfair Property, Inc.	Shopping Mall	\$ 212,949	0.48%
First Security Bank	Banking	204,619	0.46%
Northwestern Mutual Life Insurance Co.	Insurance	178,476	0.40%
M&I Marshall & Ilsley Bank	Banking	137,046	0.31%
Teachers Insurance & Annuity	Insurance	135,360	0.31%
Harley Davidson	Manufacturer	124,791	0.28%
JMB Realty Company	Real Estate	115,356	0.26%
Towne Realty	Real Estate	108,137	0.24%
Marcus Corp / Milw. City Center / Pfister	Hotels, Theaters and Restaurants	108,137	0.24%
Metropolitan Associates	Real Estate	98,824	0.22%
Great Lakes Reit, LLP	Real Estate	77,545	0.18%
Miller Brewing Company	Mfg., Beer and Aluminum Containers	71,970	0.16%
Banc One Wisconsin Corp	Banking	59,711	0.13%
100 E. Wisconsin Avenue Joint Venture	Real Estate	57,033	0.13%
American Stores Property, Inc.	Retail Food Stores	53,617	0.12%

**Total Milwaukee County Equalized Value, (including TIF Districts), at January 1, 2002, is \$44,279,624.**

Source: Wisconsin Department of Revenue

**County of Milwaukee, Wisconsin  
Outstanding Debt by Type  
Last Ten Years Ended December 31,  
(In Thousands)**

<u>Year</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>			<u>Total Primary Government</u>	<u>Total Personal Income (1)</u>	<u>Percentage of Personal Income</u>	<u>Population</u>	<u>Debt Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Capital Leases</u>	<u>General Obligation Bonds</u>	<u>Revenue Bonds</u>	<u>Capital Leases</u>					
2002	\$ 420,987	\$ -	\$ 66,142	\$ 83,565	\$ -	\$ 570,694	\$ 29,331,494	1.95%	941	\$606
2003	405,168	-	62,276	87,042	-	554,486	29,889,120	1.86%	941	589
2004	425,707	-	57,152	120,737	-	603,596	30,600,767	1.97%	939	643
2005	420,674	-	53,047	152,857	-	626,578	31,393,023	2.00%	939	667
2006	418,112	-	38,485	178,025	-	634,622	33,341,608	1.90%	937	677
2007	422,851	-	29,475	184,213	400	636,939	34,198,399	1.86%	937	680
2008	410,818	4,503	26,443	176,815	245	618,824	35,275,533	1.75%	938	659
2009	836,667	4,077	29,880	183,630	381	1,054,635	34,914,228	3.02%	932	1,132
2010	849,805	4,774	35,374	208,588	390	1,098,931	35,893,702	3.06%	948	1,160
2011	786,394	5,593	32,315	199,884	534	1,024,720	to be released Nov. 2012		948	1,081

(1) Source: U.S. Dept. of Commerce, Bureau of Economic Analysis (BEA), Regional Income Division, Local Area Personal Income and Employment, CA04 - Personal Income and Employment Summary Report. In November 2012, the BEA plans to release local area statistics for 2011.

**County of Milwaukee, Wisconsin  
Ratio of Net Bonded Debt to Equalized Value  
And Net Bonded Debt Per Capita  
Last Ten Years Ended December 31,  
(In Thousands)**

<u>Year</u>	<u>Population (1)</u>	<u>Equalized Value Including TIF Districts (2)</u>	<u>Government Gross General Obligation Bonded Debt</u>	<u>Business-Type Gross General Obligation Bonded Debt</u>	<u>Total Gross General Obligation Bonded Debt</u>	<u>Less: Restricted For Debt Service</u>	<u>Net General Obligation Bonded Debt</u>	<u>Percent of Net Bonded Debt to Equalized Value</u>	<u>Net Bonded Debt Per Capita</u>
<b>2002</b>	941	\$ 44,279,624	\$ 420,987	\$ 66,142	\$ 487,129	\$ (19,116)	\$ 468,013	1.06%	\$ 497
<b>2003</b>	941	47,266,665	405,168	62,276	467,444	(6,862)	460,582	0.97%	489
<b>2004</b>	939	51,153,360	425,707	57,152	482,859	(8,130)	474,729	0.93%	506
<b>2005</b>	939	56,680,686	420,674	53,047	473,721	(2,415)	471,306	0.83%	502
<b>2006</b>	937	63,609,181	418,112	38,485	456,597	(3,594)	453,003	0.71%	483
<b>2007</b>	937	67,119,283	422,851	29,475	452,326	(6,071)	446,255	0.66%	476
<b>2008</b>	938	68,224,068	410,818	26,443	437,261	(10,757)	426,504	0.63%	455
<b>2009</b>	932	66,836,154	836,667	29,880	866,547	(6,220)	860,327	1.29%	923
<b>2010</b>	948	63,403,510	849,805	35,374	885,179	(7,332)	877,847	1.38%	926
<b>2011</b>	948	61,099,029	786,394	32,315	818,709	(11,577)	807,132	1.32%	851

(1) Source: State of Wisconsin - Dept. of Administration - Intergovernmental Relations  
Per County Final Populations Estimates - (calculated as of January 1st of the respective year)

(2) Source: Wisconsin Department of Revenue - Reports - Equalized Value - Statement of Changes  
in Equalized Value (Report 2) - (calculated as of January 1st of the respective year)

**County of Milwaukee, Wisconsin  
Computation of Legal Debt Margin  
Last Ten Years Ended December 31,  
(In Thousands)**

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Equalized Value of Taxable Property (1) (including TIF Districts)	\$ 61,099,029	\$ 63,403,510	\$ 66,836,154	\$ 68,224,068	\$ 67,119,283
Debt Limit Rate - (statutory limitation) (1)	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>
Statutory Debt Limit (1)	<u>3,054,951</u>	<u>3,170,176</u>	<u>3,341,808</u>	<u>3,411,203</u>	<u>3,355,964</u>
Bonds and Notes Outstanding:					
General Obligation Bonds and Notes	818,709	885,179	866,547	437,261	452,326
Less: Amount Available in Debt Service Fund	<u>(11,577)</u>	<u>(7,332)</u>	<u>(6,220)</u>	<u>(10,757)</u>	<u>(6,071)</u>
Total Net Debt Applied to Debt Limit	<u>807,132</u>	<u>877,847</u>	<u>860,327</u>	<u>426,504</u>	<u>446,255</u>
<b>Legal Debt Margin Remaining at 12/31</b>	<b><u>\$ 2,247,819</u></b>	<b><u>\$ 2,292,329</u></b>	<b><u>\$ 2,481,481</u></b>	<b><u>\$ 2,984,699</u></b>	<b><u>\$ 2,909,709</u></b>
Total Net Debt Applied to Debt Limit as a percentage of the Statutory Debt Limit	<u>26.4%</u>	<u>27.7%</u>	<u>25.7%</u>	<u>12.5%</u>	<u>13.3%</u>
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Equalized Value of Taxable Property (1) (including TIF Districts)	\$ 63,609,181	\$ 56,680,686	\$ 51,153,360	\$ 47,266,665	\$ 44,279,624
Debt Limit Rate - (statutory limitation) (1)	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>
Statutory Debt Limit (1)	<u>3,180,459</u>	<u>2,834,034</u>	<u>2,557,668</u>	<u>2,363,333</u>	<u>2,213,981</u>
Bonds and Notes Outstanding:					
General Obligation Bonds and Notes	456,597	473,721	482,859	467,444	487,129
Less: Amount Available in Debt Service Fund	<u>(5,573)</u>	<u>(2,979)</u>	<u>(8,130)</u>	<u>(12,006)</u>	<u>(19,116)</u>
Total Net Debt Applied to Debt Limit	<u>451,024</u>	<u>470,742</u>	<u>474,729</u>	<u>455,438</u>	<u>468,013</u>
<b>Legal Debt Margin Remaining at 12/31</b>	<b><u>\$ 3,637,056</u></b>	<b><u>\$ 3,307,755</u></b>	<b><u>\$ 3,040,527</u></b>	<b><u>\$ 2,830,777</u></b>	<b><u>\$ 2,701,110</u></b>
Total Net Debt Applied to Debt Limit as a percentage of the Statutory Debt Limit	<u>14.2%</u>	<u>16.6%</u>	<u>18.6%</u>	<u>19.3%</u>	<u>21.1%</u>

(1) Source: Wisconsin Department of Revenue, Reports, Municipal Debt Limit.



**County of Milwaukee, Wisconsin**  
**Direct and Overlapping Bonded Debt- General Obligation Bonds**  
**For the Year Ended December 31, 2011**  
**(In Thousands)**

	<u>Net Debt</u> <u>Outstanding</u>	<u>Percent</u> <u>Applicable</u> <u>to County</u>	<u>Amount</u> <u>Applicable</u> <u>to County</u>
<b><u>Direct:</u></b>			
County of Milwaukee (Governmental-activities only)	\$ 786,394	100.00%	\$ 786,394
 <b><u>Overlapping:</u></b>			
<b><u>Villages:</u></b>			
Bayside	11,662	96.12%	11,209
Brown Deer	22,617	100.00%	22,617
Fox Point	14,390	100.00%	14,390
Greendale	17,605	100.00%	17,605
Hales Corners	7,459	100.00%	7,459
River Hills	4,361	100.00%	4,361
Shorewood	27,798	100.00%	27,798
West Milwaukee	5,909	100.00%	5,909
Whitefish Bay	37,040	100.00%	37,040
<b><u>Cities:</u></b>			
Cudahy	23,300	100.00%	23,300
Franklin	32,495	100.00%	32,495
Glendale	16,143	100.00%	16,143
Greenfield	32,827	100.00%	32,827
Milwaukee	801,039	100.00%	801,039
Oak Creek	13,832	100.00%	13,832
South Milwaukee	1,739	100.00%	1,739
St. Francis	-	100.00%	-
Wauwatosa	52,958	100.00%	52,958
West Allis	78,969	100.00%	78,969
<b><u>School Districts:</u></b>			
Brown Deer	8,906	100.00%	8,906
Cudahy	13,480	100.00%	13,480
Foxpoint / Bayside	6,955	97.89%	6,808
Franklin	6,885	100.00%	6,885
Glendale - River Hills	4,965	100.00%	4,965
Greendale	17,290	100.00%	17,290
Greenfield	56,258	100.00%	56,258
Maple Dale / Indian Hill	2,960	100.00%	2,960
Milwaukee Area Technical College	106,445	82.02%	87,306
Milwaukee Public	132,965	99.99%	132,952
Nicolet High School	3,030	99.50%	3,015
Oak Creek / Franklin	51,705	100.00%	51,705
St. Francis	14,630	100.00%	14,630
Shorewood	19,240	100.00%	19,240
South Milwaukee	41,665	100.00%	41,665
Wauwatosa	-	100.00%	-
West Allis / West Milwaukee	42,250	93.57%	39,533
Whitefish Bay	19,350	100.00%	19,350
Whitnall	8,270	100.00%	8,270
<b>Metropolitan Sewerage District</b>	<u>970,279</u>	99.92%	<u>969,503</u>
<b>Total Overlapping Debt</b>	<u><b>2,729,671</b></u>	<b>99.15%</b>	<u><b>2,706,411</b></u>
<b>Total Debt</b>	<u><b>\$ 3,516,065</b></u>	<b>99.34%</b>	<u><b>\$ 3,492,805</b></u>

Source: Milwaukee County Dept of Admin, 2/12 survey of taxing jurisdictions

**County of Milwaukee, Wisconsin  
Demographic and Economic Statistics  
Last Ten Years Ended December 31,**

<u>Year</u>	<u>Population</u> (1)	<u>Total Personal Income</u> (in Thousands) (2)	<u>Per Capita Personal Income</u> (2)	<u>Public School Enrollment</u> (3)	<u>Private School Enrollment</u> (3)	<u>-----Unemployment Rate-----</u>			<u>Total County Labor Force</u> (4)	<u>Total County Workers Unemployed</u> (4)
						<u>County</u> (4)	<u>Wisconsin</u> (4)	<u>United States</u> (4)		
2002	941,091	\$ 29,331,494	\$ 31,209	151,303	39,250	6.6%	5.3%	5.8%	467,617	30,750
2003	941,301	29,889,120	31,813	152,380	38,569	7.0%	5.6%	6.0%	463,069	32,496
2004	939,358	30,600,767	32,661	152,712	37,323	6.3%	5.0%	5.5%	456,447	28,792
2005	938,995	31,393,023	33,664	147,123	38,198	5.8%	4.8%	5.1%	453,562	26,399
2006	936,892	33,341,608	35,841	147,773	38,434	5.6%	4.7%	4.6%	457,573	25,839
2007	937,324	34,198,399	36,715	146,269	38,363	5.7%	4.8%	4.6%	471,395	26,704
2008	938,490	35,275,533	37,738	143,566	39,801	5.7%	4.8%	5.8%	468,565	26,475
2009	931,830	34,914,228	37,038	141,942	39,795	9.6%	8.7%	9.3%	467,762	45,011
2010	947,735	35,893,702	37,838	140,241	39,996	9.6%	8.5%	9.6%	463,595	44,618
2011	948,369	to be released Nov. 2012		140,704	39,408	9.0%	7.5%	8.9%	461,017	41,416

(1) Source: State of Wisconsin - Dept. of Administration - Intergovernmental Relations  
Per County Final Populations Estimates - (calculated as of January 1st of the respective year)  
The 2010 population is the actual U.S. Census Bureau amount released July 28, 2011,  
which replaced the previously reported State estimate of 928,449.

(2) Source: U.S. Dept. of Commerce, Bureau of Economic Analysis (BEA), Regional Income Division,  
Local Area Personal Income and Employment, CA04 - Personal Income and Employment Summary  
Report. The BEA plans to release local area statistics for 2011 late November 2012.

(3) Source: Wisconsin Dept. of Public Instruction - Data - Demographics / Enrollment Reports  
Enrollment is a headcount of students who are physically attending schools or receiving homebound  
instruction as of the third Friday in September. The 2011 enrollment represents the 2010 - 2011 school year.  
The 2012 enrollment data for the 2011 - 2012 school year is 139,393 public and 39,894 private.

(4) Source: WORKnet - Wisconsin - Data Analyst - Data Table - Local Area Unemployment Statistics (LAUS) Results.  
The Unemployment Rate listed is the annual rate and is not seasonally adjusted.

**County of Milwaukee, Wisconsin  
Major Employers - Private and Public Sector**

**For the Year Ended December 31, 2011:**

<b><u>* Private Sector Employers:</u></b>	<b><u>Type of Business or Service</u></b>	<b><u>Number of Employees</u></b>	<b><u>% of Total County Employment</u></b>
1) Aurora Health Care	Health Care	22,000	5.25%
2) Wheaton Franciscan Healthcare	Health Care	8,356	1.99%
3) Froedert Health	Health Care	8,000	1.91%
4) Kohl's Corporation	Department Stores	7,700	1.84%
5) Wal-Mart Stores, Inc.	Department Stores	7,360	1.76%
6) Roundy's Supermarkets, Inc.	Retail Supermarkets	6,800	1.62%
7) Quad / Graphics, Inc.	Printing	6,700	1.60%
8) Northwestern Mutual Life Insurance Company	Insurance and Investment Products	5,000	1.19%
9) The Medical College of Wisconsin	Private Medical School	4,877	1.16%
10) Children's Hospital of Wisconsin	Health Care	4,604	1.10%
<b><u>**Public Sector Employers:</u></b>			
1) U.S. Government (includes the Clement J. Zablocki V.A. Medical Center)	Government	10,800	2.58%
2) Milwaukee Public Schools	Education	9,958	2.38%
3) City of Milwaukee	Government	7,297	1.74%
4) County of Milwaukee	Government	5,010	1.20%
5) University of Wisconsin - Milwaukee	Education	3,881	0.93%

Total Milwaukee County Employment for 2010 was 418,977 employees.

**For the Year Ended December 31, 2001:**

<b><u>***Private Sector Employers:</u></b>	<b><u>Type of Business or Service</u></b>	<b><u>Number of Employees</u></b>	<b><u>% of Total County Employment</u></b>
1) Aurora Health Care	Health Care	10,924	2.42%
2) Covenant HealthCare	Health Care	5,689	1.26%
3) M&I Marshall & Ilsley Bank	Banking / Finance and Data Services	5,101	1.13%
4) Northwestern Mutual Life Insurance Company	Insurance	4,144	0.92%
5) Rockwell Automation (fka Allen - Bradley)	Manufacturer, Electrical / Electronic Products	3,740	0.83%
6) The Medical College of Wisconsin	Private Medical School	3,511	0.78%
7) WE Energies	Electric / Natural Gas Utility	3,300	0.73%
8) Columbia St. Mary's	Health Care	3,212	0.71%
9) Froedert Health	Health Care	3,150	0.70%
10) Briggs and Stratton	Manufacturer, Small Engines Automotive Locks and Keys	3,004	0.67%
<b><u>***Public Sector Employers:</u></b>			
1) Milwaukee Public Schools	Education	11,704	2.60%
2) City of Milwaukee	Government	7,650	1.70%
3) U.S. Government (includes the Clement J. Zablocki V.A. Medical Center)	Government	7,542	1.67%
4) County of Milwaukee	Government	6,510	1.44%
5) University of Wisconsin - Milwaukee	Education	4,104	0.91%

Total Milwaukee County Employment for 2001 was 450,598 employees.

\*Source: The Business Journal's Book of Lists 2011, dated December 23, 2011, lists the largest Milwaukee area private sector employers as of December 3, 2010. The 2011 data will be available December 2012.

\*\*Source: February 2011 Employer contacts and the U.S. Bureau of Labor Statistics for February 2011.

\*\*\*Source: Milwaukee County Department of Administration, January 2002 survey of local employment.

**County of Milwaukee, Wisconsin**  
**County Employees by Function (Actual to Budgeted)**  
**Last Ten Years Ended December 31,**

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b><u>Actual Number of Employees:</u></b>										
Legislative, Executive and Staff	251	254	296	311	343	371	369	356	373	400
Courts and Judiciary	408	427	423	423	433	456	471	475	510	466
General Governmental Services	50	63	56	60	69	68	67	63	69	68
Public Safety	1,409	1,430	1,507	1,554	1,531	1,553	1,577	1,604	1,701	1,791
Public Works and Highways	561	546	578	585	587	583	646	639	657	722
Health and Human Services	1,487	1,647	1,771	1,825	1,799	1,818	1,820	1,771	1,887	1,990
Parks, Recreation and Culture	563	643	587	658	660	612	620	654	683	813
<b>Total Actual Number of Employees</b>	<b>4,729</b>	<b>5,010</b>	<b>5,218</b>	<b>5,416</b>	<b>5,422</b>	<b>5,461</b>	<b>5,570</b>	<b>5,562</b>	<b>5,880</b>	<b>6,250</b>
% Increase (Decrease) From Previous Year	<u>-5.61%</u>	<u>-3.99%</u>	<u>-3.66%</u>	<u>-0.11%</u>	<u>-0.71%</u>	<u>-1.96%</u>	<u>0.14%</u>	<u>-5.41%</u>	<u>-5.92%</u>	<u>-3.99%</u>
<b><u>Budgeted Number of Employees:</u></b>										
<b>Legislative, Executive and Staff:</b>										
County Board - (2)	58.5	60.2	60.2	59.2	58.9	57.7	57.5	57.5	62.6	68.4
Audit Department	16.0	18.0	19.0	18.9	20.1	20.3	20.0	20.1	22.0	23.9
Intergovernmental Relations - (2)	-	-	-	-	-	-	-	-	3.7	4.0
Office of Community Development Partners	6.0	6.0	6.0	6.0	5.0	5.8	5.0	5.0	6.7	8.7
County Executive - General Office	9.0	10.0	10.6	10.2	8.1	9.6	10.4	11.9	13.3	12.8
Veterans Service	6.0	5.0	6.0	5.7	6.0	7.0	6.5	6.6	6.6	7.0
Civil Service Commission	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Personnel Review Board - (14)	7.3	6.9	7.4	7.5	7.2	7.0	7.0	7.0	7.0	7.0
Ethics Board - (14)	0.8	0.6	-	-	-	-	-	-	-	-
Corporation Counsel	19.7	20.0	22.1	21.8	21.7	20.3	18.5	16.9	20.8	23.7
Department of Labor Relations - (1)(9)	2.8	3.4	4.4	4.0	3.0	0.0	0.0	0.0	0.0	4.7
Office for Persons with Disabilities	4.1	4.1	4.1	4.1	4.1	5.2	5.2	5.3	6.3	7.4
Human Resources - (1)(9)(10)(20)	14.2	13.5	30.6	31.0	36.9	55.5	53.3	52.8	57.2	52.4
Employee Benefits - (10)	23.0	21.9	19.6	18.8	15.3	0.0	0.0	0.0	0.0	0.0
Risk Management	5.1	5.0	5.0	5.3	5.0	5.8	5.5	5.5	6.1	7.0
Fiscal Affairs	42.7	46.4	46.1	47.0	44.2	44.6	45.9	49.1	48.1	44.1
Procurement - (5)(21)	5.5	5.8	6.7	7.8	9.0	10.7	10.1	9.7	13.1	14.1
Information Management Services- (5)	61.3	62.6	81.3	86.9	93.2	98.0	99.3	96.3	112.1	117.2
Economic Development - (3)(8)	-	-	-	-	-	-	36.0	38.4	6.9	7.5
Housing and Community Development - (3)	-	-	-	-	-	-	-	-	36.9	34.0
Economic and Community Development - (8)(12)(15)	0.0	0.0	0.0	6.2	29.0	35.5	-	-	-	-
<b>Total Legislative, Executive and Staff</b>	<b>287.0</b>	<b>294.4</b>	<b>334.1</b>	<b>345.4</b>	<b>371.7</b>	<b>388.0</b>	<b>385.2</b>	<b>387.1</b>	<b>434.4</b>	<b>448.9</b>

**County of Milwaukee, Wisconsin**  
**County Employees by Function (Actual to Budgeted)**  
**Last Ten Years Ended December 31,**

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Courts and Judiciary:</b>										
Combined Court Related Operations	284.9	280.6	277.4	277.5	275.2	280.7	302.9	311.6	310.7	338.4
Department of Child Support	150.5	133.3	130.5	138.6	190.8	193.1	191.0	205.3	203.4	218.4
<b>Total Courts and Judiciary</b>	<u>435.4</u>	<u>413.9</u>	<u>407.9</u>	<u>416.1</u>	<u>466.0</u>	<u>473.8</u>	<u>493.9</u>	<u>516.9</u>	<u>514.1</u>	<u>556.8</u>
<b>General Governmental Services:</b>										
Election Commission	6.5	8.0	6.6	7.7	7.1	5.1	3.8	4.6	4.1	3.3
County Treasurer	8.5	9.5	8.5	8.0	9.0	8.9	9.0	9.0	9.0	9.3
County Clerk	7.1	7.1	6.6	7.6	7.6	7.6	7.0	7.0	7.0	8.7
Register of Deeds	35.7	35.8	42.6	47.6	49.1	49.5	48.0	51.0	47.5	46.5
<b>Total General Governmental Services</b>	<u>57.8</u>	<u>60.4</u>	<u>64.3</u>	<u>70.9</u>	<u>72.8</u>	<u>71.1</u>	<u>67.8</u>	<u>71.6</u>	<u>67.6</u>	<u>67.8</u>
<b>Public Safety:</b>										
Office of the Sheriff - (16)	1,385.9	1,434.2	952.9	935.2	951.0	986.1	1,009.8	1,042.5	1,119.1	1,125.3
House of Correction - (16)	0.0	0.0	486.0	512.3	527.4	545.6	557.4	517.5	587.0	638.1
District Attorney	155.1	157.5	164.6	162.9	161.5	159.1	161.6	161.1	161.2	168.1
Medical Examiner	27.5	27.2	29.4	25.3	25.0	27.2	29.8	30.9	29.8	31.1
<b>Total Public Safety</b>	<u>1,568.5</u>	<u>1,618.9</u>	<u>1,632.9</u>	<u>1,635.7</u>	<u>1,664.9</u>	<u>1,718.0</u>	<u>1,758.6</u>	<u>1,752.0</u>	<u>1,897.1</u>	<u>1,962.6</u>
<b>Public Works and Highways:</b>										
Airport- (17)	271.7	275.7	269.8	229.0	216.4	217.4	213.9	212.7	212.7	195.1
Transportation Services- (18)	14.5	11.8	12.1	17.7	17.8	20.4	18.9	23.1	27.4	26.5
Architectural, Engineering and Environmental Services- (7)	35.2	36.4	37.6	40.2	40.9	48.9	51.0	70.4	66.5	70.4
Highway Maintenance	125.1	125.6	135.7	112.1	114.2	117.9	129.9	132.0	126.1	128.0
Fleet Management - (19)	34.6	38.0	43.3	53.1	57.5	63.6	71.0	70.6	63.2	64.1
Facilities Management (6)(11)	85.0	133.1	150.1	159.2	148.9	172.0	164.5	230.1	251.4	280.1
Director's Office - (6)(11)(15)	13.2	13.0	11.3	3.3	3.9	46.9	54.5	7.1	8.9	15.1
<b>Total Public Works and Highways</b>	<u>579.3</u>	<u>633.6</u>	<u>659.9</u>	<u>614.6</u>	<u>599.6</u>	<u>687.1</u>	<u>703.7</u>	<u>746.0</u>	<u>756.2</u>	<u>779.3</u>

**County of Milwaukee, Wisconsin**  
**County Employees by Function (Actual to Budgeted)**  
**Last Ten Years Ended December 31,**

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Health and Human Services:</b>										
Behavioral Health Division - (21)	843.7	827.7	858.8	890.9	886.8	876.4	903.2	916.4	906.8	993.9
County Health Programs - (21)	0.0	0.0	34.5	49.2	49.8	51.1	51.9	56.4	60.5	63.2
Department on Aging - (13)	77.0	79.6	83.3	89.4	147.8	160.6	158.5	183.7	197.6	196.7
Department of Family Care - (13)	79.1	90.1	91.4	60.4	0.0	0.0	0.0	0.0	0.0	0.0
Department of Health and Human Services - (12)(15)	663.1	672.1	682.3	745.6	745.4	795.1	797.8	749.3	846.2	945.2
<b>Total Health and Human Services</b>	<u>1,662.9</u>	<u>1,669.5</u>	<u>1,750.3</u>	<u>1,835.5</u>	<u>1,829.8</u>	<u>1,883.2</u>	<u>1,911.4</u>	<u>1,905.8</u>	<u>2,011.1</u>	<u>2,199.0</u>
<b>Parks, Recreation and Culture:</b>										
Parks Division- (4)	487.2	509.5	547.5	542.2	485.5	548.0	534.8	617.8	758.9	794.2
Zoological Department	257.5	256.1	251.8	246.3	250.3	253.1	250.4	257.1	263.1	265.0
University Extension	0.8	0.8	0.8	0.8	0.8	1.0	1.0	1.0	1.0	1.3
<b>Total Parks, Recreation and Culture</b>	<u>745.5</u>	<u>766.4</u>	<u>800.1</u>	<u>789.3</u>	<u>736.6</u>	<u>802.1</u>	<u>786.2</u>	<u>875.9</u>	<u>1,023.0</u>	<u>1,060.5</u>
<b>Totals - Budgeted - All Operating Departments</b>	<u>5,336.4</u>	<u>5,457.1</u>	<u>5,649.5</u>	<u>5,707.5</u>	<u>5,741.4</u>	<u>6,023.3</u>	<u>6,106.8</u>	<u>6,255.3</u>	<u>6,703.5</u>	<u>7,074.9</u>
% Increase (Decrease) From Previous Year	<u>-2.21%</u>	<u>-3.41%</u>	<u>-1.02%</u>	<u>-0.59%</u>	<u>-4.68%</u>	<u>-1.37%</u>	<u>-2.37%</u>	<u>-6.69%</u>	<u>-5.25%</u>	<u>-4.60%</u>
Actual Employees Under Budgeted Employees	<u>607.4</u>	<u>447.1</u>	<u>431.5</u>	<u>291.5</u>	<u>319.4</u>	<u>562.3</u>	<u>536.8</u>	<u>693.3</u>	<u>823.5</u>	<u>824.9</u>

**Department Notes:**

- (1) The 2003 Budget transferred the Labor Relations Department to the Human Resources Department.
- (2) The 2004 Budget transferred the Intergovernmental Relations Department to the County Board Office.
- (3) The 2004 Budget combined the Economic Development Department and the Housing and Community Development Department into one department.
- (4) The 2004 Budget created a new Department of Parks and Public Infrastructure (DPPI) by consolidating the services and administration of the previous parks department and the Department of Public Works.
- (5) The 2004 Budget abolished several positions due to the county-wide fiscal constraints.
- (6) The 2005 Budget transferred the security responsibilities from the Facilities Management Department to the Director's Office department.
- (7) The 2005 Budget had numerous unfunded positions, due to the smaller Capital Budget and associated reduction in workload.
- (8) The 2006 Budget transferred the Economic Development Department to the Economic and Community Development Department.
- (9) The 2007 Budget transferred the Labor Relations Department from the Human Resources Department.
- (10) The 2007 Budget transferred the Employee Benefits Department from the Human Resources Department.
- (11) The 2007 Budget transferred the security responsibilities from the Director's Office department back to the Facilities Management Department.
- (12) The 2008 Budget transferred the Home / Home Repair Voucher Program to the Housing Division in the Department of Health and Human Services.
- (13) Beginning with the 2008 Budget, the Care Management Organization was listed separately from the Department of Aging. In 2011 the Care Management Organization became its own department and is now known as the Department of Family Care.

**County of Milwaukee, Wisconsin  
County Employees by Function (Actual to Budgeted)  
Last Ten Years Ended December 31,**

2011    2010    2009    2008    2007    2006    2005    2004    2003    2002

**Department Notes - (Cont'd):**

- (14) In 2009 and prior budgets, all FTE's of the Ethics Board were budgeted in the Personnel Review Board.
- (15) The 2009 Budget dissolved the division and transferred the Block Grant Program to the Housing Division; Real Estate Services to the Director's Office; and the Development Office also to the Director's Office.
- (16) In 2009, the Sheriff's Office took responsibility for the House of Corrections. This consolidation was reflected beginning in the 2010 Budget.
- (17) In the 2009 Budget there was a major staffing change including additional positions created in the interest of airfield safety and security, airfield maintenance, and operating efficiencies.
- (18) In the 2009 Budget, the overall decrease throughout the years is due to position changes/transfers resulting from an ongoing restructuring of the Department of Transportation and Public Works.
- (19) In the 2009 budget, in order to improve the condition and sustainability of Fleet Management, maintenance operations will be administered and operated by a third-party service provider. As a result of this transition, staffing changes occurred, positions were abolished, transferred to the Airport, were unfunded.
- (20) The 2010 Budget transferred 14.0 Human Resources field staff to the departments in which they worked.
- (21) The 2010 Budget merges the County Health Programs into the Behavioral Health Division.
- (22) The 2010 Budget continued to abolish positions.

Source: County of Milwaukee, Wisconsin Payroll System  
County of Milwaukee, Adopted Operating Budgets

**County of Milwaukee, Wisconsin  
Operating Indicators by Function  
For the Six Years Ended December 31, 2011**

	2011	2010	2009	2008	2007	2006
<b><u>LEGISLATIVE, EXECUTIVE, AND STAFF</u></b>						
<b><u>AUDIT:</u></b>						
Financial/Internal Control Audits (hrs)	635	654	458	834	518	652
Performance Audits (hrs)	7,685	12,240	11,344	11,443	11,255	15,132
Special Projects/Hotline Activities (hrs)	3,893	2,440	4,567	3,448	2,065	1,977
Accounts Reconciled	723	732	740	743	807	680
<b><u>PROCUREMENT:</u></b>						
Purchase Orders	1,404	1,824	1,457	1,541	1,733	
Formal Bids	35	33	83	47	63	66
Informal Bids and Quotes	32	44	270	159	230	55
Requests for Proposals	-	1	3	1	3	7
General Awards	1,340	991	1,101	1,334	1,443	1,573
<b><u>HUMAN RESOURCES:</u></b>						
Tuition Loans Processed	46	63	57	65	99	99
On-Line Applications Processed	26,461	26,356	40,000	7,278		
Job Requisitions Requested	504	414	405	269	494	494
Certification Requests Processed	504	414	405	269	494	494
Current Positions Studied for Proper Classification	32	32	64		44	44
New Positions Studied for Proper Classification	31	25	9		18	18
<b><u>COURTS AND JUDICIARY</u></b>						
<b><u>REGISTER IN PROBATE:</u></b>						
Civil Commitments - Adult	5,280	5,673	5,419	5,278	5,283	5,172
Civil Commitments - Juvenile	1,121	972	639	472		
Guardianship/Conservatorship	299	278	1,019	265	525	702
Protective Placement	326	290	287	342	297	516
Annual Review of Protective Placement	1,499	1,462	1,599	1,529	2,000	2,000
Informal Administration	975	1,092	1,068	1,161	1,374	1,274
Formal Administrations	142	147	138	137		
Trusts	27	39	36	42	39	43
Special Administration, Summary Proceedings	386	315	238	233	246	244
Descent/Life Estate	5	6	6	6	5	10
Adult Adoption	17	8	13	18	15	12
Wills Deposited For Safekeeping	83	150	90	94	130	157
Temporary Guardianships	69	63	13	20		
Ancillary Proceedings		3	2	3		

Although ten years of statistical data is preferred, many of these statistics were tracked starting in 2006.  
County of Milwaukee, Wisconsin



**County of Milwaukee, Wisconsin  
Operating Indicators by Function  
For the Six Years Ended December 31, 2011**

	2011	2010	2009	2008	2007	2006
<b><u>GENERAL GOVERNMENTAL SERVICES</u></b>						
<b><u>ELECTION COMMISSION:</u></b>						
Elections	2	4	2	4	2	4
Special Elections	7	2	2		3	2
Recount Elections	1	2				
State/County/Municipal/School Board Referendums	4	1	3	12	6	10
Campaign Finance Statements	194	182	160	167	102	140
Nomination Papers Received	13	11	-	37	6	12
Election Ballot Set-up/Proofing	5	6	4	4	7	6
Challenges to Nomination Papers/Recall Petitions				2		2
Recall Elections/Petitions/Hearings	2				1	6
Statistical Booklet						
Elections Requiring Braille Ballots	4	3	3	4	2	6
Election Commission Meetings	3	3	4	1	1	8
State/County Joint Hearings						
<b><u>TREASURER:</u></b>						
Checks Issued	77,880	95,226	95,722	97,950	215,285	246,912
Lost Checks/Stop Payments	370	443	567	247	350	121
Property Tax Receipts Issued	6,401	6,940	6,758	5,865	5,128	4,418
Delinquent Tax Notices Processed	1,556	8,301	11,233	4,950	6,851	7,539
Tax Forms Furnished	589,724	839,263	726,466	958,872	680,941	856,484
<b><u>REGISTER OF DEEDS</u></b>						
With Transfer Fee	9,123	10,134	12,063	12,237	16,817	21,082
Without Transfer Fee	8,096	7,845	7,968	8,619	8,186	7,764
Total Transfer Fees	5,035,715	5,556,137	6,455,932	8,699,611	12,822,387	13,883,135
Average Real Estate Sale Price	183,993	192,240	178,393	236,977	254,157	219,510
Foreclosures (Lis Pendens)	6,152	7,167	7,472	6,811	5,927	3,912
Wisc Commerce Department Stipulations	755	757	1,249	865	947	1,317
Total Mortgages	27,184	30,978	40,667	39,505	56,514	70,256
Assignments	7,649	8,015	9,781	9,914	12,366	15,187
Partial Release	1,263	780	889	1,150	1,938	2,131
Release	33,027	35,677	45,564	44,146	55,852	66,374
Land Contracts	185	122	138	134	126	166
Sheriff Deeds	3,168	3,053	2,879	3,086	1,602	955
Joint Tenancy Survivorship	1,452	1,431	1,518	1,557	1,654	1,824
Federal Tax Liens	2,628	3,225	2,674	3,002	2,899	2,833
Financing Statements	920	880	1,153	1,085	1,472	1,372

Although ten years of statistical data is preferred, many of these statistics were tracked starting in 2006.

**County of Milwaukee, Wisconsin  
Operating Indicators by Function  
For the Six Years Ended December 31, 2011**

	2011	2010	2009	2008	2007	2006
<b>GENERAL GOVERNMENTAL SERVICES - (Cont'd)</b>						
<b>REGISTER OF DEEDS - (Cont'd):</b>						
Military Discharge	18	40	7	20	29	30
Electronic Recording	48,745	43,816	41,938	20,690	16,256	13,199
E-Docs % of Total Documents	42.71%	35.66%	28.30%	14.46%	9.04%	6.42%
Total Records	114,141	123,084	148,186	143,085	179,818	205,705
Births	15,209	15,615	16,141	16,578	16,950	16,545
Marriages	4,641	4,247	4,236	4,388	4,470	4,858
Domestic Partnerships	56	67	201			
Deaths	9,817	9,266	9,293	9,527	9,467	9,947
Copies Issued - Paid	91,399	91,564	86,307	90,382	101,232	100,079
Copies Issued - Free	523	207	298	286	201	321
Subdivision Plats No.	3	1	2	5	19	21
Subdivision Plats Lots	45	7	29	107	462	539
Condominium Plats No.	14	15	22	26	68	90
Condominium Plats Units	21	86	665	484	1,208	1,718
Copies and Images - Revenue	376,957	406,563	399,243	342,147	338,312	334,508
Recorded Documents - Revenue	1,730,490	1,541,419	1,535,486	1,428,209	2,052,462	2,485,049
Vital Statistics - Revenue	387,479	395,530	397,965	405,345	465,864	470,612
County Share Transfer Fees - Revenue	992,767	1,112,513	1,291,186	1,739,976	2,564,569	2,776,965
<b>COUNTY CLERK:</b>						
Marriage Licenses Issued	4,618	4,607	4,652	4,752	5,931	5,227
Domestic Partnerships Declarations Issued	55	74	217	started 2009		
Domestic Partnership Terminations Process	5	1		started 2009		
Marriage License/Domestic Partnerships Waivers	276	255	207	179	182	234
Duplicate Marriage License/Domestic Partnerships	64	75	76	48	51	59
Civil Marriage Ceremonies Performed	1,000	1,012	954	953	999	1,087
County Board Files Maintained	875	472	482	485	950	874
County Ordinances Published	21	10	18	17	22	23
County Board Proceedings Published	15	1,128	1,084	940	2,732	2,782
Contractor Lien Notices/Vendor Tax Levies Processed	48	56	45	43	37	93
Contractor Qualification Statements Approved	127	117	107	130	622	633
Claims Processed	281	314	315	346	1,703	1,486
Summons and Complaints Processed	180	184	158	126	1,582	1,150
Construction Bid Notices Processed	84	104	86	52	380	475
Legal Documents Assigned to Central Files	111	93	51	33	8,624	6,453
Lobbying Registrations Processed	54	52	46	44	64	44

Although ten years of statistical data is preferred, many of these statistics were tracked starting in 2006.

**County of Milwaukee, Wisconsin  
Operating Indicators by Function  
For the Six Years Ended December 31, 2011**

	2011	2010	2009	2008	2007	2006
<b><u>GENERAL GOVERNMENTAL SERVICES - (Cont'd)</u></b>						
<b><u>COUNTY CLERK - (Cont'd):</u></b>						
Passport Applications Processed	778	778	683	578	940	187
Passport Photos Taken	352	367	314	282	464	110
Oaths of Office Administered	67	65	49	48	68	61
DNR Licenses Sold	325	222	331	started 2009		
Documents Notarized	5,053	4,876	5,173	4,752	4,933	5,239
Milwaukee County Transit System Tickets Sold	3,545	3,880	2,512	3,174	1,849	1,487
<b><u>PUBLIC SAFETY</u></b>						
<b><u>MEDICAL EXAMINER:</u></b>						
Autopsies	1,158	1,056	1,050	948	1,048	1,037
Death Certificates	1,526	1,623	1,644	1,736	1,703	1,904
Cremation Permits	3,457	3,591	3,393	3,390	3,212	3,075
Tissue Room Rental	72	72				
Autopsy Referrals	172	67				
Death Investigated	5,389	5,380	5,181	5,242	5,094	5,080
<b><u>DISTRICT ATTORNEY:</u></b>						
Felony Cases Filed	6,109	6,194	5,845	6,437	6,270	6,776
Misdemeanor Cases Filed	7,362	7,590	6,646	7,648	9,027	9,677
Criminal Traffic Cases Filed	2,796	3,446	5,534	6,397	6,275	8,734
CHIPS Cases Filed	1,597	1,500	1,533	1,820	1,717	1,760
Juvenile Delinquency Cases Filed	1,632	1,555	1,818	2,188	2,467	2,613
Termination of Parental Rights Cases Filed	312	281	346	395	285	382
<b><u>SHERIFF:</u></b>						
Traffic Citations	37,710	33,064	35,725	34,737	41,791	42,808
Auto Accidents Reported and Investigated	4,602	4,275	3,965	6,197	4,632	4,402
Background Checks (Criminal Investigations Division)	493	287	469	388	284	238
Criminal Complaints Issued	3,017	4,032	3,944	1,379	378	378
Writs of Restitution (Evictions)	3,078	2,821	2,807	2,783	3,340	2,927
Writs of Assistance (Foreclosures)	792	736	806	1,119	490	308
Temporary Restraining Orders Received	5,216	5,651	5,536	4,791	368	355
911 Phone Calls	299,517	390,367	536,404	815,542	506,503	526,085
Bookings	42,617	39,887	38,426	37,482	46,527	51,026
Number of Bailiff Posts	79	79	78	79	76	74
Open Records Requests	7,333	3,347	4,333	4,928	5,829	7,691
Civil Process Papers Served	21,592	22,418	22,851	19,952	17,270	14,496

Although ten years of statistical data is preferred, many of these statistics were tracked starting in 2006.

**County of Milwaukee, Wisconsin  
Operating Indicators by Function  
For the Six Years Ended December 31, 2011**

	2011	2010	2009	2008	2007	2006
<b><u>PUBLIC SAFETY - (Cont'd)</u></b>						
<b><u>COUNTY CORRECTIONAL FACILITY - SOUTH:</u></b>						
Avg Daily Population - Milwaukee County Jail Overflow	401	696	889	618	608	664
Huber/Work Release Inmates	177	172	504	596	644	638
Probation and Parolees	98	118	132	306	250	95
Municipal Commitments	40	64	67	66	72	76
Sentenced Inmates	964	1,004	579	592	599	550
County Correctional Facility Central	874	909	898	896	886	878
Total Inmate Population	2,554	2,963	3,069	3,074	3,059	2,901
Electronic Surveillance	185	198	223	171	248	310
<b><u>PUBLIC WORKS AND HIGHWAYS</u></b>						
County Truck Highways Maintained (Lane Miles)	343	343	343	343	343	343
State Truck Highways Maintained (Lane Miles)	639	635	664	634	634	634
Expressways Maintained (Lanes Miles)	1,116	1,150	1,141	1,141	1,135	1,135
County Truck Highways Grass Mowed (Acres)	665	665	665	665	665	665
State Truck Highways Grass Mowed (Acres)	782	782	782	782	782	782
Expressways Grass Mowed (Acres)	1,876	1,876	1,876	1,876	1,876	1,876
<b><u>HEALTH AND HUMAN SERVICES</u></b>						
<b><u>EMERGENCY MEDICAL SYSTEM:</u></b>						
Dispatches	52,087	49,491	45,920	45,353	43,554	39,362
Doctor Calls	1,235	1,398	1,320	1,426	1,468	1,054
Medical Transports	22,743	21,073	20,577	21,737	21,346	20,249
Reports	33,720	31,814	30,756	31,233	30,641	26,430
<b><u>AGING PROGRAMS AND SERVICES:</u></b>						
<b>Senior Meals Program:</b>						
Congregate	264,144	325,354	346,811	373,022	374,707	376,395
Home Delivered	251,254	248,838	259,151	246,650	272,883	299,119
Volunteer Hours	65,958	74,409	74,631	82,272	started 2008	
Specialized Transportation Services One-Way Rides	119,378	123,222	125,397	105,308	117,686	122,063
Participants - Senior Centers / Senior Home Delivery	8,449	6,610	6,740	6,696	7,009	7,322
Participants - Wellness Works Program	2,836	2,124	1,274	1,144	1,148	1,077
Benefit Specialist/Legal Services (In Hours)	13,389	13,058	14,256	11,679	13,848	16,017
Employment Training and Placement Svcs (Hours)	95	85	95	59	2,160	2,160
Information and Assistance Contact Calls 24 Hours	615	520	622	517	343	343
Information Inquiries	24,825	26,605	47,399	58,743	37,387	28,302
Long Term Care Referrals/Applications Processed	5,536	5,872	10,120	6,198	6,238	6,478
Functional Screens Performed	2,812	3,178	3,188	3,056	3,146	3,104

Although ten years of statistical data is preferred, many of these statistics were tracked starting in 2006.

**County of Milwaukee, Wisconsin  
Operating Indicators by Function  
For the Six Years Ended December 31, 2011**

	2011	2010	2009	2008	2007	2006
<b>HEALTH AND HUMAN SERVICES - (Cont'd)</b>						
<b>CARE AND MANAGEMENT ORGANIZATION (CMO):</b>						
Family Care New Enrollees	1,510	1,895	1,616	1,198	1,392	1,389
Family Care Continual Enrollees	6,375	5,864	5,657	5,400	5,053	4,756
Family Care Dis-enrolled Clients	1,329	1,368	1,239	1,227	1,092	1,005
<b>ECONOMIC SUPPORT DIVISION:</b>						
Interim Disability Assistance Program	1,237	1,187	1,417	1,495	930	950
Home Energy Assistance - Total households applied	64,103	63,843	54,374	48,635	48,947	50,608
Crisis Assistance - Total households applied	17,482	22,137	19,564	13,550	29,568	21,176
Food Share (Food Stamps) - Average monthly served	State of Wisconsin took over these programs beginning in 2010		81,861	65,967	60,089	59,910
Medicare Individuals Served			245,476	215,697	206,726	208,084
Child Day Care - (Families per month)			14,565	14,040	13,420	13,141
<b>DELINQUENCY AND COURT SERVICES DIVISION:</b>						
<b>Detention Center:</b>						
Staffed Capacity of Juvenile Detention	109	109	109	109	109	109
Average Daily Population	88	87	95	106	100	105
Detention Admissions (Annual)	2,773	2,753	2,912	3,143	3,356	3,507
Health Assessments/MH Screens in Detention	4,040	4,024	4,576	4,810	started 2008	
<b>Court Intake and Probation Supervision:</b>						
Annual Delinquency/JIPS Referrals	2,514	2,470	2,741	3,425	3,771	3,917
Average Monthly Intake/Probation/Diversion Cases	1,678	1,823	2,265	3,059	3,114	2,992
POSIT/Drug/Alcohol Screens	2,530	2,680	2,634	1,819	2,053	1,724
AODA Assessments	229	304	363	374	419	474
Victim Notifications	2,380	2,245	2,714	3,318	2,880	3,349
Diversion Restitution Payments Processed	24	36	23	12	30	39
Administrative Review Panels	88	189	206	254	247	241
Warrants Issued	686	681	721	776	791	819
Probation Orientation	610	548	650	741	494	started 2007
Avg Monthly Youth - Delinquency and Courts Svcs	1,678	1,823	2,265	3,059	3,114	2,992
<b>Juveniles Served by Dept of Corrections:</b>						
Juvenile Commitments (Annual)	166	153	206	213	253	202
Average Daily Youth under Dept of Corrections	151	186	235	272	265	started 2007
<b>Juveniles Served In Community Programs:</b>						
Temporary Shelter Care	780	749	780	888	982	1,110
Level II Monitoring	820	775	878	1,006	997	963
First Time Juvenile Offenders Program	251	276	376	394	395	539
Probation Network Services	357	387	485	516	519	517

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**County of Milwaukee, Wisconsin  
Operating Indicators by Function  
For the Six Years Ended December 31, 2011**

	2011	2010	2009	2008	2007	2006
<b>HEALTH AND HUMAN SERVICES - (Cont'd)</b>						
<b><u>DELINQUENCY AND COURT SERVICES DIVISION - (Cont'd):</u></b>						
Sex Offender Program	41	47	73	83	79	81
Day Treatment Program	174	169	168	159	192	231
Foster Care	3	3	2	3	7	8
Group Home Care	73	96	106	94	90	79
RADS	1	15	15	started 2009		
Wraparound	682	719	706	705	670	581
Serious Chronic Offender Program	118	106	102	91	89	60
Firearm Project Program	91	108	108	105	130	113
Sibling/Graduate Engagement	101	109	99	73	started 2008	
Focus Program	71	76	83	80	77	101
ACE - Alternatives to Corrections Through Education		1	1	started 2009		
Reentry Coordination and Services	55	27	started 2010			
<b><u>DISABILITIES SERVICES DIVISION:</u></b>						
Adults Served by Service Bureau	348	2,039	2,518	2,511	2,590	2,592
Children Served by Service Bureau	10,603	5,223	4,798	4,374	4,213	3,925
Physical Disabilities - Adult Support Services		497	762	789	808	803
Resource Center Services	20,839	24,487	15,156	17,456	14,155	13,903
Court Related Services	813	730	1,550	1,736	1,471	2,198
<b><u>HOUSING DIVISION:</u></b>						
Special Needs - Safe Haven (Persons/Year)	66	63	64	54	55	66
Special Needs - Shelter Plus Care (Persons/Year)	558	553	537	520	499	467
HOME/Home Repair - Number of New Loans	25	122	133	114		
<b><u>BEHAVIORAL HEALTH</u></b>						
<b><u>INPATIENT SERVICES BRANCH:</u></b>						
<b>Acute Adult Inpatient:</b>						
Average Daily Census	80	84	89	98	99	97
Patients Served	1,361	1,696	1,734	1,880	2,002	1,946
Admissions	1,846	2,254	2,336	2,528	2,729	2,713
Patient Days	29,098	30,805	32,573	35,917	36,069	35,259
Average Length of Stay	15	15	15	14	13	13
<b>CAIS Inpatient:</b>						
Average Daily Census	8	10	9	11	11	11
Patients Served	950	1,241	1,103	1,171	1,147	1,156
Admissions	1,343	1,601	1,551	1,584	1,557	1,519
Patient Days	3,077	3,781	3,440	3,851	4,120	3,881

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**County of Milwaukee, Wisconsin  
Operating Indicators by Function  
For the Six Years Ended December 31, 2011**

	2011	2010	2009	2008	2007	2006
<b><u>BEHAVIORAL HEALTH - (Cont'd)</u></b>						
<b><u>NURSING HOME SERVICES - REHABILITATION CENTERS:</u></b>						
Average Length of Stay	2	2	2	3	3	3
Average Daily Census	131	132	131	139	133	135
Patients Served	165	150	153	163	164	158
Admissions	31	16	16	30	32	18
Patient Days	47,719	48,098	47,894	48,587	48,545	48,977
<b><u>COMMUNITY SERVICES:</u></b>						
<b>Community Support Program:</b>						
Patients Served	356	361	372	391	415	436
Admissions	35	29	10	22	30	22
Contacts (Visits)	47,453	46,657	48,515	49,810	49,203	49,728
<b>Targeted Case Management:</b>						
Patients Served	219	276	293	295	333	354
Admissions	11	42	61	52	54	64
Contacts (Visits)	8,299	8,965	9,429	9,477	11,612	12,982
<b>Adult Day Treatment:</b>						
Average Daily Census	14	13	25	18	19	17
Patients Served	62	67	80	100	119	139
Admissions	46	46	64	80	97	109
Appointments (hrs)	13,008	12,031	16,061	17,133	18,321	14,278
Visits	3,582	3,479	4,468	4,623	4,972	4,379
<b><u>CRISIS SERVICES:</u></b>						
Psychiatric Crisis Services - Admissions	13,169	13,438	12,894	12,509	12,568	13,018
Patients Served	1,652	1,680	1,785	1,973	2,164	2,256
Admissions	1,426	1,479	1,530	1,842	1,924	2,208
Appointments	5,573	5,233	5,681	6,498	7,023	6,710
<b>Crisis Response and Respite:</b>						
Patients Served	1,371	1,287	1,158	1,211	1,371	1,257
Admissions	1,570	1,472	1,274	1,370	1,510	1,387
Appointments	1,405	1,473	1,392	1,405	1,645	1,677
<b><u>ALCOHOL AND OTHER DRUG ABUSE SERVICES:</u></b>						
Methadone Detox	148	74	183	199	199	196
Inpatient Care (Detox)	2,813	3,360	3,542	3,477	3,517	3,599
Intake Assessments	4,860	5,153	4,727	4,235	5,712	8,120
Outpatient	3,331	3,171	3,112	2,717	3,268	4,854
Day Treatment	688	683	903	729	785	1,499

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**County of Milwaukee, Wisconsin  
Operating Indicators by Function  
For the Six Years Ended December 31, 2011**

	2011	2010	2009	2008	2007	2006
<b><u>BEHAVIORAL HEALTH - (Cont'd)</u></b>						
<b><u>ALCOHOL AND OTHER DRUG ABUSE SERVICES - (Cont'd):</u></b>						
Day Treatment - Residential	711	708	727	772	701	1,191
Community Living Support Services	6,069	6,341	5,709	4,408	2,479	5,474
Recovery House Plus op/DT	321	334				
<b><u>PARKS, RECREATION, AND CULTURE</u></b>						
<b><u>ZOO:</u></b>						
Zoo Attendance - Adults	367,234	379,418	383,982	434,754	419,486	423,417
Zoo Attendance - Junior	168,637	185,729	186,930	206,743	209,847	217,978
Zoo Attendance - Free	<u>697,348</u>	<u>701,168</u>	<u>720,330</u>	<u>672,786</u>	<u>668,508</u>	<u>662,688</u>
Zoo Attendance - Total	1,233,219	1,266,315	1,291,242	1,314,283	1,297,841	1,304,083
<b><u>PARKS:</u></b>						
<b><u>Facilities Rentals:</u></b>						
Picnic with/without Shelters	3,029	2,960	3,089	2,910	3,551	3,892
Buildings	1,744	2,085	1,998	2,033	2,264	2,769
Lodges	53	45	27	102	115	178
Pools Rentals	39	49	41	61	65	76
Marina Slip Rentals	664	659	644	677	683	679
Special Event Permits	339	272	267	259	243	273
Rounds of Golf	288,953	315,455	302,262	302,067	333,142	347,067
Pool Attendance	321,749	348,547	251,447	204,199	265,770	283,475

Although ten years of statistical data is preferred, many of these statistics were tracked starting in 2006.  
County of Milwaukee, Wisconsin



**County of Milwaukee, Wisconsin  
Operating Indicators by Function  
For the Six Years Ended December 31, 2011**

	2011	2010	2009	2008	2007	2006
<b><u>BUSINESS - TYPE ACTIVITIES</u></b>						
<b><u>TRANSIT/PARA TRANSIT:</u></b>						
Buses Assigned	416	422	483	483	483	483
Buses Operated	341	345	394	392	431	431
Bus Miles Traveled	17,107,116	17,480,728	17,958,867	18,098,521	18,494,513	18,934,841
Bus Hours Driven	1,298,644	1,318,050	1,346,998	1,345,685	1,376,762	1,419,603
Revenue Passengers	38,075,651	37,534,911	39,405,363	43,165,472	42,531,691	46,627,247
Transit Plus Ridership	876,494	1,106,708	1,170,456	1,121,848	1,091,823	1,032,970
<b><u>AIRPORT:</u></b>						
Passengers Served	9,522,456	9,848,377	7,946,562	7,956,968	7,713,144	7,299,294
Carriers - Commercial	9	10	12	12	12	12
Runways	5	5	5	5	5	5
Acreage	2,386	2,386	2,386	2,386	2,386	2,386
Daily Departures/Arrivals	431	525	420	380	410	440
Aircraft Operations	173,017	191,553	169,693	183,278	244,836	255,515
Revenue Landing Weight (in 1,000 lbs)	6,237,622	6,550,879	5,552,988	5,871,753	5,728,235	5,701,137
Air Freight (in 1,000 lbs)	165,583	171,123	147,390	183,478	187,352	194,110

Although ten years of statistical data is preferred, many of these statistics were tracked starting in 2006.  
County of Milwaukee, Wisconsin

<b>County of Milwaukee, Wisconsin</b>						
<b>Capital Asset Statistics by Function</b>						
<b>For the Six Years Ended December 31,</b>						
	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b><u>LEGISLATIVE, EXECUTIVE AND STAFF</u></b>						
<b><u>COUNTY EXECUTIVE:</u></b>						
Vehicles - Cars, Vans, SUVs, Pickup Trucks	0	1	1	1	1	1
<b><u>OFFICE FOR PERSONS WITH DISABILITIES:</u></b>						
Vehicles - Cars, Vans, SUVs, Pickup Trucks	1	1	1	1	1	1
<b><u>INFORMATION MANAGEMENT SERVICES:</u></b>						
Vehicles - Cars, Vans, SUVs, Pickup Trucks	3	3	3	3	3	1
<b><u>ECONOMIC DEVELOPMENT:</u></b>						
Vehicles - Cars, Vans, SUVs, Pickup Trucks	0	0	0	1	1	1
<b><u>PUBLIC SAFETY</u></b>						
<b><u>GENERAL:</u></b>						
Buildings	4	4	4	4	4	4
<b><u>MEDICAL EXAMINER:</u></b>						
Vehicles - Cars, Vans, SUVs, Pickup Trucks	3	5	5	5	5	5
<b><u>DISTRICT ATTORNEY:</u></b>						
Vehicles - Cars, Vans, SUVs, Pickup Trucks	16	19	19	19	18	18
<b><u>SHERIFF:</u></b>						
Ambulance	2	1	1	1	1	1
Bomb Trucks	1	1	1	1	1	1
Generator	1	1	1	1	1	1
Squad Cars	93	80	71	69	62	60
Vehicles - Cars, Vans, SUVs, Pickup Trucks	99	98	99	103	103	101
<b><u>COUNTY CORRECTIONAL FACILITY - SOUTH:</u></b>						
Barn	1	1	1	1	1	1
Buildings	12	12	12	12	13	13
Chicken Coop	1	1	1	1	1	1
Creamery	1	1	1	1	1	1
Fuel Storage Tanks	2	2	2	2	2	2
Garages	2	2	2	2	2	2
Greenhouses	1	1	1	1	1	1
Kennels	1	1	1	1	1	1
Loaders and Attachments	2	2	2	2	2	2
Pump Houses	2	2	2	2	2	2
Silos	4	4	4	4	4	4
Toll Booths and Sheriff Check-In	2	2	2	2	2	2
Miscellaneous Equipment	3	3	3	3	3	3
Mowers and Attachments	3	3	3	3	3	3
Spreaders	1	1	1	1	1	1
Tractors	6	6	6	6	6	6
Trailers	1	1	1	1	1	1
Vehicles - Cars, Vans, SUVs, Pickup Trucks	40	40	43	44	44	44
Warehouses, Storage Buildings and Sheds	12	12	12	12	12	12
Water Towers	1	1	1	1	1	1

**County of Milwaukee, Wisconsin  
Capital Asset Statistics by Function  
For the Six Years Ended December 31,**

	2011	2010	2009	2008	2007	2006
<b>PUBLIC WORKS AND HIGHWAYS</b>						
Aerial Lifts and Buckets	9	6	6	6	6	6
Air Compressors	11	11	11	11	11	11
Asphalting Equipment	16	16	15	16	16	16
Buildings	9	9	9	9	9	9
Cranes and Attachments	5	5	5	5	5	5
Electrical Substation	2	2	2	2	2	2
Fork Lifts and Attachments	8	8	8	9	9	9
Garages	7	7	7	7	7	7
Graders and Attachments	-	-	1	3	3	3
Liquid Calcium Applicators	54	63	64	49	43	39
Loaders and Attachments	17	20	24	24	21	21
Mowers and Attachments	40	39	41	39	39	39
Other Miscellaneous Road Working Equipment	16	16	16	13	13	13
Pump House	1	1	1	1	1	1
Snow Plows and Attachments	186	213	193	204	187	176
Spreaders and Attachments	99	133	113	115	109	105
Sweepers, Cleaners and Attachments	21	20	21	23	23	23
Tractors	18	17	18	21	21	21
Trailers	12	8	8	8	8	8
Trucks - over 13,000 lb. gross vehicle weight	119	133	125	102	96	92
Vehicles - Cars, Vans, SUVs, Pickup Trucks	72	140	86	81	71	68
Water Pumps and Tanks	8	8	8	9	9	9
Water Towers and Reservoirs	5	5	5	5	5	5
Warehouses, Storage Buildings and Sheds	14	14	14	14	14	14
<b>HEALTH AND HUMAN SERVICES:</b>						
Ambulances	0	2	2	2	2	2
Buildings	8	8	8	7	7	2
Recreational Centers	2	2	2	2	2	2
Senior Centers	6	6	6	6	6	6
Sheds	3	3	3	3	3	2
Vehicles - Cars, Vans, SUVs, Pickup Trucks	29	33	34	34	34	24
Wading Pools	1	1	1	1	1	1
Wheelchair Accessible Vans	1	1	1	1	1	1

**County of Milwaukee, Wisconsin**  
**Capital Asset Statistics by Function**  
**For the Six Years Ended December 31,**

	2011	2010	2009	2008	2007	2006
<b><u>PARKS, RECREATION AND CULTURE</u></b>						
<b><u>PARKS:</u></b>						
Band Shells and Amphitheater	3	3	3	3	3	3
Barns and Silos	5	5	5	5	5	5
Bathhouses	15	15	15	16	14	14
Bathhouse / Pavilions	27	27	27	27	27	27
Boat Launches	3	3	3	3	3	3
Boathouses	4	3	3	3	3	3
Booths	14	14	14	14	14	14
Buildings	131	131	128	128	128	128
Comfort Stations	27	27	27	27	27	27
Community Centers	3	3	3	3	2	2
Concession Stands	4	4	4	4	5	5
Dam and Dam Dugout	2	2	2	2	2	2
Gazebos	3	3	3	2	2	2
Golf Clubhouses	15	15	15	15	15	15
Golf Courses	15	15	15	15	15	15
Golf Dome	1	1	1	1	1	1
Harvesters	7	7	7	7	7	7
Hoppers	5	5	5	5	5	5
Houses and Lodges	11	11	11	11	13	13
Indoor Baseball Facilities	1	1	1	1	1	1
Lighthouse	1	1	1	1	1	1
Loaders and Attachments	24	25	27	27	27	27
Miscellaneous Equipment	51	54	54	56	55	52
Mowers and Attachments	72	78	58	61	27	25
Nature Preserves and Gardens	4	4	4	4	4	4
Parking Structures & Garages	8	8	8	8	8	8
Parks and Parkways	147	147	147	147	147	147
Pavilions	30	30	30	30	30	30
Pools	15	15	15	18	18	18
Pump Houses	11	11	11	9	9	9
Recreation Buildings	4	4	4	4	4	4
Scooters	17	17	20	20	20	19
Shelters	32	32	32	32	35	35
Ski Chalets	1	1	1	1	1	1
Snow Plows, Equipment and Attachments	129	113	109	118	118	118
Spreaders and Attachments	67	58	50	50	50	50
Storage Containers	5	5	5	5	5	5
Storage Sheds	107	107	107	107	101	101
Sweepers	6	6	6	7	7	7
Tractors	18	16	18	16	14	13
Trailers	8	8	8	8	8	8
Trucks - over 13,000 lb. gross vehicle weight	29	24	28	32	31	31
Vehicles - Cars, Vans, SUVs, Pickup Trucks	138	147	142	149	150	150
Wading Pools	36	36	36	38	36	36
Walkway Bridge	1	1	1	1	1	1
Water Playgrounds & Splash Pads	5	5	5	5	5	5
Weed Sprayers and Attachments	24	24	24	23	23	23

**County of Milwaukee, Wisconsin  
Capital Asset Statistics by Function  
For the Six Years Ended December 31,**

	2011	2010	2009	2008	2007	2006
<b><u>PARKS, RECREATION AND CULTURE - (Cont'd)</u></b>						
<b><u>ZOO:</u></b>						
Animal Dens	4	4	4	4	4	4
Animal Exhibits	6	6	6	6	5	5
Animal Islands	1	1	1	1	1	1
Animal Overlooks	2	2	2	2	2	2
Animal Petting Rings	1	1	1	1	1	1
Aviaries and Pheasantries	5	5	5	5	5	5
Barns	12	12	12	12	10	10
Standalone Bleachers	2	2	2	2	2	2
Boat Landings	1	1	1	1	1	1
Booths	16	16	16	16	16	16
Buildings	36	36	36	36	32	32
Carousels	1	1	1	1	1	1
Catch Basin Cleaner	1	1	1	1	1	1
Chick Hatchery	1	1	1	1	1	1
Clubhouses	1	1	1	1	1	1
Comfort / Concession Stations	8	8	8	8	8	8
Electrical Substation	1	1	1	1	1	1
Entrance Kiosks	3	3	3	3	3	3
Farm Entry Structures	1	1	1	1	1	1
Garages	1	1	1	1	1	1
Gazebos	3	3	3	3	3	3
Loaders and Attachments	4	3	3	3	3	3
Observation Decks	2	2	2	2	1	1
Parking Lot	1	1	1	1	1	1
Photovoltaic Solar Systems	2	2	2	2	2	2
Pools	1	1	1	1	2	2
Pump Houses	2	2	2	2	1	1
Roadway Sweeper	1	1	1	1	1	1
Sheds	7	7	7	7	8	8
Shelters	4	4	4	4	4	4
Snow Plows	8	8	6	5	5	4
Spreaders and Attachments	3	3	3	4	4	3
Stages	2	2	2	2	2	2
Storage Containers	7	7	7	7	7	7
Theaters with Bleachers	2	2	2	2	2	2
Train Depot and Crossing Shacks	4	4	4	4	4	4
Train Locomotive Engines	4	4	4	4	4	4
Trucks - over 13,000 lb. gross vehicle weight	2	2	3	3	3	3
Vehicles - Cars, Vans, SUVs, Pickup Trucks	18	22	28	29	29	26
Wishing Well	1	1	1	1	1	1

County of Milwaukee, Wisconsin						
Capital Asset Statistics by Function						
For the Six Years Ended December 31,						
	2011	2010	2009	2008	2007	2006
<b><u>BUSINESS - TYPE ACTIVITIES</u></b>						
<b><u>TRANSIT / PARA TRANSIT:</u></b>						
Buildings	16	16	16	16	16	16
Bus Waiting Stations	3	3	4	4	4	4
Sheds	1	1	1	1	1	1
Shelters	2	2	2	2	2	2
<b><u>AIRPORT:</u></b>						
Air Traffic Control Towers	2	2	2	2	2	2
Buildings - (1)	73	46	46	45	46	46
Bus / Lot Shelters	8	8	8	8	6	8
Cargo Carriers	3	3	3	3	2	2
Combo Units	12	12	12	2	0	0
Crash and Rescue Facility	1	1	1	1	1	1
Entrance / Exit Helix	2	2	2	2	2	2
Fire Trucks	5	5	5	6	4	4
Ground Run-up Enclosures	0	2	2	2	2	2
Guard Shack and Check Station	0	2	2	2	2	2
Hangars	16	25	25	25	25	25
Hydrant Fuel System	1	1	1	1	1	1
Kennels	1	2	2	2	2	2
Liquid Calcium Applicators	4	4	4	4	4	4
Loaders and Attachments	22	22	22	24	20	20
Miscellaneous Equipment	20	15	11	9	9	8
Mowers and Attachments	26	26	25	24	21	21
Parking Structures	1	1	1	1	1	1
Pump Houses	2	2	2	2	2	2
Remote Transmitter	1	1	1	1	1	1
Runway Brooms, Sweepers and Attachments	11	10	10	11	11	11
Snow Plows and Attachments	52	54	50	44	43	37
Spreaders, Deicers, Salters and Attachments	18	19	19	19	18	18
Surface Friction Tester	1	1	1	1	1	1
Taxi Stop Boxes	1	1	1	1	1	1
Teller Boxes	3	3	3	3	3	3
Terminals and Concourses	5	5	5	5	5	5
Toll Booths	12	12	12	12	12	12
Tractors	7	7	8	9	9	9
Trailers	2	1	1	1	1	1
Trucks - over 13,000 lb. gross vehicle weight	32	32	34	32	31	27
Vehicles - Cars, Vans, SUVs, Pickup Trucks	70	63	50	47	46	37
Warehouses, Storage Buildings and Sheds - (1)	52	19	19	19	19	19
(1) Increases in 2011 due to buildings available for use from the 440th Air Force Reserve Station acquisition made in 2010.						