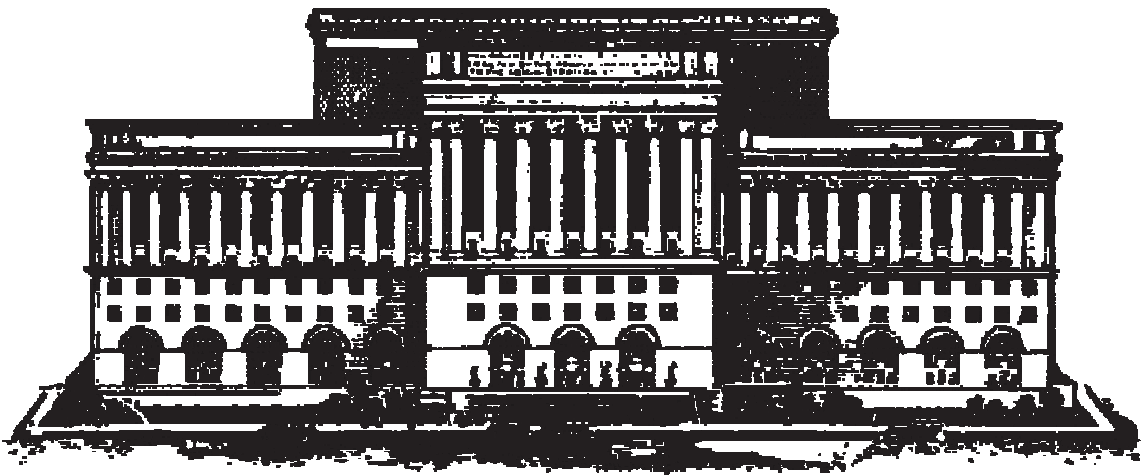


**COUNTY OF
MILWAUKEE, WISCONSIN**



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2016

COMPREHENSIVE ANNUAL FINANCIAL REPORT

County of Milwaukee
Milwaukee, Wisconsin

As of and For the Year Ended
December 31, 2016

Prepared by:
Office of the Comptroller
Central Accounting

COUNTY OF MILWAUKEE, WISCONSIN

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INTRODUCTORY SECTION (Unaudited)

- **Letter of Transmittal**
- **GFOA Certificate of Achievement for
Excellence in Financial Reporting for 2015**
- **Organizational Chart**
- **List of Principal Officials and Committees**



Office of the Comptroller

Milwaukee County

Scott B. Manske • Comptroller

July 31, 2017

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 ("County") for the year ended December 31, 2016 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 and analysis, the basic financial statements, required supplementary information and the other supplementary information including the combining and individual fund financial statements and schedules.

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")**, which is unaudited, 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.

COUNTY OF MILWAUKEE, WISCONSIN

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2) **Basic Financial Statements**

- **Government-wide Financial Statements** consisting of a statement of net position 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/deferred outflows of resources, liabilities/deferred inflows of resources, 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 position with the governmental funds on the balance sheet and between 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 Milwaukee County War Memorial, Inc., 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,

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Letter of Transmittal

the internal service funds are 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.

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

B) COUNTY GOVERNMENT

A County Executive and an 18-member Board of Supervisors govern Milwaukee County. The County Executive and the Comptroller are elected to nonpartisan four-year terms. The County Board of Supervisors, beginning with the election in 2016, are elected to nonpartisan two-year terms.¹ Each Supervisor represents about 53,000 people. In addition, the Clerk of Circuit Courts, County Clerk, County Treasurer, District Attorney, Register of Deeds and Sheriff are each elected to serve four-year terms on a partisan basis.

Board of Supervisors. 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. The County Board 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. There are nine standing committees of the County Board.

- Economic and Community Development
- Health and Human Needs
- Judiciary, Safety and General Services
- Transportation, Public Works and Transit
- Finance and Audit²
- Personnel
- Intergovernmental Relations
- Parks, Energy and Environment
- Committee of the Whole

The Chairperson of the County Board is elected by the members of the County Board following their election every two years and is responsible for presiding at County Board meetings, ruling on procedural matters, representing the County Board at official functions, and making appointments to County Board committees, special subcommittees, boards and commissions.

County Executive's Office. Milwaukee County was the first county in the State to establish an executive branch. The County Executive appoints five cabinet officers to assist in carrying out the executive functions:

¹ On June 2, 2013, Wisconsin Act 14 ("Act 14") relating to the County became effective. Act 14, among other things, changed the compensation structure of a Supervisor, changed the length of the term of a Supervisor from four years to two years, affected the right of an annuitant under the Milwaukee County Employee's Retirement System if rehired by the County, limited the authority of the County to enter into certain intergovernmental agreements, revised the approval process for public contracts, removed and clarified some authority of the Board, increased and clarified the authority of the County Executive, and required a referendum regarding the compensation of the Supervisors. Subsequent to the passage of Act 14 a local referendum was held and approved that placed limitations on the annual salaries of the Chairperson and Supervisors. Changes to Supervisors' pay, benefits and term take effect with the 2016 spring term.

² Beginning with the 2016 spring election, the Committee on Finance, Personnel and Audit split into two separate committees: the Committee on Finance and Audit and the Committee on Personnel.

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- Director - Department of Administrative Services
- Director - Department of Human Resources
- Director - Department of Health and Human Services
- Director - Department of Parks, Recreation and Culture
- Director - Department of Transportation and Public Works

In addition, the County Executive appoints and manages heads of the following departments:

- | | |
|----------------------------|--------------------------------------|
| • Child Support Services | • Government Affairs |
| • Family Care ³ | • Office on African American Affairs |
| • House of Correction | • Medical Examiner |
| • UW - Extension | • Veterans Service Office |
| • Zoological Gardens | • Emergency Management |
| • Aging | • Behavioral Health Division |

Functions of the County Executive's office include: coordination and direction of administrative and management functions of the County government not otherwise vested by law in boards, commissions or other elected officers; appointment of department heads, except where statute provides otherwise, and members of boards and commissions, subject to confirmation by the County Board; preparation and submission of an annual County budget to the County Board; submission annually, and otherwise if necessary, of a message to the County Board setting forth the condition of the County and recommending changes and improvements in County programs and services; and review for approval or veto of all resolutions and ordinances enacted by the County Board.

Administration. The Administrative function includes the Department of Administrative Services, Department of Human Resources, Corporation Counsel and boards and commissions such as the Civil Service Commission, Ethics Board and the Personnel Review Board.

The **Department of Administrative Services** is responsible for a variety of governmental functions. The various divisions provide services for other departments including facilities management, information management, risk management, economic development, administration and budget oversight, disabilities program management, procurement and disadvantaged business enterprise programs. The Department is also responsible for the County's water utility.

The **Department of Human Resources ("DHR")** provides Milwaukee County government with an equitable and effective system for the recruitment, classification, compensation, development and retention of a talented, skilled and culturally diversified workforce. DHR encompasses Compensation, Training & Employee Relations, Employment & Staffing, Health Benefits, Labor Relations and the Employment Retirement System functions. DHR assures strict adherence to Civil Service Rules, State and Federal Laws and County ordinances, regulations and policies related to human resources and affirmative action.

³ The Department of Family Care began operating as My Choice Family Care and entered into an agreement with the County to secede from the County and operate independently as an IHA effective September 1, 2016.

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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 County.

The **Civil Service Commission** is an independent body charged with oversight of Milwaukee County's Civil Service System. Consisting of five members, the Commission conducts hearings on the merit system and application of Civil Service Rules.

The **Ethics Board** assures the confidence of the general public in the integrity of Milwaukee County government. The Ethics Board assures the public that all Milwaukee County employees, office holders, candidates for public office and citizens serving on boards and commissions of Milwaukee County are complying with the Ethics Code requirements.

The **Personnel Review Board** provides 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 Statutes and County ordinances.

General Governmental Services. The General Governmental Services group includes the County Treasurer, the County Clerk including the Election Commission, the Register of Deeds and the Office of the Comptroller.

The **County Treasurer** is the County's banker, acting under the authority vested in it by State Statutes and County ordinances. The Treasurer's functions include receiving and disbursing all funds as provided, 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 taxes for all of Milwaukee County's municipalities as required by State Statutes, except for the City of Milwaukee which collects its own delinquent taxes. The County Treasurer also maintains property tax data that is accessible to the public at the Courthouse office.

The **County Clerk** is the recorder of the County, acting under the authority vested in it by State Statutes and County ordinances. The Clerk's functions include recording the proceedings of the County Board of Supervisors, staffing all County Board meetings and County Board committee meetings, maintaining all legislative files, updating existing ordinances and publishing new ordinances. The Clerk also maintains the County Legislative Information Center ("CLIC"), which provides on-line public access to legislative documents, meeting agendas and meeting minutes, as well as live on-line streaming of meetings of the County Board and its committees. Other duties include issuing marriage licenses and domestic partnership declarations, registering lobbyists and lobbying principals and reporting on their activity, accepting applications for passports, selling bus tickets, and Wisconsin Department of Natural Resources ("DNR") 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 all claims filed against Milwaukee County.

The Clerk also serves as the executive director of the Milwaukee County Election Commission. The Election Commission administers Federal, State, County, and

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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 **Register of Deeds** is tasked with maintaining public record records and documents acting under the authority vested in it by State Statutes and County ordinances. 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.

The **Comptroller** is the County's chief financial officer and acts under the authority vested in it by State Statutes and County ordinances. The Comptroller is required to monitor and report on the County's current fiscal health, to act as the County auditor and to provide an independent fiscal review on any proposed spending at the request of the County Board and/or County Executive. Functions of the Comptroller include Accounts Payable, Administration, Audit Services, Capital and Debt Monitoring, Central Accounting, Central Payroll, and Research and Policy.

Courts and Judiciary. The Courts and Judiciary function includes the Department of Combined Court Related Operations, Pretrial Services Division and Department of Child Support Services.

The **Department of Combined Court Related Operations** operates the Milwaukee County Circuit Courts. The Chief Judge is the Administrative Chief of the First Judicial Administrative District, which is solely comprised of Milwaukee County, and is responsible for the oversight of administration of judicial activities in the 47 Circuit Courts within the District. The **Administration Division**, under direction of the Clerk of Circuit Court/Court Services Director, plans, directs and coordinates the operations of all the divisions of the Circuit Court. The **Criminal Division** hears, tries and determines all matters for pretrial, trial and post-conviction proceedings in felony, misdemeanor and traffic matters. The **Children's Court Division** exercises jurisdiction over matters involving persons under the age of 18 regarding delinquency, dependency, neglect, guardianships, detention and termination of parental rights. The **Civil Court Division** adjudicates small claims, large claims, replevin and eviction actions. The **Family Court** area hears all actions affecting family. The **Probate Division** manages and maintains all documents deposited for safekeeping or filed for probate and assists the courts assigned probate jurisdiction in adjudicating matters involving probate, trusts, guardianships of persons and estates, conservatorship, protective placements, involuntary commitments, temporary restraining orders and injunctions in individuals at risk cases. The **Family Drug Treatment Grant Division** is responsible for drug treatment grant oversight. The **Permanency Plan Review Division** provides children in out-of-home situations with a review every six months by the court. The **Self Help Services/Milwaukee Justice Center (MJC)** is a volunteer-based community service project founded on the premise that everyone deserves meaningful access to the justice system, regardless of economic situation or access to legal services.

The **Pretrial Services Division** provides screening, intervention and supervision services for pretrial defendants. This division is managed by the Chief Judge of the Milwaukee

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County Circuit Courts and Judicial Review Coordinator. This division includes funding for the Universal Screening program, which screens individuals who are booked into the Milwaukee County Criminal Justice Facility, for the purpose of providing pretrial risk information on defendants to judges, commissioners, prosecutors and defense attorneys; and to determine suitability for pretrial services and Early Intervention programs. Funding for services such as the Drug Treatment Court Coordinator, Treatment Alternatives and Diversion program, drug testing, Secure Continuous Remote Alcohol and GPS monitoring is also provided.

The **Department of Child Support Services** implements and administers the Child Support Enforcement Act pursuant to Title IV-D of the Federal Social Security Act and Sections 49.22 and 59.53(5) of the Wisconsin Statutes, under contract with the Wisconsin Department of Children and Families. The Department has four divisions: Case Management (Establishment and Enforcement), Financial, Legal and Operations. The Department monitors approximately 125,000 cases annually for establishment and enforcement of child support obligation, maintains Milwaukee County family court orders on Kids Information Data System, the statewide support computer system, and represents the State's interests in family court hearings in the County.

Public Safety. The Public Safety function includes the Office of the Sheriff, House of Correction, District Attorney, Office of Emergency Management and Medical Examiner.

The **Office of the Sheriff** acts as an arm of the criminal justice system which consists of carrying out criminal investigations, effecting arrests and warrants, detaining prisoners, providing court security, serving process papers, transporting prisoners and patients and extraditing criminals. The **Administration Bureau** performs management and support functions for the Sheriff, communications, training and public information. The **Detention Services Bureau** includes the Criminal Justice Facility ("CJF"), Court Services, Support Administration and Central Records. The CJF is a secure detention facility with a total bed space of 960 detainees and is primarily a pre-trial holding facility; although a small number of sentenced offenders awaiting transfers or hearings are also housed at the jail. The **Police Services Bureau** is responsible for patrolling the County airports, County grounds, County parks and expressways. In addition, the Police Services Bureau includes the Civil Process Unit, Criminal Investigation Division, the Drug Enforcement Unit, the High Intensity Drug Trafficking Area, the Special Weapons and Tactics team, the bomb disposal unit and the dive team.

The **House of Correction** receives and maintains custody of all sentenced inmates in Milwaukee County committed by authorized courts for periods not exceeding one year and from other jurisdictions as authorized by County ordinance; provides programs of work release, rehabilitation, education, work, recreation and training; provides medical, dental and other necessary services in conjunction with the Detention Services Bureau of the Sheriff's Department; and releases inmates upon expiration of sentence, upon orders of the courts or other recognized authorities. Section 302.315 of the Wisconsin Statutes permits the House of Correction to receive and maintain custody of pretrial inmates at the request of the Milwaukee County Sheriff. The Department operates a program of home detention using electronic surveillance equipment and other systems of control and oversees the Day Reporting Center where sentenced inmates can obtain job training and AODA services.

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The **District Attorney's Office**, pursuant to Section 978.05 of the Wisconsin Statutes, has jurisdiction for criminal and juvenile cases in Milwaukee County Circuit Courts. District attorneys and assistant district attorneys present evidence, argue motions, negotiate cases and conduct jury and court trials. General Crimes Division staff are responsible for general felony and misdemeanor courts; Violent Crimes Division staff are responsible for felony drug and firearms crimes in specialized felony courts; Homicide and Sensitive Crimes Division staff process homicide, sexual assault and child abuse cases in specialized felony courts; Juvenile Division staff are responsible for juvenile delinquency and child welfare care in the Children's Court of Milwaukee County; the Community Prosecution Unit supervises community prosecutors in six Milwaukee police district stations; and the Domestic Violence Unit prosecutes all domestic violence cases in three specialized courts.

The District Attorney's 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 District Attorney's Office also operates the Witness Security Program, the Diversion and Treatment Alternatives to Criminal Charges Program and administers federal and state grant funded programs including the Victim/Witness Program, the Victims of Crime Act, the Byrne Justice Assistance Grant Prosecution of Drug Crimes, Violence Against Woman Acts and the High Intensity Drug Trafficking Area grant, among others.

The **Office of Emergency Management** includes five program areas: the Director's Office, Emergency Management, Emergency Medical Services, 911 Communications, and Radio Services. These program areas coordinate emergency services in cases of natural or manmade disasters and also synchronize the four public safety services, which allows the fusion of data, assets, monies and staff in order to sustain healthy and productive localities within our County.

The **Medical Examiner's Office** investigates all deaths in which there are unexplained, unusual or suspicious circumstances, for example, homicides, suicides, accidental deaths and all deaths in which there is no physician in attendance. Staff of the Medical Examiner's Office perform autopsies, histological studies and toxicological analyses; testify in court in regard to all investigative findings; issue death certificates, cremation permits and disinterment permits; take possession of, store and arrange for the final disposition of bodies when investigation is required or bodies are unclaimed; locate relatives of deceased persons; safeguard and legally dispose of money and property of deceased persons; and render scientific aid to various law enforcement agencies in the examination of evidence.

Transportation. The Department of Transportation administers two County airports, the transit/Para transit system, highway maintenance, and fleet management.

The **Airport Division** operates the General Mitchell International Airport ("GMIA") and the Lawrence J. Timmerman Airport ("LJT"). This division is discussed in greater detail below under "Business-type Functions".

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The **Milwaukee County Transit System** is the County's mass transit system. This division is discussed in greater detail below under "Business-type Functions".

The **Highway Division** maintains the County's interstates, state trunk highways and county trunk highways. Expenses for general and winter maintenance of state trunk highways within the County are fully offset by state reimbursement revenues. The Transportation Services Section provides transportation planning and engineering services and cost-effectively plans, designs and implements projects necessary to maintain and enhance the safety and efficiency of the County's highways, bridges and traffic control facilities.

The **Fleet Management Division** purchases and maintains vehicles and equipment used by Milwaukee County departments. This department consists of three functions: Equipment Repairs, Inventory Management, and Equipment Coordination. Equipment Repairs maintains and manages approximately 2,200 vehicles and pieces of equipment. Inventory Management maintains and manages inventory of repair parts for all Milwaukee County vehicles. Inventory Management also manages and operates four conveniently located fueling sites supplying 700,000 plus gallons of fuel annually. Equipment Coordination researches and develops the specifications for purchasing new vehicles and equipment and works with user departments to ensure the correct piece of equipment is purchased. Equipment Coordination also hosts and coordinates a semi-annual Public Auction of used equipment for Milwaukee County and other municipalities in the area.

Health and Human Services. This functional area consists of the Department of Health and Human Services, Behavioral Health Division, Department on Aging and Department of Family Care.

The **Department of Health and Human Services ("DHHS")** provides a wide range of services to children and adults through age 60. Many DHHS services are mandated by State Statute and/or provided through a contract between the state and the County. The **Delinquency and Court Services Division** provides custodial intake services, administers a wide continuum of juvenile justice programs and provides support staff for the operation of the Children's Court to promote public safety. The division operates a 24/7, 120-bed secure juvenile detention center facility, primarily housing juveniles pending a court hearing or those deemed out of compliance with supervision conditions. The **Disabilities Services Division ("DSD")** provides services to adults with special needs between the ages of 18 and 59 and to children birth to 21 with disabilities and their families. Services are targeted at populations with physical and developmental disabilities and sensory impairment. The division operates the Disabilities Resource Center and provides information and assistance, service access and prevention, disability benefits counseling and Family Care entitlement benefits. DSD also manages the Interim Disability Assistance Program and the General Assistance burials programs. The **Housing Division** administers Housing and Urban Development funded programs, including Shelter Plus Care, Safe Haven, Housing Choice Voucher and HOME/Home Repair. The division also administers the Community Development Block Grant program and Pathways to Permanent Housing program. The **Director's Office & Management Services Division** provide administrative guidance, accounting support, and contract oversight. This division also oversees the Home Energy Program and 211 Impact, which is a referral service for individuals in need of social services.

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The **Behavioral Health Division (“BHD”)** provides care and treatment of persons with disorders related to alcohol and substance abuse as well as developmentally, emotionally and mentally ill adults, children and adolescents under direction from the Milwaukee County Mental Health Board (“MCMHB”). The MCMHB is an 11 – member board, with 9 members appointed by County Executive with input from the Milwaukee County Board and other programs as defined in State Statute, as well as two ex officio members. The range of services provided by the BHD encompass inpatient care, outpatient care and day treatment. Acute hospital admissions are initiated by voluntary application or through legal detention methods such as court commitment. Extended care services are provided at federally certified, skilled nursing facilities and at facilities for the developmentally disabled. Day treatment is offered to patients who have progressed to the stage where inpatient hospitalization is no longer indicated but who require more intensive treatment than is available in an outpatient facility. The Community Services Branch provides both mental health and alcohol and other drug addiction services through contracts with community service providers or at community clinics. Over the past several of years, the BHD has completely phased out its extended care services and moved long-term care patients into community settings.

The MCMHB is responsible for recommending an operating budget to the County Executive that must have a levy between \$53 and \$65 million unless the County Board, MCMHB and County Executive agree to an amount outside the range. The County Board has no authority to approve a tax levy amount other than that directed by the County Executive. Since the MCMHB does not have direct bond authority, any capital projects needed would have to be paid from current operating appropriations or through bonds, if approved by the County Board of Supervisors.

The **Department on Aging** administers aging programs and serves as the County’s designated area agency on aging. Services provided by the Department on Aging are designed to provide an appropriate mix of community-based care and direct services to prevent the inappropriate and costly institutionalization of older adults. **The Administration Division** provides administrative guidance, accounting support and contract oversight. **Area Agency Services** provides a network of support services to the aging population including the Senior Meal Program and the senior centers in the County and provides a range of grants to community based agencies to provide specialized programming for elderly adults. The **Aging Resource Center** serves as an information clearinghouse, provides eligibility assessments for persons seeking assistance in any Aging program and acts as a point of entry for all publicly funded long term care programs. The Resource Center also acts as the elder abuse/protective services agency for persons over 60 in Milwaukee County and provides evidence based wellness and prevention programs.

The **Department of Family Care (“DFC”)** administers the Family Care benefit for both frail elders (age 60 and over) and persons with disabilities (ages 18-59) who are determined to be eligible by a resource center. DFC is responsible for creating a comprehensive plan of care for over 8,400 persons; contracting with a wide range of service providers; and monitoring the quality of services that members receive. DFC delivers member-centered, community-based, outcome-focused, managed long-term care services and member-centered care planning for all Family Care members. In return for coordinating and managing these services, the DFC receives a capitated rate payment

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per member per month from the State. The DFC now offers the Family Care benefit to eligible members in seven counties outside of Milwaukee (Racine, Kenosha, Waukesha, Washington, Walworth, Ozaukee, and Sheboygan). DFC operates under both a contract with the State of Wisconsin Department of Health Services and a permit issued by the State of Wisconsin Office of the Commissioner of Insurance and uses no county tax levy. The 2015 – 17 Wisconsin State Budget made major changes to the Family Care program which included adding primary and acute care services to the Family Care benefit through Integrated Health Agencies (“IHAs”) rather than Managed Care Organizations and requiring that all IHAs maintain licensure as a Health Maintenance Organization (“HMO”). Since no mechanism existed under state law for a unit of County government to obtain a HMO license, the DFC began operating as My Choice Family Care and entered into an agreement with the County to secede from the County and operate independently as an IHA effective September 1, 2016. This allowed the MCFC program to apply for an HMO license and continue to serve its population in 2017 when the new rules took effect.

Parks, Recreation and Culture. This functional area includes the Department of Parks, Recreation and Culture, the Milwaukee County Zoo, the Milwaukee Public Museum and other cultural institutions that receive County support.

The **Department of Parks, Recreation and Culture** operates the Milwaukee County Park System, which is comprised of over 150 parks and parkways totaling over 15,000 acres of parkland. The Parks Department provides a variety of sports and recreation opportunities to County residents and visitors. The Parks Department maintains golf courses, indoor and outdoor aquatic facilities, an indoor ice arena and a sports complex that hosts tournaments, competitions, leagues and tradeshow. The famous Oak Leaf Recreational Trail, along with many miles of parkways, provides off-road paved paths for walking and biking and connects all major parks and parkways in the Park System. In addition, dozens of parks have baseball or softball fields, basketball courts, sand volleyball, tennis courts, disc golf, rugby fields, cricket courts and other facilities that can be rented or used recreationally. The Parks Department also offers both supervised sports activities as well as leisure recreation in exercise and game room gatherings in its community centers. The centers offer a host of activities that focus on the needs of the community including indoor basketball, boxing, help with homework and movie nights.

More than half of the County’s parkland is managed as a natural area. Additional public educational opportunities are offered through Boerner Botanical Gardens, the Mitchell Park Horticultural Conservatory and Wehr Nature Center. The Department also maintains lakefront property and operates beaches along Lake Michigan. Fishing and boating access is provided through launch sites along the lake, including sites at McKinley Marina and South Shore Park.

The **Zoological Department** operates the Milwaukee County Zoo (“Zoo”), one of the country’s finest zoological attractions with nearly 400 species and over 3,300 mammals, birds, fish, amphibians and reptiles. Spanning over 200 wooded acres and 450,000 square feet of facilities, specialized habitats and exhibits at the Zoo include the Family Farm, a working farm and dairy complex; the Peck Welcome Center; the Sea Lion and Polar Bear exhibit; the Aviary; the Small Mammals Building; the Florence Mila Borchert Big Cat Country exhibit; the Australian Building; the Apes of Africa exhibit and Primate Building; the Education Facility; the Lake Evinrude Deck; the Aquatic & Reptile Building;

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and the Special Exhibits Building. Other Zoo facilities include a sky safari, a railroad, a carousel, a zoomobile, ropes course, zip line, Birds of Prey show, Oceans of Fun Seal and Sea Lion show and the Kohl's Cares for Kids Play Area. Over 1.3 million people visited the Zoo in 2016.

The **Marcus Center for the Performing Arts** ("Marcus Center") is a cultural center that hosts the Milwaukee Symphony Orchestra, Milwaukee Ballet Company, Florentine Opera, Milwaukee Youth Symphony, First Stage Milwaukee and other special arts groups and entertainment events. The County's annual operating contribution to the Marcus Center for 2016 is \$.95 million.

The **Milwaukee Public Museum, Inc.** ("MPM") operates 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. The board of directors of MPM includes representatives appointed by the County Board and the County Executive.

MPM hosts international exhibitions annually and had nearly a half million visitors to its exhibitions, National Geographic theater and Daniel M. Soref Planetarium. Through its distance learning program, the museum provides remote educational programs to students throughout the region, the County and around the world.

Business-type Functions. The County operates General Mitchell International Airport, Lawrence J. Timmerman Airport, and Milwaukee County Transit Services and classifies these enterprise fund activities as business-type activity in the government-wide financial statements.

The **Airport Division** of the Department of Transportation operates the General Mitchell International Airport ("GMIA") and the Lawrence J. Timmerman Airport ("LJT"). **GMIA** is located six miles south of the City of Milwaukee's central business district and covers nearly 2,400 acres. GMIA is the largest and busiest airport in Wisconsin, serving over 6.5 million passengers in 2016. GMIA has non-stop flights to 39 cities and easy one-stop connections to 160 cities worldwide. GMIA is the only airport in Wisconsin or northern Illinois served by all the major domestic airlines. **LJT** is located in the northwest quadrant of the County. This 420-acre general aviation facility serves privately owned aircraft and provides pilot training through its flight school. Operating expenses of both airports are entirely supported by user fees. No property tax dollars are used for capital improvements or for day-to-day operations.

The **Milwaukee County Transit System** ("MCTS") is the County's mass transit system and is operated by the Department of Transportation through a transit management services provider - Milwaukee Transport Services. MCTS has an active bus fleet of over 400 diesel buses and serves nearly 5,500 bus stops and operates over 60 routes, including Freeway Flyer service from outlying park-ride lots, and limited stop Metro Express service which travels through the heart of the city to major destinations across the County. MCTS provides on average 150,000 rides every day to people across Milwaukee, Ozaukee, Washington and Waukesha Counties. Budgeted fare revenue and federal and state aid account for approximately 88 percent of operating costs. MCTS also has a paratransit program for persons with disabilities.

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C) COMMUNITY CHARACTERISTICS

Milwaukee County, located in southeastern Wisconsin on the Lake Michigan shoreline, was formed in 1835 when it was part of the Michigan Territory. Prior to that, the area had been settled by a variety of Native American tribes, and was explored by French priests and traders as far back as 1674. The name “Milwaukee” is generally believed to be derived from a Native American term meaning “good land”.

Today, Milwaukee County is, by population, the largest county in the State of Wisconsin and the 49th largest in the United States with over 950,000 residents. Milwaukee County is one of the few fully incorporated counties in the United States and includes 19 municipalities that range from the large urban center in the City of Milwaukee with over 600,000 residents to small villages such as River Hills with a population of under 2,000. The County anchors the Greater Milwaukee Metropolitan Area, which has a population of more than 2 million and includes seven neighboring counties: Waukesha, Racine, Washington, Ozaukee, Dodge, Jefferson, and Walworth.

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 is scheduled for completion in 2022.

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. The commodities handled at the Port directly impact the long-term economic success and growth of the State of Wisconsin on a yearly basis. Approximately 1.4 million tons of salt, 500,000 tons of cement and cement products, 600,000 tons of coal, and more than 50,000 tons of specialty products come through the port on an annual basis. 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.

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 Institute of Art & Design, Milwaukee School of Engineering, Mount Mary University, University of Wisconsin Milwaukee and Wisconsin Lutheran College.

Population-wise, the County has remained fairly constant since its drastic drop in the 1970s due to changes in the nation’s manufacturing industry. The most recent population estimate for Milwaukee County (2015) is up 1.1 percent from the last decennial estimate. The five most recent decennial estimates for the County are presented in the table below.

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Population Statistics

<u>Year</u>	<u>Population</u>
2015	957,735
2010	947,735
2000	940,164
1990	959,275
1980	964,988
1970	1,054,249

The County's labor force has remained relatively constant as well, while unemployment has decreased by 3.5 percent. According to the State of Wisconsin Department of Workforce Development, unemployment in Milwaukee County has decreased from 8.6 percent in 2012 to 5.81 percent in 2016. During that same time period, the total labor force increased by over 2,500 persons. The Labor Force Statistic table below provides the average annual estimates over the past five years.

Labor Force Statistics for Milwaukee County (Not Seasonally Adjusted)

<u>Year</u>	<u>Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>	
				<u>Milwaukee County</u>	<u>State of Wisconsin</u>
2016	479,090	454,475	24,615	5.1%	4.1%
2015	477,475	449,935	27,540	5.8%	4.6%
2014	479,164	446,154	33,010	6.9%	5.5%
2013	479,548	439,273	40,275	8.4%	6.8%
2012	476,458	435,412	41,046	8.6%	7.0%

Source: Wisconsin Department of Workforce Development

According to the Milwaukee Metropolitan Association of Commerce (MMAC) Business Outlook Survey, Second Quarter, 2017, 75% of area businesses surveyed expected sales increases in 2017's second quarter, 62% forecast profit gains, and 55% predict employment growth over year-ago levels.

According to the MMAC, "The employment situation in the metro area has grown uneven in recent months. Year-over-year job gains were posted in most months in 2016, but declines have been recorded in each of 2017's first two months (down 0.4% and 0.7% in January and February respectively). These job declines have cut across a majority of major industry sectors in the metro area." MMAC goes on to note that "looking forward, businesses are more likely to predict future job gains for their local operations than declines by a wide margin. Fifty-five percent of all employers surveyed see higher second-quarter job levels (vs. one-year ago), outnumbering those predicting job declines (6%) by over a nine-to-one margin. Thirty-nine percent see no change in future job levels."

Milwaukee County lags behind both the State and the United States for per capita personal income and has not kept pace with national and statewide increases. The Bureau of Economic Analysis provides estimates of per capita income data. Available data for the County, State of Wisconsin and United States over the past five years are presented in the following table.

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Per Capita Personal Income

Year	Milwaukee County	State of Wisconsin	United States
2016	Not Available	\$47,275	\$49,571
2015	\$43,020	45,942	48,190
2014	41,647	44,414	46,464
2013	40,200	42,728	44,493
2012	40,756	42,537	44,282
2011	38,893	40,749	42,461

D) FINANCIAL MANAGEMENT

Budgeting. The County has an executive budget process for the preparation of the annual operating and capital budgets. The Office of Performance, Strategy and Budget (PSB) 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. PSB 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 1st of each year. Subsequent to the receipt of the budget from the County Executive, the County Board's Committee on Finance and Audit 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.

Accounting Policies and Budgetary Control. Section 59.60(3m) of the Wisconsin Statutes specifies that all County accounting and budgeting procedures shall comply with generally accepted accounting principles. The Comptroller's Office monitors the accounting policies and procedures followed by County departments for compliance.

The County's accounting records for governmental and agency funds are maintained on a modified accrual basis of accounting. Under this method, revenues are recorded when measurable and available; expenditures are recorded when the goods or services are received and the liabilities are incurred. The County's accounting records for proprietary funds and the pension trust funds of the County are maintained on an accrual basis of accounting. Under this method, revenues are recorded when the services are performed; expenditures are recorded when the goods or services are received and the liabilities are incurred.

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

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to be derived. The evaluation of costs and benefits requires estimates and judgments by management.

Budgetary control is maintained by a formal appropriation and encumbrance/expenditure system. Encumbrances are made against appropriations upon the release of a purchase order to a vendor. Expenses are incurred upon the receipt of goods or services, and the matching to invoices and purchase orders. This expenditure matching will reduce open encumbrances, related to the purchase order being paid. The expenditures and remaining open encumbrances will reduce the available appropriation. New encumbrances or expenses that would reduce the net appropriation balance below the authorized limits are halted until additional appropriation authority is granted. As authorized by State Statute, open encumbered purchase orders are carried forward at the end of the year by means of encumbrance reserves. These reserves are restored to departmental appropriation accounts in the following year, thus allowing departments to complete the purchase transaction, using prior year funded appropriations. Purchases for the current year would be encumbered against new budgeted appropriations. Expenditures are then recorded when the services or materials are received, which will release the encumbrance.

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 Comptroller and the Department of Administrative Services.

Auditing. Pursuant to Wisconsin Statutes and Milwaukee County General Ordinances, the Milwaukee County Comptroller, a publicly elected official, is charged with performing all audit functions related to Milwaukee County government. These audit functions are carried-out through the Office of the Comptroller's Audit Services Division. As required by State Statute, the Division conducts audits of accounting and administrative controls, compliance with applicable laws and regulations, and economy, efficiency, and effectiveness of operations and program results, in accordance with Generally Accepted Government Audit Standards.

Additionally, the Audit Services Division contracts with an independent certified public accounting firm to audit the County's comprehensive annual financial report, containing its basic financial statements, as well as its schedule of expenditures of federal and state awards. These audits 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 audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance); and the provisions of the State of Wisconsin State Single Audit Guidelines.

Debt Administration. In 1994, the County established new policies and revised existing policies that directly and indirectly affect 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 is limited to an increase of no more than three percent over the preceding year's adopted bond amount.

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In 2014, the County added a new policy for its Debt Service Reserve. The policy states that the County will seek to build and maintain a minimum balance of \$10 million in the Debt Service Reserve.

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, 2016, the County had \$648.1 million of net general obligation debt outstanding, representing 21.5 percent of the \$3.0 billion debt limit. The debt limit is based upon equalized value of County property of \$60.3 billion.

Approximately 78.8 percent of the County's general-obligation debt 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 2016, total debt of the County, which includes general purpose and Airport revenue bond obligations, was \$830.4 million. As of December 31, 2016, approximately \$182.4 million or 22.0 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's ratings from Moody's Investors Service, Standard & Poor's, and Fitch Ratings, respectively, have assigned the ratings of "Aa2 /AA / AA+" to the Bonds. 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.

Moody's Investors Service
Aa2

Standard & Poor's
AA

Fitch IBCA
AA+

Investment Policy. The County may purchase investment securities as allowed by Section 66.0603(1m) of the Wisconsin Statutes and Milwaukee County ordinance at prevailing market rates. To the extent possible, the County attempts to match its investments with anticipated cash-flow requirements. In the absence of individual security maturity limitations specified in the Wisconsin Statutes, the County does not directly invest in securities maturing more than ten years from the date of purchase.

Future Fiscal Outlook. The Comptroller monitors the County's five-year forecast and provides an annual update to the County Board and County Executive each year. In addition, the Comptroller may update the forecast throughout the year depending on events that may impact the long-term sustainability, such as the State's Biennial Budget.

The 2016 model projected a structural deficit for the 2017 budget of \$36.9 million. Key assumptions contributing to the structural deficit in 2017 include a loss of transit passenger revenue, increases in pension and healthcare costs and elimination of budget abatements and reserve contributions. Offsetting these increases is a surplus in forecasted wages and transit

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expenditures, forecasted increases in property tax levy, and increased revenues from sales tax and employee pension contributions.

The 2017 structural deficit of \$36.9 million was reasonable based on the forecasted cost-to-continue and use of one-time revenues and expenditure abatements in 2016. The County's prior year five-year forecast predicted that the County would have a structural deficit of \$12.5 million for the 2017 fiscal year if the 2016 structural deficit of \$26.2 million was solved with long-term solutions. The forecast further projected that if no long-term solutions were implemented, the 2017 structural forecast could reach \$38.7 million. Given the one-time revenues used in 2016, as well as other unforeseen changes, the 2017 structural deficit of \$36.9 million was considered reasonable.

On average, the annual structural deficit will consist of a cost-to-continue of \$14.1 million due to a greater increase in expenditures than what is generated in additional revenue. Expenditures will grow on average 2.2 percent while revenues will grow on average 0.7 percent. The County can also expect an increase in the structural deficit each year in which one-time revenues or expenditure abatements were used in the prior year. In 2016, the County utilized such one-time revenues and expenditure abatements of approximately \$19.3 million, which increased the 2017 structural deficit by the same amount. While a structural deficit of \$36.9 million seems daunting for 2017, if the County were to resolve this structural deficit with long-term solutions, it could expect a 2018 structural deficit of roughly \$12.5 million, barring any unforeseen issues. Any use of one-time revenues or expenditure abatements in the 2017 budget will worsen the structural deficit.

Property Tax Limit (Local Levy Limit). Section 66.0602 of the Wisconsin Statutes imposes a limit on property tax levies by cities, villages, towns and counties. No city, village, town or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of the percentage change in the political subdivision's January 1st equalized value due to new construction less improvements removed or zero percent). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

A political subdivision may carry forward levy from prior year(s) under one of two provisions; however, both cannot be used together in a single year:

Under Section 66.0602 (3) (f) of the Wisconsin Statutes, a political subdivision that did not levy its full allowable levy in the prior year can carry forward the difference between the allowable levy and the actual levy, up to a maximum of 1.5% of the prior year's actual levy. The use of carry forward levy adjustment needs to be approved by a majority vote of the political subdivision's governing body (except in the case of towns) if the amount of carry forward levy adjustment is less than or equal to 0.5% and by a super majority vote of the political subdivision's governing body (three-quarters vote if the governing body is comprised of five or more members, two-thirds vote if the governing body is comprised of fewer than five members) (except in the case of towns) if the amount of the carry forward levy adjustment is greater than 0.5% up to the maximum increase of 1.5%.

Under Section 66.0602 (3) (fm) of the Wisconsin Statutes, a political subdivision has the ability to carry forward unused levy limit capacity for a period of up to five years under certain conditions.

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The maximum amount of carry forward that can be claimed as an adjustment in any given year is equal to 5% of the prior year's actual levy. Claiming the carry forward requires approval by a 2/3 majority vote of the political subdivision's governing body, and the amount of general obligation debt outstanding in the year the carry forward is claimed must be less than the amount of general debt outstanding in the prior year. The amount of the potentially available carry forward adjustment is determined by totaling the amount of any unclaimed carry forward percentages from each of the preceding five years' levy limit worksheets. However, the first levy limit worksheet that can be considered is the one for the 2014 levy.

Special provisions are made with respect to property taxes levied to pay general obligation debt service. Those are described below. In addition, the statute provides for certain other exclusions from and adjustments to the tax levy limit. Among the items excluded from the limit are amounts levied for any revenue shortfall for debt service on a revenue bond issued under Section 66.0621, the amount levied for public libraries, and the amount levied for a countywide emergency medical system. Among the adjustments permitted is an adjustment applicable when a tax increment district terminates, which allows an amount equal to the prior year's allowable levy multiplied by 50% of the political subdivision's percentage growth due to the district's termination.

With respect to general obligation debt service, the following provisions are made:

- If a political subdivision's levy for the payment of general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding obligations of the political subdivision and interest on outstanding obligations of the political subdivision, on debt originally authorized before July 1, 2005, is less in the current year than in the previous year, the political subdivision is required to reduce its levy limit in the current year by the amount of the difference between the previous year's levy and the current year's levy unless the political subdivision does not utilize the "unused levy" provision of the local levy limit statute.
- For obligations authorized before July 1, 2005, if the amount of debt service in the preceding year is less than the amount of debt service needed in the current year, the levy limit is increased by the difference between the two amounts.
- The levy limits do not apply to property taxes levied to pay debt service on general obligation debt authorized on or after July 1, 2005.

E) 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 Office of the Comptroller – Audit Division. A request for proposal was issued to solicit proposals from eligible firms. The

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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 is performed to provide reasonable assurance that the financial statements are free of material misstatement. The audit involves 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 is a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended December 31, 2016 are fairly presented in conformity with Generally Accepted Accounting Principles. 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 ("CAFR") for the year ended December 31, 2015. This is the 37th (December 31, 1979 through December 31, 2015) 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 CAFR. 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 CAFR 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 Office of the Comptroller and the assistance of personnel in the various departments and through the competent service of the independent public accountants. We would like to express our appreciation to all persons who assisted in its preparation.

Respectfully submitted,



Scott B. Manske
Milwaukee County Comptroller



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**County of Milwaukee
Wisconsin**

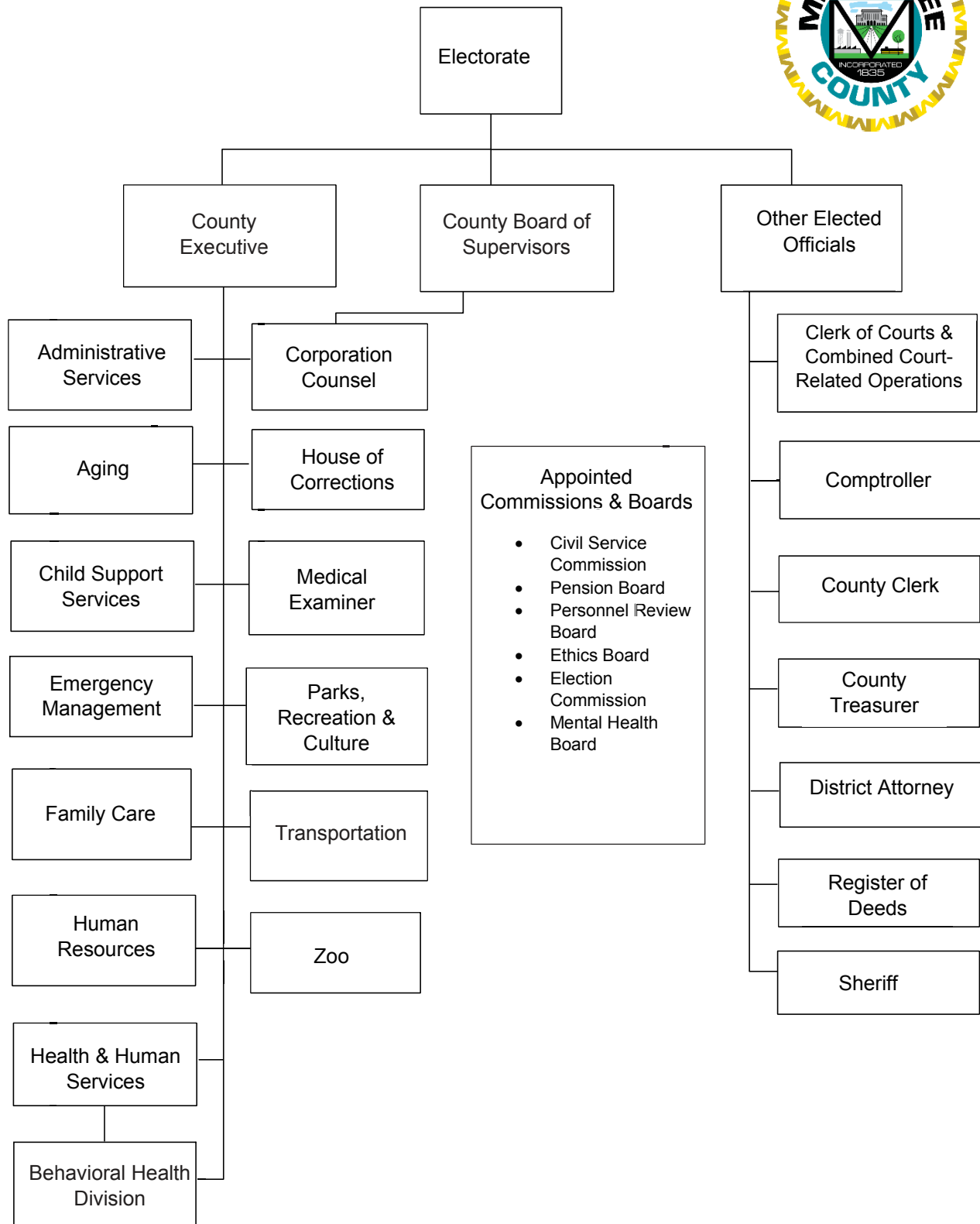
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

A handwritten signature in black ink, reading "Jeffrey R. Emer". The signature is fluid and cursive.

Executive Director/CEO

Organizational Chart



Source: 2016 Milwaukee County Adopted Operating Budget

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List of Principal Officials and Committees December 31, 2016

ELECTED

County Executive	Chris Abele
Clerk of Circuit Court/Register in Probate	John Barrett
Comptroller	Scott Manske
County Clerk	Joseph Czarnecki
County Treasurer	David Cullen
District Attorney	John T. Chisholm
Register of Deeds	John La Fave
Sheriff	David A. Clarke, Jr.

APPOINTEES / DEPARTMENT HEADS

<u>Department</u>	<u>Title</u>	<u>Name</u>
Administrative Services (*)	Director	Teig Whaley-Smith
Audit Services	Director	Jerome Herr
Aging	Director	Holly Davis
Child Support Services	Director	James Sullivan
Circuit Courts	Chief Judge	Maxine White
Corporation Counsel	Corporation Counsel	Paul Barga
Emergency Management	Director	Christine Westrich
Government Affairs	Director	Eric Peterson
Health and Human Services (*)	Director	Hector Colon
House of Correction	Director	Michael Hafemann
Human Resources (*)	Director	Kerry Mitchell
Medical Examiner	Medical Examiner	Brian L. Peterson, MD
Parks, Recreation, and Culture (*)	Director	John Dargle, Jr.
Transportation and Public Works (*)	Director	Brian Dranzik
UW - Extension	Director	Eloisa Gomez
Veterans Services Office	Director	James Duff
Zoological Gardens	Director	Charles Wikenhauser

(*) County Executive cabinet officers

COUNTY OF MILWAUKEE, WISCONSIN

List of Principal Officials and Committees December 31, 2016

ELECTED

COUNTY BOARD OF SUPERVISORS - (By District Number)

1- Theodore Lipscomb, Sr. - (Chair)	10- Supreme Moore Omokunde
2- Sequanna Taylor	11- Dan Sebring
3- Sheldon A. Wasserman	12- Peggy A. West
4- Marina Dimitrijevic	13- Willie Johnson, Jr.
5- Marcelia Nicholson	14- Jason Haas
6- James Schmitt	15- Eddie Cullen
7- Michael Mayo, Sr.	16- John F. Weishan, Jr.
8- David L. Sartori	17- Anthony Staskunas
9- Steve F. Taylor	18- Deanna Alexander

COUNTY BOARD STANDING COMMITTEES

The Board Chairperson appoints the chair and members of the eight standing committees of the Milwaukee County Board. Each Committee is comprised of a Committee Chair or Co-Chairs and 6 - 7 members.

- 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. Matters pertaining to economic development of Milwaukee County, including the best disposition of county properties, are decided by this Committee. The Committee also makes decisions on the Research Park and the Airport Business Park.
- The **Finance and Audit Committee** reviews County budget matters, taxation and insurance matters. Audit reports are reviewed to ensure other 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. On special occasions, members of the Committee appear before Congress, the State Legislature and governing bodies of other municipalities to support the County Board's policies.
- The **Judiciary, Safety and General Services Committee** considers legal questions concerning lawsuits or claims by or 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 Commission, Register in Probate, Election Commission, County Clerk, Register of Deeds, Legal Resource Center, Sheriff, Medical Examiner, Safety Commission, District Attorney, House of Correction, Department of Child Support Enforcement, Corporation Counsel and Emergency Management.

COUNTY OF MILWAUKEE, WISCONSIN

List of Principal Officials and Committees December 31, 2016

- 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, arts, the University Extension program, 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** is responsible for employee relations, 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 Transportation, including the construction and maintenance of County highways, bridges, airports 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 Chairperson. All 18 supervisors are members of the Committee of the Whole.

FINANCIAL SECTION

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

INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors
County of Milwaukee
Milwaukee, Wisconsin

Report on the Financial Statements

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, 2016, and the related notes to the financial statements, which collectively comprise the County of Milwaukee's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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, Inc., the Marcus Center for the Performing Arts, and the Milwaukee County Research Park Corporation, which represent 42 percent, 50 percent and 46 percent, respectively, of the assets, net position and revenues of the discretely presented component units. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Milwaukee County War Memorial, Inc., the Marcus Center for the Performing Arts, and the Milwaukee County Research Park Corporation, is based solely 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 from material misstatement. The financial statements of the Milwaukee Public Museum, Inc., the Milwaukee County War Memorial, 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control over financial reporting relevant to the County of Milwaukee's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the County of Milwaukee's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Board of Supervisors
County of Milwaukee

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above 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, 2016 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 accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I, the County of Milwaukee adopted the provisions of GASB Statement No. 72, Fair Value Measurement and Application, effective January 1, 2016. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit for the year ended December 31, 2016 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Milwaukee's basic financial statements. The supplementary information and other supplementary information for the year ended December 31, 2016 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2016, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and other supplementary information are fairly stated in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2016.

To the Board of Supervisors
County of Milwaukee

Other Matters (continued)

Supplementary Information (continued)

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the County of Milwaukee as of and for the year ended December 31, 2015 (not presented herein), and have issued our report thereon dated July 29, 2016, which contained unmodified opinions on the respective 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. The supplementary information and other supplementary information for the year ended December 31, 2015 are presented for purposes of additional analysis and is 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 2015 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2015 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and other supplementary information are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2015.

Other Information

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" 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2017 on our consideration of the County of Milwaukee's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Milwaukee's internal control over financial reporting and compliance.

Baker Tilly Virchow Krause, LLP

Milwaukee, Wisconsin
July 31, 2017

COUNTY OF MILWAUKEE, WISCONSIN
Management's Discussion and Analysis
As of and For the Year Ended December 31, 2016
(Unaudited)

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, 2016. 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 and deferred outflow of resources are exceeded by its liabilities and deferred inflow of resources by \$142,774 on a government-wide basis as of December 31, 2016. The unrestricted net position of the County is a deficit of \$1,134,981.
- For the fiscal year, program and general revenues of the County's governmental activities total \$993,102. Expenses total \$1,045,730, including net transfers out of \$19,041 and Special Items of \$24,722.
- For the fiscal year, revenues of the County's business-type activities total \$256,472, including net transfers in of \$19,041. Expenses total \$272,900.
- In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and reporting issues related to fair value measurements and requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. This standard was implemented January 1, 2016.
- The County is reporting Special Items in the Statement of Activities of \$24,722 in the governmental activities and \$4,747 in component units. The governmental activities include the transfer of \$24,722 of net reserves for the Department of Family Care, which seceded from the County to form a new not-for-profit called My Choice Family Care. The component unit includes the transfer of \$4,747 of net assets from the Milwaukee County Research Park which was sold to form a new not-for-profit called Milwaukee Regional Innovation Center.

COUNTY OF MILWAUKEE, WISCONSIN
Management's Discussion and Analysis
As of and For the Year Ended December 31, 2016
(Unaudited)

FINANCIAL HIGHLIGHTS (cont.)

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.

- The County's governmental funds report combined ending fund balances of \$211,556 as of December 31, 2016 compared to \$243,910 as of December 31, 2015.
- The governmental funds (Debt Service Fund) also includes a payment by the County on a guaranteed loan of \$11,410 issued by a now bankrupt company. The loan payment represents the gross outstanding loan balance; offsetting the loan payment is the receipt of mortgaged assets of the bankrupt corporation for which the bonds were issued, which have a fair market value of \$11,410 and are recorded as an Other Asset on the Statement of Net Position. The County is working to sell these assets.
- The County's enterprise funds report combined net position of \$304,139 as of December 31, 2016, compared to \$320,567 as of December 31, 2015.
- In July 2016, the County issued a Taxable General Obligation Promissory Note in the amount of \$7,660 to pay for a loan commitment made on behalf of a local company.
- In November 2016, the County issued: General Obligation Corporate Purpose Bonds, Series 2016A in the amount of \$25,505 to finance various general capital projects in the County, General Obligation Mass Transit Bonds, Series 2016B in the amount of \$7,120 to provide financing for buses for the County's mass transit system, General Obligation Promissory Notes, Series 2016C in the amount of \$3,055 and Series 2016D in the amount of \$7,465 to finance various general capital projects, General Obligation Refunding Bonds, Series 2016E in the amount of \$16,330 to refund all of the outstanding callable maturities of the County's General Obligation Bonds, Series 2007A and Airport Revenue Refunding Bonds, Series 2016A in the amount of \$46,165 to refund all of the outstanding, callable maturities of the County's Airport Revenue Bonds, Series 2005A, 2006A, and 2007A, which were issued to finance improvements to the Airport System.

COUNTY OF MILWAUKEE, WISCONSIN
Management's Discussion and Analysis
As of and For the Year Ended December 31, 2016
(Unaudited)

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 include 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 types 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 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 position***, presents information on all of the County's assets and deferred outflow of resources less liabilities and deferred inflow of resources, resulting in the net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The second government-wide statement, ***the statement of activities***, presents information showing how the County's net position changed during 2016. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for 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 paid benefits).

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").

COUNTY OF MILWAUKEE, WISCONSIN

Management's Discussion and Analysis As of and For the Year Ended December 31, 2016 (Unaudited)

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

The governmental activities of Milwaukee County include: Legislative, Executive and Staff; Courts and Judiciary; General Governmental Services; 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") and also the legally separate entities (known as "discretely presented component units") for which the County is financially accountable. The Milwaukee Public Museum, Inc., Milwaukee County War Memorial, Inc., and Marcus Center for the Performing Arts are the County's discretely presented component units. Together, the primary government and its discretely presented component units are referred to as the reporting entity. Financial information is presented separately on each financial statement for governmental activities, business-type activities, primary government and component units.

The government-wide financial statements can be found on pages 52 - 55 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.

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.

COUNTY OF MILWAUKEE, WISCONSIN
Management's Discussion and Analysis
As of and For the Year Ended December 31, 2016
(Unaudited)

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

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, debt service fund, and capital projects fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation called non-major governmental funds. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements in the Supplementary Information section. 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 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 as well as a general fund budgetary comparison by department is also included in the Supplementary Information section.

The governmental fund financial statements can be found on pages 56 - 60 of this report.

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 are included with 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 also included in the Supplementary Information section.

The proprietary fund financial statements can be found on pages 61 - 65 of this report.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government or are custodial in nature. 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.

COUNTY OF MILWAUKEE, WISCONSIN
Management's Discussion and Analysis
As of and For the Year Ended December 31, 2016
(Unaudited)

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

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 plans - 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 66 - 67 of this report.

Component Units

Component Units are composed of the Milwaukee Public Museum, Inc., the Milwaukee County War Memorial, Inc., the Marcus Center for the Performing Arts and the Milwaukee County Research Park Corporation. 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.

The component unit financial statements can be found on pages 68 - 69 of this report.

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 71 - 163 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 and Transit System's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees.

The required supplementary information can be found on pages 164 - 170 of this report.

Supplementary Information

Individual fund schedules are provided for budgetary comparisons of the major funds. In addition, various individual and combining fund financial statements and schedules are provided for non-major governmental funds, internal service funds and fiduciary funds.

The supplementary information can be found on pages 171 - 188 of this report.

COUNTY OF MILWAUKEE, WISCONSIN

Management's Discussion and Analysis As of and For the Year Ended December 31, 2016 (Unaudited)

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

Other Supplementary Information

Separate financial schedules are presented for the Milwaukee County Family Care Fund - Balance Sheets, Schedule of Revenues, Expenses and Changes in Net Position, and Schedule of Cash Flows - and for the Behavioral Health Division Fund - a Balance Sheet and Schedule of Revenues, Expenses and Changes in Net Position.

The other supplementary information can be found on pages 189 - 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.

Net position may serve over time as a useful indicator of a government's financial position. In 2016, assets and deferred outflow of resources are exceeded by its liabilities and deferred inflow of resources by \$142,774 at the close of the fiscal year. The County's net position decreased by \$(69,056) during the fiscal year.

COUNTY OF MILWAUKEE, WISCONSIN Net Position (In Thousands)

	Governmental Activities		Business-type Activities		Primary Government Total	
	2016	2015	2016	2015	2016	2015
Current and Other Assets	\$ 635,813	\$ 679,363	\$ 142,721	\$ 142,031	\$ 778,534	\$ 821,394
Long-Term Assets	16,396	5,784	-	-	16,396	5,784
Capital Assets	665,497	673,651	555,512	568,205	1,221,009	1,241,856
Total Assets	1,317,706	1,358,798	698,233	710,236	2,015,939	2,069,034
Deferred Outflow of Resources	189,410	87,282	38,332	16,699	227,742	103,981
Total Assets and Deferred Outflows of Resources	\$ 1,507,116	\$ 1,446,080	\$ 736,565	\$ 726,935	\$ 2,243,681	\$ 2,173,015
Current Liabilities	\$ 184,199	\$ 199,824	\$ 61,057	\$ 53,073	\$ 245,256	\$ 252,897
Long-Term Liabilities	1,466,201	1,333,545	363,486	347,452	1,829,687	1,680,997
Total Liabilities	1,650,400	1,533,369	424,543	400,525	2,074,943	1,933,894
Deferred Inflow of Resources	303,629	306,996	7,883	5,843	311,512	312,839
Net Position (Deficit):						
Net Investment in Capital Assets	398,593	408,914	347,465	364,899	746,058	773,813
Restricted	204,419	239,354	41,730	40,700	246,149	280,054
Unrestricted (Deficit)	(1,049,925)	(1,042,553)	(85,056)	(85,032)	(1,134,981)	(1,127,585)
Total Net Position (Deficit)	(446,913)	(394,285)	304,139	320,567	(142,774)	(73,718)
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 1,507,116	\$ 1,446,080	\$ 736,565	\$ 726,935	\$ 2,243,681	\$ 2,173,015

COUNTY OF MILWAUKEE, WISCONSIN

Management's Discussion and Analysis As of and For the Year Ended December 31, 2016 (Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)

The largest portion of the County's net position reflects its net 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). As of December 31, 2016, the net investment in capital assets is \$746,058, a decrease of \$27,755 from the prior year. 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.

Restricted net position as of December 31, 2016 totals \$246,149. These assets are subject to external restrictions on how they may be used, some of which include grant-related restrictions and debt service restrictions. The airport passenger facility charges ("PFC") revenue is restricted for airport bond repayment and future airport capital needs.

Unrestricted net position represents the remaining amount of net position that is neither related to capital assets nor is restricted for specific purposes. As of December 31, 2016 the unrestricted net position balance is \$(1,134,981). Unrestricted net position decreased by \$(7,396) in 2016.

Statement of Activities

The following table provides the summary of the changes in net position for the primary government for the fiscal years ended December 31, 2016 and 2015.

COUNTY OF MILWAUKEE, WISCONSIN Summary of Changes in Net Position (In Thousands)

	Governmental Activities		Business-type Activities		Primary Government Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program Revenues:						
Charges for Services	\$ 383,432	\$ 454,135	\$ 130,585	\$ 133,121	\$ 514,017	\$ 587,256
Operating Grants and Contributions	179,516	200,059	94,421	88,034	273,937	288,093
Capital Grants and Contributions	2,782	9,689	12,085	38,670	14,867	48,359
General Revenues:						
Property Taxes	289,631	285,494	-	-	289,631	285,494
Sales Taxes	73,009	70,838	-	-	73,009	70,838
Intergovernmental Revenues not Related to Specific Programs	33,559	37,271	-	-	33,559	37,271
Investment Income	2,531	2,246	340	300	2,871	2,546
Gain (Loss) on Sale of Capital Assets	1,874	-	-	(86)	1,874	(86)
Other Revenue	26,768	40,212	-	6	26,768	40,218
Total Revenues	993,102	1,099,944	237,431	260,045	1,230,533	1,359,989

COUNTY OF MILWAUKEE, WISCONSIN

Management's Discussion and Analysis As of and For the Year Ended December 31, 2016 (Unaudited)

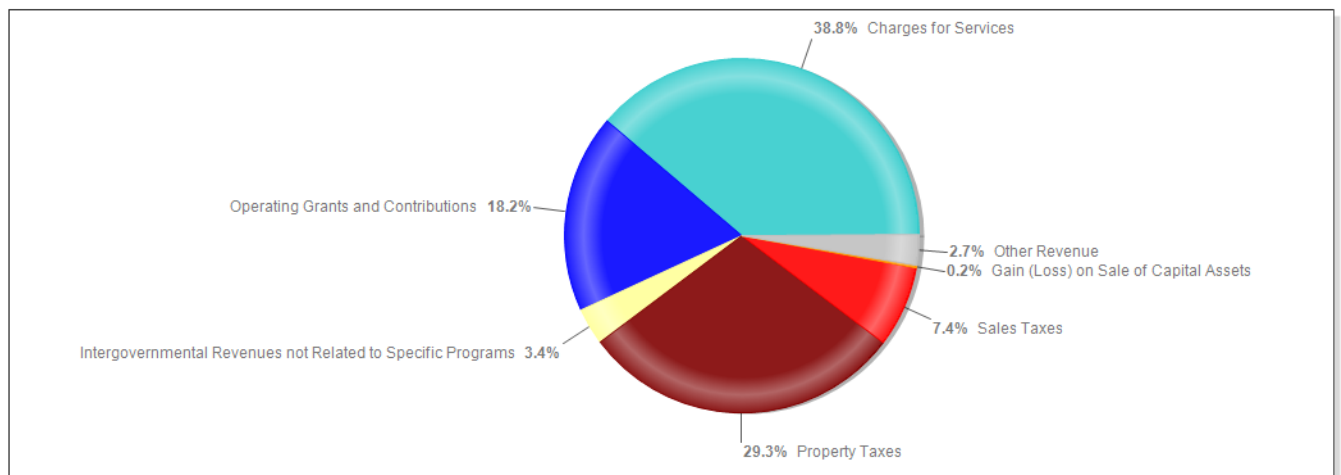
	Governmental Activities		Business-type Activities		Primary Government Total	
	2016	2015	2016	2015	2016	2015
Expenses:						
Legislative, Executive, and Staff	56,063	51,469	-	-	56,063	51,469
Courts and Judiciary	60,318	54,296	-	-	60,318	54,296
General Governmental Services	13,374	13,989	-	-	13,374	13,989
Public Safety	178,807	154,830	-	-	178,807	154,830
Public Works and Highways	91,630	82,848	-	-	91,630	82,848
Human Services	494,362	572,031	-	-	494,362	572,031
Parks, Recreation, and Culture	86,233	87,639	-	-	86,233	87,639
Interest	21,180	22,439	-	-	21,180	22,439
Airports	-	-	99,394	94,951	99,394	94,951
Transit	-	-	173,506	161,761	173,506	161,761
Total Expenses	1,001,967	1,039,541	272,900	256,712	1,274,867	1,296,253
Change in Net Position Before Special Items and Transfers	(8,865)	60,403	(35,469)	3,333	(44,334)	63,736
Special Item - Separation of Family Care Transfers	(24,722)	-	-	-	(24,722)	-
	(19,041)	(17,040)	19,041	17,040	-	-
Change in Net Position	(52,628)	43,363	(16,428)	20,373	(69,056)	63,736
Net Position (Deficit) - Beginning of the Year	(394,285)	(437,648)	320,567	300,194	(73,718)	(137,454)
Net Position (Deficit) - End of the Year	\$ (446,913)	\$ (394,285)	\$ 304,139	\$ 320,567	\$ (142,774)	\$ (73,718)

Governmental Activities

The Governmental activities of Milwaukee County include Legislative, Executive and Staff, Courts and Judiciary, General Governmental Services, Public Safety, Public Works and Highways, Health and Human Services, and Parks, Recreation and Culture.

2016 Actual Revenues compared to 2015 Actual Revenues

Revenues by Source - Governmental Activities - 2016



COUNTY OF MILWAUKEE, WISCONSIN
Management's Discussion and Analysis
As of and For the Year Ended December 31, 2016
(Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)

The County's governmental activities' total actual revenues decreased by \$106,842 (or 9.7%) to \$993,102 in 2016 from 2015 revenues of \$1,099,944. The various sources of revenue for fiscal year 2016 are stated as a percentage of total revenues in the Revenues by Source pie graph.

Charges for services decreased by \$70,703 to \$383,432 in 2016 from \$454,135 in 2015. Charges for service is the largest source of County revenues and represents collections from those who directly benefit from County services. The net decrease is a combination of a \$94,651 decrease because Family Care became a private entity in September 2016 and an increase of \$22,102 in BHD expansion of the Comprehensive Community Services for Community Access to Recovery programs and an increase in Patient Service Revenues due to improved collection efforts and increased charges for professional fees for services.

Operating grants and contributions revenue decreased by \$20,543 to \$179,516 in 2016 from \$200,059 in 2015. Operating grants and contributions generally represent federal and state grants revenue with the majority supporting health and human services programs.

Capital grants and contributions decreased by \$6,907 to \$2,782 in 2016 from \$9,689 in 2015. Parks and Highways have projects that are funded with capital grants.

Property tax revenue increased by \$4,137 to \$289,631 in 2016 from \$285,494 in 2015. First year collection rates continue to improve as the economy improves. Caps on increases in levy rates limit the increase each year. The delinquent tax balance decreased by \$2,966 as a result of increased collections and foreclosure property sales that resulted in property tax write-offs.

Sales tax revenue increased by \$2,171 to \$73,009 in 2016 from \$70,838 in 2015.

Intergovernmental revenues not related to specific programs decreased by \$3,712 to \$33,559 in 2016 from \$37,271 in 2015 as a result of a decrease in State Shared Revenue to account for the County's contribution of funding for the Milwaukee Bucks' new arena.

Investment income increased by \$285 to \$2,531 in 2016 from \$2,246 in 2015 as a result of better market rates and premium earnings.

Gain (Loss) on the sale of capital assets increased by \$1,874 to \$1,874 in 2016 from \$0 in 2015 as a result of sale/disposal of furniture, computers and property sales.

Other revenue decreased by \$13,444 to \$26,768 in 2016 from \$40,212 in 2015 as a result of decreased member share payments due to Family Care becoming a private entity in September 2016, decreased rent revenues due to the divestment of the Research Park in March 2016 as well as a decrease in insurance recoveries.

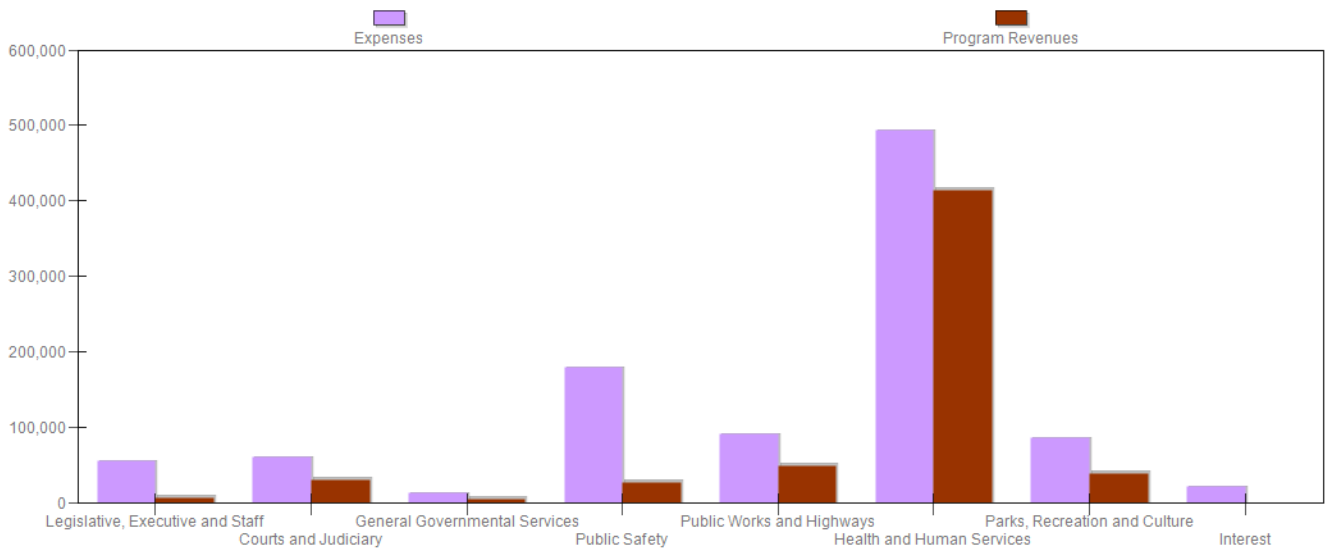
COUNTY OF MILWAUKEE, WISCONSIN

Management's Discussion and Analysis As of and For the Year Ended December 31, 2016 (Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)

2016 Actual Expenses compared to 2015 Actual Expenses

Expenses and Program Revenues - Governmental Activities - 2016



The County's governmental activities' total actual expenses decreased by \$37,574 (or 3.6%) to \$1,001,967 in 2016 from 2015 expenses of \$1,039,541. Total expenses compared to program revenues by activity for fiscal year 2016 are shown in the Expenses and Program Revenues bar graph.

Legislative, Executive and Staff expenses increased by \$4,594 to \$56,063 in 2016 from \$51,469 in 2015 due to an increase in pension expenses and a decrease due a decline in property damage claims.

Courts and Judiciary expenses increased by \$6,022 to \$60,318 in 2016 from \$54,296 in 2015 as a result of implementation of a pilot program - Zone Intensive Program Services, as well as increased personnel expenditures.

General Governmental Services expenses decreased by \$615 to \$13,374 in 2016 from \$13,989 in 2015 as a result of an election recount and increased personnel expenditures.

Public Safety expenses increased by \$23,977 to \$178,807 in 2016 from \$154,830 in 2015 as a result of increased personnel expenditures.

Public Works and Highways expenses increased by \$8,782 to \$91,630 in 2016 from \$82,848 in 2015 as a result of increased personnel expenditures.

COUNTY OF MILWAUKEE, WISCONSIN
Management's Discussion and Analysis
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GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)

Health and Human Services expenses decreased by \$77,669 to \$494,362 in 2016 from \$572,031 in 2015 as a result of Family Care becoming a private entity in September 2016 and a closure of a BHD Rehab Central Nursing Home.

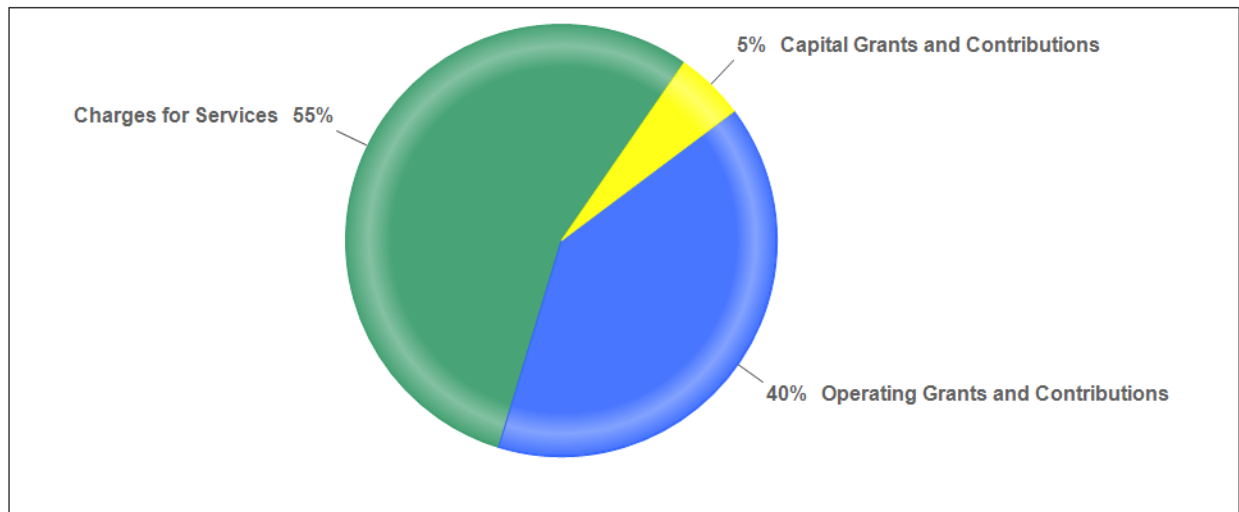
Parks, Recreation and Culture expenses decreased by \$1,406 to \$86,233 in 2016 from \$87,639 in 2015 as a result of a decline in personnel expenditures.

Interest expense decreased by \$1,259 to \$21,180 in 2016 from \$22,439 in 2015.

Business-type Activities

Business-type activities consist of the Airports and Transit/Para-Transit ("Transit") System. The first graph indicates the revenue source for the fiscal year ended December 31, 2016. The second graph compares the expenses and program revenues for the Airports and Transit System.

Revenues by Source - Business-type Activities - 2016



In 2016, the Airports' revenue, including fees charged to airlines for use of the airport and fees received from ancillary services of the airports, exceeded its annual operating costs by \$903. Charges for Services revenue from the Airport increased by \$1,226 (or 1.4%) to \$91,215 in 2016 from \$89,989 in 2015 and operating expenses increased by \$5,097 (or 6.0%) to \$90,390 in 2016 from \$85,293 in 2015. Total Passengers at General Mitchell International Airport declined to 6.538 million passengers in 2016 from 6.549 million passengers in 2015. Operating grants and contributions are negligible for the Airports.

COUNTY OF MILWAUKEE, WISCONSIN

Management's Discussion and Analysis As of and For the Year Ended December 31, 2016 (Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)

Expenses and Program Revenues - Business-type Activities - 2016



The Transit System requires operating assistance from Federal, State, and County government to balance its revenues and expenses. Total County operating support, reflected as net operating transfers, increased by \$2,959 (or 15.5%) to \$22,044 in 2016 from \$19,085 in 2015. Total Federal and State grants increased by \$6,317 (or 7.2%) to \$94,168 in 2016 from \$87,851 in 2015. Direct support from users of the Transit System decreased by \$3,475 (or (8.9%)) to \$35,477 in 2016 from \$38,952 in 2015. Total operating expenses increased by \$5,862 (or 3.6%) to \$166,616 in 2016 from \$160,754 in 2015. The operator of the Transit System continues to institute cost savings measures to reduce operating costs. OPEB costs were down for the year by \$1,520.

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.

COUNTY OF MILWAUKEE, WISCONSIN
Management's Discussion and Analysis
As of and For the Year Ended December 31, 2016
(Unaudited)

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS (cont.)

As of December 31, 2016, the County's governmental funds report combined ending fund balances of \$211,556. The restricted fund balance consists of \$5,000 for 2018 appropriations, \$5,000 for 2017 appropriations, \$44,481 for debt service, \$54,966 for commitments (including construction), \$11,053 for delinquent property taxes, \$794 for Housing, \$28,779 for Airports, \$5,647 for Administrative Services, \$1,726 for Zoo, \$1,540 for Parks, \$100 for Persons with Disabilities Division, \$33,890 for Behavioral Health Division and \$9,692 for Fleet and Facilities Divisions. The remainder of the Fund Balance consists of \$2,439 of committed funds for economic development and \$6,449 of non-spendable funds for inventories, prepaids and deposits.

The general fund is the main operating fund of the County and provides a majority of the day to day funding. It is used to account for and report all financial resources, except those resources required to be accounted for and reported in another fund. The general fund decreased by \$21,535 (or 24.4%) to \$66,643 in 2016 from \$88,178 in 2015 due to Family Care becoming a private entity and taking its allocated general fund balance.

The debt service fund balance is \$44,481 all of which is restricted for the payment of debt service. In 2016, the debt service reserve decreased by \$2,695 (or (5.7)%), primarily as a result of the use of funds for capital projects and debt service payments.

The capital projects fund balance is \$43,641 all of which is restricted for commitments made on capital projects in progress. In 2016, the net decrease is \$6,871 (or (13.6)%). The fund balance decreased because there were projects completed during the year which reduced reserves carried over from prior years.

Proprietary funds

At the end of 2016, the unrestricted net position of the two major funds, Airports and the Transit System, totals a deficit of \$(85,056). The total net position of these same two major funds is \$304,139 at the end of 2016 compared to \$320,567 at the end of 2015. The total net position for the Airports decreased by \$2,353 and the total net position for the Transit System decreased by \$14,075. Restricted net assets of the Airport are required per debt covenants associated with revenue bonds issued for capital improvements.

GENERAL FUND BUDGETARY HIGHLIGHTS

Expenditures and other uses exceeded revenues and other sources by \$38,156 in the General Fund for the year ended December 31, 2016. This table is based on a budgetary basis presentation. The Non-GAAP budgetary basis of actual revenues and expenditures differs from the statement of revenues, expenditures, and changes in fund balance due to the inclusion of encumbrances of \$16,599 in expenditures, pension, other expenditures of \$22 and transfers to component units of (\$6,259).

COUNTY OF MILWAUKEE, WISCONSIN

Management's Discussion and Analysis As of and For the Year Ended December 31, 2016 (Unaudited)

GENERAL FUND BUDGETARY HIGHLIGHTS (cont.)

COUNTY OF MILWAUKEE, WISCONSIN
Statement of Revenue, Expenditures and Changes in Net Position - Non-GAAP Budgetary Basis
General Fund
For the Year Ending December 31, 2016
(In Thousands)

	Original Budget	Final Budget	Actual	Variance
<u>Revenue and Other Sources</u>				
Intergovernmental Revenue	\$ 223,028	\$ 241,531	\$ 231,774	\$ (9,757)
Taxes	356,368	356,408	355,939	(469)
Charges for Services	448,513	470,863	362,125	(108,738)
Other	31,862	32,552	25,352	(7,200)
Total	<u>1,059,771</u>	<u>1,101,354</u>	<u>975,190</u>	<u>(126,164)</u>
<u>Expenditures, Other Uses and Special Item</u>				
Expenditures	968,336	1,027,434	896,223	131,211
Transfers	38,004	38,219	92,401	(54,182)
Special Item	-	-	24,722	(24,722)
Total	<u>1,006,340</u>	<u>1,065,653</u>	<u>1,013,346</u>	<u>52,307</u>
Changes in Fund Balance	<u>\$ 53,431</u>	<u>\$ 35,701</u>	<u>\$ (38,156)</u>	<u>\$ (73,857)</u>

2016 Actual Revenues compared to 2016 Final Budget

Actual General Fund revenues are \$126,164 (or 11.5%) below the final budget amount. This is primarily due to:

- Intergovernmental Revenues are \$9,757 below due to a reduction in the number of juvenile inmates at Lincoln Hills and a reduction in the amount of State Aid from Medicaid for Autism.
- Taxes are \$469 below and is composed of:
 - ◊ Property taxes are \$894 below due to increased reserves for delinquent property taxes.
 - ◊ Sales Taxes are \$425 above due to increased consumer spending.
- Charges for services are \$108,738 below because Family Care became a private entity in September 2016.
- Other revenues are \$7,200 below and is composed of:
 - ◊ Fines and Forfeits are \$19 below due to less than anticipated revenue from County traffic and parking violations.
 - ◊ Licenses and Permits are \$189 above due to revenue received from excavation permits.
 - ◊ Investment Income is \$962 above due to better than expected investment rates of return.
 - ◊ Other income is \$8,332 below because Family Care became a private entity in September 2016.

COUNTY OF MILWAUKEE, WISCONSIN
Management's Discussion and Analysis
As of and For the Year Ended December 31, 2016
(Unaudited)

GENERAL FUND BUDGETARY HIGHLIGHTS (cont.)

2016 Actual Expenditures compared to 2016 Final Budget

Actual General Fund expenditures (excluding transfers), are \$131,211 (or 12.8%) below the final budget amount. This is primarily due to:

- Family Care became a private entity in September 2016.
- DHHS's Children's Long-term Support Program transferred to Medicaid.
- Behavioral Health Division closed Acute Adult Inpatient Units due to downsizing.

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:

- carryover of encumbrances from the prior year
- carryover of capital outlay and the associated revenue from the prior year
- fund transfer requests from departments

The carryover of encumbrances from the prior year 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 \$1,059,771 and final budget revenue of \$1,101,354 is an increase of \$41,583. The difference between original budget expenses of \$968,336 and final budget expenses of \$1,027,434 is an increase of \$59,098.

The major budget transfers of \$1,000 or greater in the general fund during 2016 are listed below:

- Legislative, Executive and Staff
 - ◊ Increase of \$1,013 in expenditures due to property damage claims which is offset by an equal increase in revenue to reflect anticipated insurance proceeds.
- Public Works and Highways
 - ◊ Increase of \$1,569 to create expenditure and revenue authority for the Federal Transit Administration Section 5310 program.

COUNTY OF MILWAUKEE, WISCONSIN
Management's Discussion and Analysis
As of and For the Year Ended December 31, 2016
(Unaudited)

GENERAL FUND BUDGETARY HIGHLIGHTS (cont.)

- Health and Human Services
 - ◊ Increase of \$10,161 in expenditures and revenues related to Children's Long Term Support program.
 - ◊ Increase of \$16,221 in expenditures for the Delinquency and Court Services Division's budget to be consistent with a new billing process instituted by the State of Wisconsin. Under the new billing system, counties are billed directly by the Wisconsin Department of Corrections.
 - ◊ Increase of \$1,192 in revenues related to the Energy Assistance Program and professional service contracts within the Delinquency and Court Services Division.

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 to offset any shortfalls between revenues and expenditures. The 2016 actual net contribution made by the General Fund to other funds is \$92,401.

The General Fund collects all property tax, sales tax revenue, and intergovernmental revenues not related to a specific program. 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, which is required to maintain any gains or losses as part of its lease and/or revenue bond agreements, and the Behavioral Health Division.

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 net investment in capital assets for its governmental and business-type activities as of December 31, 2016 is \$1,221,009 (cost of \$2,520,232 less accumulated depreciation of \$1,299,223). The County's total investment in capital assets decreased overall by (1.7)% - governmental activities decreased by (1.2)% and business-type activities decreased by (2.2)%. The investments in capital assets includes land; land improvements; construction in progress; buildings and improvements; machinery, vehicles and equipment; infrastructure; and leased equipment. All infrastructure assets of the County are included in this report.

COUNTY OF MILWAUKEE, WISCONSIN

Management's Discussion and Analysis As of and For the Year Ended December 31, 2016 (Unaudited)

CAPITAL ASSETS AND DEBT ADMINISTRATION (cont.)

The Major Adopted Capital Project appropriations of \$1,000 or greater for 2016 include the following:

- \$1,641 for restoration of Milwaukee County Historical Society cornice.
- \$2,190 for reprogramming section 5307 federal transit funding to create a capital grant - Bus Rapid Transit.
- \$10,500 for Airport fuel storage.
- \$2,000 for Oak Leaf Trail Bender Racine connector.

COUNTY OF MILWAUKEE, WISCONSIN Capital Assets (Net) (In Thousands)

	Governmental Activities		Business-type Activities		Primary Government Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 59,311	\$ 59,311	\$ 22,100	\$ 22,100	\$ 81,411	\$ 81,411
Construction in Progress	34,043	81,970	24,786	54,315	58,829	136,285
Land Improvements	121,880	107,350	132,812	114,194	254,692	221,544
Building and Improvements	292,342	266,476	265,576	276,432	557,918	542,908
Infrastructure	94,449	98,357	-	-	94,449	98,357
Machinery, Vehicles & Equipment	63,472	60,187	110,238	101,164	173,710	161,351
Total	\$ 665,497	\$ 673,651	\$ 555,512	\$ 568,205	\$ 1,221,009	\$ 1,241,856

Additional information on the County's capital assets can be found in Note 5 on pages 108 - 121 of this report.

Long-Term Debt

As of December 31, 2016, the County's total debt outstanding balance is \$848,175. This amount is comprised of \$653,496 for general obligation bonds and \$194,679 for airport revenue bonds.

COUNTY OF MILWAUKEE, WISCONSIN Outstanding Debt General Obligation and Revenues Bonds (In Thousands)

	Governmental Activities		Business-type Activities		Primary Government Total	
	2016	2015	2016	2015	2016	2015
General Obligation Bonds	\$ 615,916	\$ 639,952	\$ 37,580	\$ 27,488	\$ 653,496	\$ 667,440
Revenue Bonds	-	-	194,679	207,986	194,679	207,986
Totals	\$ 615,916	\$ 639,952	\$ 232,259	\$ 235,474	\$ 848,175	\$ 875,426

The County's total debt decreased by \$27,251 during the year ended December 31, 2016.

COUNTY OF MILWAUKEE, WISCONSIN
Management's Discussion and Analysis
As of and For the Year Ended December 31, 2016
(Unaudited)

CAPITAL ASSETS AND DEBT ADMINISTRATION (cont.)

New debt issued by the County during 2016:

In July 2016, the County issued Taxable General Obligation Promissory Note in the amount of \$7,660 to pay for a loan commitment made on behalf of a local company.

In November 2016, pursuant to Chapter 67 of the Wisconsin Statutes, the County issued:

- General Obligation Corporate Purpose Bonds, Series 2016A, in the amount of \$25,505 to finance various general capital projects.
- General Obligation Mass Transit Bonds, Series 2016B, in the amount of \$7,120 to provide financing for buses for the County's mass transit system.
- General Obligation Promissory Notes, Series 2016C, in the amount of \$3,055 and Series 2016D in the amount of \$7,465 to finance various general capital projects.
- General obligation Refinancing Bonds, Series 2016E, in the amount of \$16,330 to refund all of the outstanding, callable maturities of the General Obligation Bonds, Series 2007A.
- Airport Revenue Refunding Bonds, Series 2016A, in the amount of \$46,165 to refund all of the outstanding, callable maturities of the Airport Revenue Bonds, Series 2005A, 2006A and 2007A which were issued to finance improvements to the Airport System.

Additional information on the County's Long-Term debt can be found in Note 8 on pages 124 - 132 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- Milwaukee County's annualized unemployment rate for 2016 is 5.1% compared to 5.8% in 2015, a (0.7)% decrease. The unemployment rate for the month of May 2017 is 3.5% compared to 6.0% for the month of May 2016.
- The median price for homes sold in Milwaukee County in 2016 is \$137.2 compared to \$132.2 in 2015, a 3.8% increase. The annual median price for homes sold in Milwaukee County through May 2017 is \$139.4 compared to \$138.1 through May 2016, a 0.9% increase. Data as reported by the Wisconsin Realtors Association, Housing Statistics Report.

During the 2016 fiscal year, the County had a net excess of revenues over expenditures of \$5,000 after considering net revenue from operations and changes in reserve balances. This excess is identified on the governmental funds balance sheet as Restricted for 2018 Appropriations and will be added to the revenue of the 2018 budget.

COUNTY OF MILWAUKEE, WISCONSIN

Management's Discussion and Analysis As of and For the Year Ended December 31, 2016 (Unaudited)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES (cont.)

Requests for Financial 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. Please address any questions about this report or requests for additional financial information to:

Office of the Comptroller
Milwaukee County Courthouse
901 North 9th Street, Room 301
Milwaukee, WI 53233

COUNTY OF MILWAUKEE, WISCONSIN

BASIC FINANCIAL STATEMENTS

COUNTY OF MILWAUKEE, WISCONSIN

Statement of Net Position As of December 31, 2016 (In Thousands)

	Primary Government			Component
	Governmental	Business-type	Total	Units
	Activities	Activities		
ASSETS				
Current Assets:				
Cash and Investments	\$ 160,566	\$ 73,585	\$ 234,151	\$ 8,938
Cash and Investments - Restricted	62,834	24,007	86,841	-
Receivables:				
Accounts (Net of Allowances for Doubtful Accounts)	18,955	3,558	22,513	1,678
Property Taxes:				
Current Levy	291,878	-	291,878	-
Delinquent	9,268	-	9,268	-
Accrued Interest and Dividends	7,668	-	7,668	-
Other	16,360	5,637	21,997	134
Due From Other Governments	56,967	35,332	92,299	-
Internal Balances	4,868	(4,868)	-	-
Inventories	2,205	4,532	6,737	81
Prepaid Items	1,071	938	2,009	201
Insurance Deposits	3,173	-	3,173	-
Total Current Assets	<u>635,813</u>	<u>142,721</u>	<u>778,534</u>	<u>11,032</u>
Noncurrent Assets:				
Long-Term Investments	-	-	-	5,348
Receivables:				
Contributions	-	-	-	1,217
Delinquent Property Taxes	4,986	-	4,986	-
Other Assets	11,410	-	11,410	1,228
Capital Assets:				
Land	59,311	22,100	81,411	-
Construction in Progress	34,043	24,786	58,829	1,285
Land Improvements	303,253	241,423	544,676	-
Buildings and Improvements	770,142	441,323	1,211,465	48,012
Infrastructure	199,851	-	199,851	-
Machinery, Vehicles and Equipment	194,278	229,722	424,000	14,815
Less: Accumulated Depreciation	(895,381)	(403,842)	(1,299,223)	(38,250)
Total Capital Assets	<u>665,497</u>	<u>555,512</u>	<u>1,221,009</u>	<u>25,862</u>
Total Noncurrent Assets	<u>681,893</u>	<u>555,512</u>	<u>1,237,405</u>	<u>33,655</u>
Total Assets	<u>1,317,706</u>	<u>698,233</u>	<u>2,015,939</u>	<u>44,687</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Loss on Refunding of Debt	11,908	71	11,979	-
Deferred Outflow for Pension Contributions				
Subsequent to the Measurement Date	48,421	13,766	62,187	-
Deferred Outflow Difference Between Actual and Expected Experience	25,271	2,083	27,354	-
Deferred Outflows Net Difference Between Expected and Actual Earnings on Pension Plan Investments	<u>103,810</u>	<u>22,412</u>	<u>126,222</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>189,410</u>	<u>38,332</u>	<u>227,742</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 1,507,116</u>	<u>\$ 736,565</u>	<u>\$ 2,243,681</u>	<u>\$ 44,687</u>

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

COUNTY OF MILWAUKEE, WISCONSIN

Statement of Net Position As of December 31, 2016 (In Thousands)

	Primary Government			Component
	Governmental	Business-type	Total	Units
	Activities	Activities		
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 59,248	\$ 9,969	\$ 69,217	\$ 547
Accrued Liabilities	15,583	4,931	20,514	1,255
Accrued Interest Payable	3,520	1,330	4,850	8
Due to Other Governments	5,700	60	5,760	-
Unearned Revenues	3,016	19,325	22,341	2,376
Bonds and Notes Payable - General Obligation	61,360	3,864	65,224	634
Bonds and Notes Payable - Revenue	-	10,460	10,460	-
Unfunded Claims and Judgments	4,400	-	4,400	-
Pollution Remediation Costs	641	-	641	-
Landfill Postclosure Costs	120	-	120	-
Compensated Absences Payable	19,638	2,892	22,530	-
Risk Claims	8,801	5,100	13,901	-
Capital Leases	1,152	309	1,461	9
Other Current Liabilities	1,020	2,817	3,837	1,610
Total Current Liabilities	184,199	61,057	245,256	6,439
Noncurrent Liabilities:				
Bonds and Notes Payable - General Obligation	554,556	33,716	588,272	1,857
Bonds and Notes Payable - Revenue	-	184,219	184,219	-
Net Pension Liability	528,449	115,672	644,121	-
Unfunded Claims and Judgments	1,100	-	1,100	-
Landfill Postclosure Costs	3,000	-	3,000	-
Pollution Remediation Costs	13,083	-	13,083	-
Compensated Absences Payable	11,068	9,934	21,002	-
Risk Claims	9,877	2,733	12,610	-
Other Post Employment Benefits	343,069	16,586	359,655	-
Capital Leases	1,999	626	2,625	-
Other Noncurrent Liabilities	-	-	-	35
Accrued Pension and Postretirement Benefits	-	-	-	6,065
Total Noncurrent Liabilities	1,466,201	363,486	1,829,687	7,957
Total Liabilities	1,650,400	424,543	2,074,943	14,396
DEFERRED INFLOWS OF RESOURCES				
Deferred Tax Revenue	299,818	-	299,818	-
Deferred Inflow Difference Between Actual and Expected Experience	3,811	2,617	6,428	-
Deferred Inflow Pension Assumption Changes	-	5,266	5,266	-
Total Deferred Inflows of Resources	303,629	7,883	311,512	-

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

COUNTY OF MILWAUKEE, WISCONSIN

Statement of Net Position As of December 31, 2016 (In Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
NET POSITION (DEFICIT)				
Net Investment in Capital Assets	\$ 398,593	\$ 347,465	\$ 746,058	\$ 23,361
Restricted for:				
2018 Appropriations	5,000	-	5,000	-
2017 Appropriations	5,000	-	5,000	-
Administrative Services	5,647	-	5,647	-
Airport - Passenger Facilities Charges and Debt	28,779	-	28,779	-
Behavioral Health Division	33,890	-	33,890	-
Capital Asset Needs	-	21,713	21,713	-
Capital Project Commitments	43,641	-	43,641	-
Commitments - Expendable	13,076	3,259	16,335	-
Debt Service	44,481	16,758	61,239	-
Delinquent Property Tax	11,053	-	11,053	-
Fleet and Facilities Divisions	9,692	-	9,692	-
Housing	794	-	794	-
Museum	-	-	-	9,871
Other	-	-	-	473
Parks	1,540	-	1,540	-
Persons with Disabilities	100	-	100	-
Zoo	1,726	-	1,726	-
Unrestricted (Deficit)	(1,049,925)	(85,056)	(1,134,981)	(3,414)
Total Net Position (Deficit)	(446,913)	304,139	(142,774)	30,291
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 1,507,116	\$ 736,565	\$ 2,243,681	\$ 44,687

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

COUNTY OF MILWAUKEE, WISCONSIN

Statement of Activities For the Year Ended December 31, 2016 (In Thousands)

Functions / Programs	Program Revenues				Net (Expense) Revenues and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary Government:								
Governmental Activities:								
Legislative, Executive and Staff	\$ (56,063)	\$ 4,841	\$ 413	\$ -	\$ (50,809)	\$ -	\$ (50,809)	\$ -
Courts and Judiciary	(60,318)	3,814	25,826	-	(30,678)	-	(30,678)	-
General Governmental Services	(13,374)	5,038	55	-	(8,281)	-	(8,281)	-
Public Safety	(178,807)	12,213	13,321	-	(153,273)	-	(153,273)	-
Public Works and Highways	(91,630)	29,218	19,631	73	(42,708)	-	(42,708)	-
Human Services	(494,362)	292,544	119,991	1,094	(80,733)	-	(80,733)	-
Parks, Recreation and Culture	(86,233)	35,764	279	1,615	(48,575)	-	(48,575)	-
Interest and Other Charges	(21,180)	-	-	-	(21,180)	-	(21,180)	-
Total Governmental Activities	<u>(1,001,967)</u>	<u>383,432</u>	<u>179,516</u>	<u>2,782</u>	<u>(436,237)</u>	<u>-</u>	<u>(436,237)</u>	<u>-</u>
Business-type Activities:								
Airport	(99,394)	91,293	253	8,158	-	310	310	-
Transit	<u>(173,506)</u>	<u>39,292</u>	<u>94,168</u>	<u>3,927</u>	<u>-</u>	<u>(36,119)</u>	<u>(36,119)</u>	<u>-</u>
Total Business-type Activities	<u>(272,900)</u>	<u>130,585</u>	<u>94,421</u>	<u>12,085</u>	<u>-</u>	<u>(35,809)</u>	<u>(35,809)</u>	<u>-</u>
Total Primary Government	<u>\$ (1,274,867)</u>	<u>\$ 514,017</u>	<u>\$ 273,937</u>	<u>\$ 14,867</u>	<u>(436,237)</u>	<u>(35,809)</u>	<u>(472,046)</u>	<u>-</u>
Component Units:								
Milwaukee Public Museum	(15,662)	9,836	3,500	-	-	-	-	(2,326)
War Memorial	(1,647)	756	486	-	-	-	-	(405)
Marcus Center	(10,296)	7,790	950	-	-	-	-	(1,556)
Research Park Corporation	<u>(337)</u>	<u>238</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(99)</u>
Total Component Units	<u>\$ (27,942)</u>	<u>\$ 18,620</u>	<u>\$ 4,936</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,386)</u>
General Revenues:								
Property Taxes					289,631	-	289,631	-
Sales Taxes					73,009	-	73,009	-
Intergovernmental Revenues Not Related to Specific Program					33,559	-	33,559	-
Investment Income					2,531	340	2,871	451
Gain on Sale of Capital Assets					1,874	-	1,874	-
Other Revenue					26,768	-	26,768	3,141
Transfers					(19,041)	19,041	-	-
Special Item - Separation of Family Care					(24,722)	-	(24,722)	-
Special Item - Transfer of Assets					-	-	-	(4,747)
Total General Revenues, Transfers and Special Items					<u>383,609</u>	<u>19,381</u>	<u>402,990</u>	<u>(1,155)</u>
Change in Net Position					(52,628)	(16,428)	(69,056)	(5,541)
Net Position -- Beginning					(394,285)	320,567	(73,718)	35,832
Net Position -- Ending					<u>\$ (446,913)</u>	<u>\$ 304,139</u>	<u>\$ (142,774)</u>	<u>\$ 30,291</u>

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

COUNTY OF MILWAUKEE, WISCONSIN

Balance Sheet Governmental Funds As of December 31, 2016 (In Thousands)

	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 42,318	\$ 44,526	\$ 15,984	\$ 28,507	\$ 131,335
Cash and Investments - Restricted	-	-	34,055	28,779	62,834
Receivables:					
Accounts (Net of Allowances for Doubtful Accounts)	16,730	12	188	-	16,930
Property Taxes:					
Current Levy	291,878	-	-	-	291,878
Delinquent	14,254	-	-	-	14,254
Accrued Interest	7,668	-	-	-	7,668
Other	16,360	-	-	1	16,361
Due From Other Governments	54,065	332	2,555	-	56,952
Due From Other Funds	4,868	-	-	-	4,868
Inventories	2,205	-	-	-	2,205
Prepaid Items	1,071	-	-	-	1,071
Insurance Deposits	3,173	-	-	-	3,173
Total Assets	<u>\$ 454,590</u>	<u>\$ 44,870</u>	<u>\$ 52,782</u>	<u>\$ 57,287</u>	<u>\$ 609,529</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 47,201	\$ 251	\$ 8,447	\$ 496	\$ 56,395
Accrued Liabilities	18,137	-	-	-	18,137
Other Liabilities	1,020	-	-	-	1,020
Due to Other Governments	5,406	-	294	-	5,700
Unearned Revenues	2,616	-	400	-	3,016
Total Liabilities	<u>74,380</u>	<u>251</u>	<u>9,141</u>	<u>496</u>	<u>84,268</u>
Deferred Inflows of Resources					
Deferred Tax Revenue	299,818	-	-	-	299,818
Unavailable Revenue	13,749	138	-	-	13,887
Total Deferred Inflows of Resources	<u>313,567</u>	<u>138</u>	<u>-</u>	<u>-</u>	<u>313,705</u>
Fund Balances:					
Non-Spendable:					
Deposits	3,173	-	-	-	3,173
Inventories	2,205	-	-	-	2,205
Prepays	1,071	-	-	-	1,071
Restricted for:					
2018 Appropriations	5,000	-	-	-	5,000
2017 Appropriations	5,000	-	-	-	5,000
Administrative Services	-	-	-	5,647	5,647
Airport - Passenger Facilities Charges and Debt	-	-	-	28,779	28,779
Behavioral Health Division	24,583	-	-	9,307	33,890
Commitments	11,325	-	43,641	-	54,966
Debt Service	-	44,481	-	-	44,481
Delinquent Property Tax	11,053	-	-	-	11,053
Fleet and Facilities Divisions	-	-	-	9,692	9,692
Housing	794	-	-	-	794
Parks	-	-	-	1,540	1,540
Persons with Disabilities	-	-	-	100	100
Zoo	-	-	-	1,726	1,726
Committed:					
Economic Development	2,439	-	-	-	2,439
Total Fund Balances	<u>66,643</u>	<u>44,481</u>	<u>43,641</u>	<u>56,791</u>	<u>211,556</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 454,590</u>	<u>\$ 44,870</u>	<u>\$ 52,782</u>	<u>\$ 57,287</u>	<u>\$ 609,529</u>

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

COUNTY OF MILWAUKEE, WISCONSIN

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position As of December 31, 2016 (In Thousands)

Total Fund Balances for Governmental Funds as of 12/31/16	\$ 211,556
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Total net position reported for governmental activities in the Statement of Net Position 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	59,311
Construction in Progress	31,997
Land Improvements	299,899
Buildings and Improvements	762,911
Infrastructure	199,851
Machinery, Vehicles and Equipment	165,463
Less: Accumulated Depreciation	(867,461)

Other assets obtained from a guaranteed loan are not financial resources and therefore are not reported in the funds.	11,410
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Internal service funds are used by management to charge costs associated with risk management, data processing services and public works services. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.

Internal service fund net position is: (2,033)

Deferred outflows and deferred inflows of resources do not relate to current resources and are not reported in the governmental funds.

Deferred Loss on Refunding of Debt	11,851
Deferred Outflow of Pension Contributions Subsequent to the Measurement Date	47,602
Deferred Outflow Difference Between Actual and Expected Experience	24,878
Deferred Outflows Net Difference Between Expected and Actual Earnings on Pension Plan Investments	102,254
Deferred Inflow Difference Between Actual and Expected Experience	(3,743)

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	(603,188)
Capital Leases	(3,151)
Net Pension Liability	(520,218)
Unfunded Claims and Judgments	(5,500)
Landfill Postclosure Costs	(3,120)
Pollution Remediation Costs	(13,724)
Compensated Absences Payable	(27,260)
Other Post Employment Benefits	(337,003)

Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements:	13,887
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Interest on long-term debt is not accrued in governmental funds; it is recognized as an expenditure when due. These liabilities are reported in the Statement of Net Position.	(3,382)
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Total Net Position of Governmental Activities as of 12/31/16	\$ <u>(446,913)</u>
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The notes to the financial statements are an integral part of this statement.

COUNTY OF MILWAUKEE, WISCONSIN

Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds For the Year Ended December 31, 2016 (In Thousands)

	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Intergovernmental	\$ 231,774	\$ 1,790	\$ 922	\$ -	\$ 234,486
Property Taxes	289,631	-	-	-	289,631
Sales Taxes	66,308	-	6,701	-	73,009
Charges for Services	362,125	-	-	15,326	377,451
Fines and Forfeits	2,089	-	-	-	2,089
Licenses and Permits	968	-	-	-	968
Investment Income and Rents	2,098	-	167	265	2,530
Other	20,197	9,064	31	310	29,602
Total Revenues	975,190	10,854	7,821	15,901	1,009,766
Expenditures:					
Current:					
Legislative, Executive and Staff	28,233	-	-	-	28,233
Courts and Judiciary	58,324	-	-	-	58,324
General Governmental Services	13,247	-	-	-	13,247
Public Safety	163,549	-	-	-	163,549
Public Works and Highways	57,126	-	-	9,187	66,313
Human Services	496,584	-	-	279	496,863
Parks, Recreation and Culture	68,798	-	-	1,197	69,995
Capital Outlay	-	-	48,696	-	48,696
Debt Service:					
Principal Retired	-	59,514	-	-	59,514
Interest and Other Charges	-	20,236	-	-	20,236
Principal Retired on Current Refunding	-	16,055	-	-	16,055
Total Expenditures	885,861	95,805	48,696	10,663	1,041,025
Excess (Deficiency) of Revenues Over (Under) Expenditures	89,329	(84,951)	(40,875)	5,238	(31,259)
Other Financing Sources (Uses):					
General Obligation Bonds Issued	-	8,345	29,454	-	37,799
Refunding Bonds Issued	-	15,490	-	-	15,490
Premium on Debt Issued	-	1,574	-	-	1,574
Proceeds from Sale of Capital Assets	1,741	-	400	-	2,141
Transfers In	66,718	79,629	22,082	82	168,511
Transfers Out	(154,601)	(11,372)	(17,932)	(6,573)	(190,478)
Total Other Financing Sources (Uses)	(86,142)	93,666	34,004	(6,491)	35,037
Special Items:					
Separation of Family Care	(24,722)	-	-	-	(24,722)
Payment on Guaranteed Loan	-	(11,410)	-	-	(11,410)
Total Special Items	(24,722)	(11,410)	-	-	(36,132)
Net Change in Fund Balances	(21,535)	(2,695)	(6,871)	(1,253)	(32,354)
Fund Balances -- Beginning	88,178	47,176	50,512	58,044	243,910
Fund Balances -- Ending	\$ 66,643	\$ 44,481	\$ 43,641	\$ 56,791	\$ 211,556

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

COUNTY OF MILWAUKEE, WISCONSIN

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, 2016 (In Thousands)

Net Change in Fund Balances for Total Governmental Funds	\$ (32,354)
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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	48,696
Items reported as capital outlay that were not capitalized	(6,130)
Items reported as capital from operations	3,740
Depreciation reported in the government-wide statements	(51,362)
Net book value of assets retired	(281)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(455)
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Nonfinancial assets acquired from payment on guaranteed loan	11,410
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Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Debt issued	(37,799)
Refunding bonds issued	(15,490)
Premium on debt issued	(1,574)
Principal repaid	59,514
Principal retired on current refunding	16,055
Capital lease paid	1,111

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.	(385)
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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 the governmental funds:

Accrued Interest Payable	231
Amortization of Premiums, Discounts and Unamortized Losses on Refunding	(669)
Unfunded Claims and Judgments	(5,000)
Landfill Postclosure Costs	3,312
Pollution Remediation Costs	99
Compensated Absences Payable	894
Deferred Outflow for Pension Contributions Subsequent to the Measurement Date	11,133
Deferred Outflow Difference Between Actual and Expected Experience	24,878
Deferred Outflows Net Difference Between Expected and Actual Earnings on Pension Plan Investments	66,532
Net Pension Liability	(139,352)
Deferred Inflow Net Differences Between Expected and Actual Earnings on Pension Plan Investments	10,104
Deferred Inflow Difference Between Actual and Expected Experience	(3,743)
Other Postemployment Benefits	(15,743)

Change in Net Position of Governmental Activities	<u>\$ (52,628)</u>
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The notes to the financial statements are an integral part of this statement.

COUNTY OF MILWAUKEE, WISCONSIN

Statement of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) General Fund For the Year Ended December 31, 2016 (In Thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 223,028	\$ 241,531	\$ 231,774	\$ (9,757)
Property Taxes	290,485	290,525	289,631	(894)
Sales Tax	65,883	65,883	66,308	425
Charges for Services	448,513	470,863	362,125	(108,738)
Fines and Forfeits	2,108	2,108	2,089	(19)
Licenses and Permits	779	779	968	189
Investment Income	1,303	1,136	2,098	962
Other	27,672	28,529	20,197	(8,332)
Total Revenues	1,059,771	1,101,354	975,190	(126,164)
Expenditures:				
Current				
Legislative, Executive and Staff	31,448	36,472	32,597	3,875
Courts and Judiciary	59,255	61,045	59,135	1,910
General Governmental Services	13,506	14,338	13,421	917
Public Safety	162,001	165,163	167,016	(1,853)
Public Works and Highways	55,461	60,080	58,989	1,091
Human Services	582,169	620,287	499,289	120,998
Parks, Recreation and Culture	64,496	70,049	65,776	4,273
Total Expenditures	968,336	1,027,434	896,223	131,211
Excess (Deficiency) of Revenues Over (Under) Expenditures	91,435	73,920	78,967	5,047
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	1,400	1,400	1,741	341
Transfers In	24,450	24,380	66,718	42,338
Transfers Out	(57,593)	(57,523)	(154,601)	(97,078)
Transfers To Component Units	(6,261)	(6,476)	(6,259)	217
Total Other Financing Sources (Uses)	(38,004)	(38,219)	(92,401)	(54,182)
Special Item:				
Separation of Family Care	-	-	(24,722)	(24,722)
Total Special Item	-	-	(24,722)	(24,722)
Net Change in Fund Balance	53,431	35,701	(38,156)	(73,857)
Fund Balances - Beginning	88,178	88,178	88,178	-
Fund Balances - Ending	\$ 141,609	\$ 123,879	\$ 50,022	\$ (73,857)

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

COUNTY OF MILWAUKEE, WISCONSIN

Balance Sheet Proprietary Funds As of December 31, 2016 (In Thousands)

	Business-type Activities Enterprise Funds			Governmental Activities
	Airports	Transit System	Total	Internal Service Funds
<u>Assets</u>				
Current Assets:				
Cash and Investments	\$ 73,585	\$ -	\$ 73,585	\$ 29,231
Cash and Investments -- Restricted	24,007	-	24,007	-
Receivables:				
Accounts (Net of Allowance for Doubtful Accounts)	3,558	-	3,558	2,025
Other	79	5,558	5,637	-
Due From Other Governments	5,783	29,549	35,332	15
Inventories	-	4,532	4,532	-
Prepaid Items	137	801	938	-
Total Current Assets	<u>107,149</u>	<u>40,440</u>	<u>147,589</u>	<u>31,271</u>
Noncurrent Assets:				
Capital Assets:				
Land	19,327	2,773	22,100	-
Construction in Progress	22,735	2,051	24,786	2,046
Land Improvements	234,159	7,264	241,423	3,354
Building and Improvements	385,879	55,444	441,323	7,231
Machinery, Vehicles and Equipment	29,707	200,015	229,722	28,815
Total Capital Assets	<u>691,807</u>	<u>267,547</u>	<u>959,354</u>	<u>41,446</u>
Less: Accumulated Depreciation	<u>(259,138)</u>	<u>(144,704)</u>	<u>(403,842)</u>	<u>(27,920)</u>
Total Capital Assets (Net)	<u>432,669</u>	<u>122,843</u>	<u>555,512</u>	<u>13,526</u>
Total Assets	<u>539,818</u>	<u>163,283</u>	<u>703,101</u>	<u>44,797</u>
<u>Deferred Outflows of Resources</u>				
Deferred Loss on Refunding of Debt	-	71	71	56
Deferred Outflow for Pension Contributions Subsequent to the Measurement Date	3,010	10,756	13,766	820
Deferred Outflow Difference Between Expected and Actual Experience	952	1,131	2,083	394
Deferred Outflow Net Difference Between Expected and Actual Earnings on Pension Plan Investments	<u>4,167</u>	<u>18,245</u>	<u>22,412</u>	<u>1,556</u>
Total Deferred Outflows of Resources	<u>8,129</u>	<u>30,203</u>	<u>38,332</u>	<u>2,826</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 547,947</u>	<u>\$ 193,486</u>	<u>\$ 741,433</u>	<u>\$ 47,623</u>

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

COUNTY OF MILWAUKEE, WISCONSIN

Balance Sheet
Proprietary Funds
As of December 31, 2016
(In Thousands)

	Business-type Activities Enterprise Funds			Governmental Activities
	Airports	Transit System	Total	Internal Service Funds
<u>Liabilities</u>				
Current Liabilities:				
Accounts Payable	\$ 3,884	\$ 6,085	\$ 9,969	\$ 2,853
Accrued Liabilities	1,706	3,225	4,931	167
Accrued Interest Payable	985	345	1,330	138
Unearned Revenues	15,463	3,862	19,325	-
Due to Other Funds	-	4,868	4,868	-
Due to Other Governments	60	-	60	-
Bonds and Notes Payable - General Obligation	36	3,828	3,864	2,256
Bonds and Notes Payable - Revenue	10,460	-	10,460	-
Compensated Absences	1,281	1,611	2,892	384
Risk Claims	-	5,100	5,100	8,801
Capital Leases	309	-	309	-
Other Liabilities	129	2,688	2,817	-
Total Current Liabilities	<u>34,313</u>	<u>31,612</u>	<u>65,925</u>	<u>14,599</u>
Long-Term Liabilities:				
Bonds and Notes Payable - General Obligation	-	33,716	33,716	10,472
Bonds and Notes Payable - Revenue	184,219	-	184,219	-
Compensated Absences	890	9,044	9,934	350
Net Pension Liability	20,968	94,704	115,672	8,231
Risk Claims	-	2,733	2,733	9,877
Other Postemployment Benefits	16,317	269	16,586	6,058
Capital Leases	626	-	626	-
Total Long-Term Liabilities	<u>223,020</u>	<u>140,466</u>	<u>363,486</u>	<u>34,988</u>
Total Liabilities	<u>257,333</u>	<u>172,078</u>	<u>429,411</u>	<u>49,587</u>
<u>Deferred Inflows of Resources</u>				
Deferred Inflow Net Difference Between Expected and Actual Earnings on Pension Plan Investments	-	-	-	69
Deferred Inflow Difference Between Actual and Expected Experience	188	2,429	2,617	-
Deferred Inflow Pension Assumption Changes	-	5,266	5,266	-
Total Deferred Inflows of Resources	<u>188</u>	<u>7,695</u>	<u>7,883</u>	<u>69</u>
<u>Net Position (Deficit)</u>				
Net Investment in Capital Assets	262,095	85,370	347,465	854
Restricted for:				
Operations and Debt Service	16,758	-	16,758	-
Capital Asset Needs	21,713	-	21,713	-
Commitments	2,948	311	3,259	1,753
Unrestricted (Deficit)	<u>(13,088)</u>	<u>(71,968)</u>	<u>(85,056)</u>	<u>(4,640)</u>
Total Net Position (Deficit)	<u>290,426</u>	<u>13,713</u>	<u>304,139</u>	<u>(2,033)</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 547,947</u>	<u>\$ 193,486</u>	<u>\$ 741,433</u>	<u>\$ 47,623</u>

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

COUNTY OF MILWAUKEE, WISCONSIN

Statement of Revenues, Expenses and Changes in Net Position Proprietary Funds For the Year Ended December 31, 2016 (In Thousands)

	Business-type Activities Enterprise Funds			Governmental Activities
	Airports	Transit System	Total	Internal Service Funds
Operating Revenues:				
Charges for Services:	\$ 73,348	\$ -	\$ 73,348	\$ 30,071
Admissions and Concessions	17,867	-	17,867	-
Transit Fares	-	35,477	35,477	-
Total Charges for Services	91,215	35,477	126,692	30,071
Other	78	3,815	3,893	893
Total Operating Revenues	91,293	39,292	130,585	30,964
Operating Expenses:				
Personnel Services	27,678	110,568	138,246	7,183
Contractual Services	18,983	22,005	40,988	10,825
Intra-County Services	11,131	1,453	12,584	1,233
Commodities	4,151	16,239	20,390	186
Depreciation and Amortization	28,230	14,645	42,875	1,493
Maintenance	207	706	913	-
Other	10	1,000	1,010	1,207
Insurance and Claims	-	-	-	10,245
Total Operating Expenses	90,390	166,616	257,006	32,372
Operating Income (Loss)	903	(127,324)	(126,421)	(1,408)
Nonoperating Revenues (Expenses):				
Intergovernmental Revenues	253	94,168	94,421	407
Investment Income	340	-	340	-
Gain (Loss) on Sale of Capital Assets	-	(5,779)	(5,779)	-
Interest Expense	(9,004)	(1,111)	(10,115)	(507)
Total Nonoperating Revenues (Expenses)	(8,411)	87,278	78,867	(100)
Income (Loss) Before Contributions and Transfers	(7,508)	(40,046)	(47,554)	(1,508)
Capital Contributions	8,158	3,927	12,085	42
Reassignment of Capital	-	-	-	(1,846)
Transfers In	5,726	42,895	48,621	4,188
Transfers Out	(8,729)	(20,851)	(29,580)	(1,261)
Change in Net Position	(2,353)	(14,075)	(16,428)	(385)
Net Position -- Beginning	292,779	27,788	320,567	(1,648)
Net Position -- Ending	\$ 290,426	\$ 13,713	\$ 304,139	\$ (2,033)

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

COUNTY OF MILWAUKEE, WISCONSIN

Statement of Cash Flows Proprietary Funds For the Year Ended December 31, 2016 (In Thousands)

	Business-type Activities Enterprise Funds			Governmental Activities
	Airports	Transit System	Total	Internal Service Funds
Cash Flows Provided (Used) by Operating Activities:				
Receipts from Customers and Users	\$ 108,589	\$ 21,707	\$ 130,296	\$ 4,659
Payments from Other Funds	-	4,868	4,868	25,601
Payments to Suppliers	(23,441)	(38,506)	(61,947)	(22,111)
Payments to Employees	(25,643)	(111,356)	(136,999)	(6,020)
Payments for Interfund Services Used	(11,131)	(2,439)	(13,570)	(1,233)
Net Cash Flows Provided (Used) by Operating Activities	48,374	(125,726)	(77,352)	896
Cash Flows Provided (Used) by Noncapital Financing Activities:				
Intergovernmental Revenues	204	94,170	94,374	407
Transfers From Other Funds	5,726	42,895	48,621	4,188
Transfers (To) Other Funds	(8,729)	(20,851)	(29,580)	(1,261)
Net Cash Flows Provided (Used) by Noncapital Financing Activities	(2,799)	116,214	113,415	3,334
Cash Flows Provided (Used) by Capital and Related Financing Activities:				
Proceeds from Bonds	-	12,891	12,891	-
Proceeds on Refunding Bonds	46,165	114	46,279	840
Capital Contributions	8,158	3,927	12,085	42
Principal Payments on Bonds	(10,736)	(2,850)	(13,586)	(2,065)
Principal Payment on Refunding Bonds	(55,005)	(114)	(55,119)	(840)
Premium on Bonds	-	153	153	-
Premium on Refunding Bonds	7,735	6	7,741	43
Interest Paid on Bonds	(10,293)	(1,113)	(11,406)	(560)
Discount on Refunding Bonds	(513)	-	(513)	-
Payments on Capital Lease	(312)	-	(312)	-
Acquisition of Capital Assets	(18,858)	(16,551)	(35,409)	(514)
Net Cash Flows Provided (Used) by Capital and Related Financing Activities	(33,659)	(3,537)	(37,196)	(3,054)
Cash Flows Provided (Used) by Investing Activities:				
Investment Income	389	-	389	-
Net Increase (Decrease) in Cash and Cash Equivalents	12,305	(13,049)	(744)	1,176
Cash and Cash Equivalents at Beginning of Year	85,287	13,049	98,336	28,055
Cash and Cash Equivalents at End of Year	\$ 97,592	\$ -	\$ 97,592	\$ 29,231

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

COUNTY OF MILWAUKEE, WISCONSIN

Statement of Cash Flows Proprietary Funds For the Year Ended December 31, 2016 (In Thousands)

	Business-type Activities Enterprise Funds			Governmental Activities
	Airports	Transit System	Total	Internal Service Funds
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Assets Financed by Capital Leases	\$ 552	\$ -	\$ 552	\$ -
Loss on Refunding Bonds	\$ -	\$ -	\$ -	\$ (2)
Reassignment of Capital	\$ -	\$ -	\$ -	\$ (1,846)
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ 903	\$ (127,324)	\$ (126,421)	\$ (1,408)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows Provided (Used) by Operating Activities:				
Depreciation and Amortization	28,230	14,645	42,875	1,493
(Increase) Decrease in Assets and Deferred Outflows of Resources:				
Accounts Receivable	4,795	-	4,795	(450)
Other Receivables	-	(1,148)	(1,148)	-
Due from Other Governments	8,084	(17,688)	(9,604)	44
Inventories	-	(645)	(645)	-
Prepaid Items	24	(257)	(233)	-
Other Assets	-	534	534	-
Deferred Outflow Pension Contributions Subsequent to the Measurement Date	(662)	2,093	1,431	(116)
Deferred Outflow Difference Between Expected and Actual Experience	(953)	(1,131)	(2,084)	(394)
Deferred Outflow Net Difference Between Expected and Actual Earnings on Pension Plan Investments	(2,781)	(18,245)	(21,026)	(1,021)
(Increase) Decrease in Liabilities and Deferred Inflows of Resources:				
Accounts Payable	(112)	2,193	2,081	355
Accrued Liabilities	115	80	195	14
Due to Other Governments	60	-	60	-
Due to Other Funds	-	4,868	4,868	-
Unearned Revenues	4,356	716	5,072	-
Compensated Absences	103	311	414	(29)
Net Pension Liability	5,105	16,388	21,493	2,357
Risk Claims	-	(1,235)	(1,235)	(300)
Other Post Employment Benefits	1,341	(2,311)	(970)	438
Other Liabilities	-	155	155	-
Deferred Inflow Difference Between Expected and Actual Earnings on Pension Investments	(423)	(5,420)	(5,843)	(156)
Deferred Inflow Difference Between Actual and Expected Experience	189	2,429	2,618	69
Deferred Inflow Pension Assumption Changes	-	5,266	5,266	-
Total Adjustments	47,471	1,598	49,069	2,304
Net Cash Flows Provided (Used) by Operating Activities	\$ 48,374	\$ (125,726)	\$ (77,352)	\$ 896

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

COUNTY OF MILWAUKEE, WISCONSIN

Statement of Net Position Fiduciary Funds As of December 31, 2016 (In Thousands)

	Pension Trust Fund	Agency Funds
<u>Assets</u>		
Cash and Investments:		
Domestic Common and Preferred Stocks	\$ 485,073	\$ -
Long / Short Hedge Funds	148,311	-
Fixed Income	267,442	-
International Common and Preferred Stocks	266,029	-
Real Estate Investments Trusts	171,920	-
Infrastructure	149,511	-
Private Equity	122,055	-
Deposits	58,343	15,961
Total Cash and Investments	1,668,684	15,961
Receivables:		
Accrued Interest and Dividends	1,414	-
Due from Sale of Investments	629	-
Other	6,039	944
Securities Lending	34,203	-
Other Assets	2,536	-
Total Assets	1,713,505	16,905
<u>Liabilities</u>		
Accounts Payable	4,709	1,088
Agency Deposits	-	15,817
Securities Lending	34,203	-
Other Liabilities	2,910	-
Total Liabilities	41,822	16,905
<u>Net Position</u>		
Restricted for Pension Benefits	\$ 1,671,683	\$ -

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

COUNTY OF MILWAUKEE, WISCONSIN

Statement of Changes in Net Position Pension Trust Fund For the Year Ended December 31, 2016 (In Thousands)

	<u>Total</u>
Additions:	
Contributions:	
County of Milwaukee	\$ 50,626
Plan Participants	<u>12,144</u>
Total Contributions	<u>62,770</u>
Investment Income:	
Net Appreciation (Depreciation) in Fair Value	88,314
Interest and Dividends	11,755
Other Income	<u>12,726</u>
Total Investment Income	<u>112,795</u>
Security Lending Income	270
Security Lending Rebates (and Fees)	<u>(147)</u>
Net Security Lending Activity	<u>123</u>
Investment Expense:	<u>(2,581)</u>
Net Investment Income (Loss)	<u>110,337</u>
Total Additions, Net of Losses	<u>173,107</u>
Deductions:	
Benefits Paid to Retirees and Beneficiaries	(211,164)
Administrative Expenses	(4,913)
Withdrawal of Membership Accounts	<u>(1,498)</u>
Total Deductions	<u>(217,575)</u>
Change In Plan Net Position	(44,468)
Net Position Restricted for Pension Benefits	
Beginning of Year	<u>1,716,151</u>
End of Year	<u>\$ 1,671,683</u>

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

COUNTY OF MILWAUKEE, WISCONSIN

Combining Balance Sheet
Component Units
As of December 31, 2016
(In Thousands)

	Milwaukee Public Museum	War Memorial	Marcus Center	Research Park Corporation	Total
<u>Assets</u>					
Current Assets:					
Cash and Investments	\$ 2,935	\$ 1,703	\$ 4,300	\$ -	\$ 8,938
Accounts Receivable	1,347	21	310	-	1,678
Other Receivables	-	21	113	-	134
Inventories	43	-	38	-	81
Prepaid Items	84	20	97	-	201
Total Current Assets	4,409	1,765	4,858	-	11,032
Noncurrent Assets:					
Long-Term Investments	5,348	-	-	-	5,348
Accounts Receivable	1,193	24	-	-	1,217
Other	-	-	1,228	-	1,228
Capital Assets (Net):					
Construction in Progress	1,285	-	-	-	1,285
Building and Improvements	19,692	-	28,320	-	48,012
Machinery, Vehicles and Equipment	13,141	96	1,578	-	14,815
Less: Accumulated Depreciation	(19,365)	(87)	(18,798)	-	(38,250)
Total Capital Assets (Net)	14,753	9	11,100	-	25,862
Total Noncurrent Assets	21,294	33	12,328	-	33,655
Total Assets	\$ 25,703	\$ 1,798	\$ 17,186	\$ -	\$ 44,687
<u>Liabilities</u>					
Current Liabilities:					
Accounts Payable	\$ 349	\$ 96	\$ 102	\$ -	\$ 547
Accrued Liabilities	739	86	430	-	1,255
Accrued Interest Payable	8	-	-	-	8
Unearned Revenues	1,192	101	1,083	-	2,376
Bonds and Notes Payable	430	-	204	-	634
Capital Leases	9	-	-	-	9
Other Current Liabilities	1,412	-	64	-	1,476
Accrued Pension and Postretirement Benefits	134	-	-	-	134
Total Current Liabilities	4,273	283	1,883	-	6,439
Noncurrent Liabilities:					
Bonds and Notes Payable	337	-	1,520	-	1,857
Other Noncurrent Liabilities	32	3	-	-	35
Accrued Pension and Postretirement Benefits	6,065	-	-	-	6,065
Total Noncurrent Liabilities	6,434	3	1,520	-	7,957
Total Liabilities	10,707	286	3,403	-	14,396
<u>Net Position</u>					
Net Investment in Capital Assets	13,977	9	9,375	-	23,361
Restricted	9,871	445	28	-	10,344
Unrestricted (Deficit)	(8,852)	1,058	4,380	-	(3,414)
Total Net Position	14,996	1,512	13,783	-	30,291
Total Liabilities and Net Position	\$ 25,703	\$ 1,798	\$ 17,186	\$ -	\$ 44,687

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

COUNTY OF MILWAUKEE, WISCONSIN

Combining Statement of Revenues, Expenses, and Changes in Net Position
Component Units
For the Year Ended December 31, 2016
(In Thousands)

	Milwaukee Public Museum	War Memorial	Marcus Center	Research Park Corporation	Total
Revenues:					
Charges for Services:					
Contributions and Memberships	\$ 5,851	\$ 180	\$ 537	\$ 16	\$ 6,584
Other	3,701	74	5,663	7	9,445
Rents	284	502	1,590	215	2,591
Other	856	708	1,455	51	3,070
Total Revenues	<u>10,692</u>	<u>1,464</u>	<u>9,245</u>	<u>289</u>	<u>21,690</u>
Operating Expenses:					
Parks, Recreation and Culture	<u>14,685</u>	<u>1,647</u>	<u>10,296</u>	<u>337</u>	<u>26,965</u>
Operating Income (Loss)	<u>(3,993)</u>	<u>(183)</u>	<u>(1,051)</u>	<u>(48)</u>	<u>(5,275)</u>
Nonoperating Revenues (Expenses):					
County Program Support	3,500	486	950	-	4,936
Interest and Gains/(Losses) on Investments	333	-	75	43	451
Pension and Post-retirement benefit	(977)	-	-	-	(977)
Other	71	-	-	-	71
Total Nonoperating Revenues (Expenses)	<u>2,927</u>	<u>486</u>	<u>1,025</u>	<u>43</u>	<u>4,481</u>
Special Item:					
Transfer of Assets	-	-	-	(4,747)	(4,747)
Total Special Item	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,747)</u>	<u>(4,747)</u>
Changes in Net Position	(1,066)	303	(26)	(4,752)	(5,541)
Net Position -- Beginning	<u>16,062</u>	<u>1,209</u>	<u>13,809</u>	<u>4,752</u>	<u>35,832</u>
Net Position -- Ending	<u>\$ 14,996</u>	<u>\$ 1,512</u>	<u>\$ 13,783</u>	<u>\$ -</u>	<u>\$ 30,291</u>

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

COUNTY OF MILWAUKEE, WISCONSIN

NOTES TO THE BASIC FINANCIAL STATEMENTS

- 1 - Summary of Significant Accounting Policies
- 2 - Stewardship, Compliance and Accountability
- 3 - Deposits and Investments
- 4 - Receivables
- 5 - Capital Assets
- 6 - Interfund Transfers
- 7 - Leases
- 8 - Long-Term Liabilities
- 9 - Net Position
- 10 - Risk Management
- 11 - Related Party Transactions
- 12 - Subsequent Events
- 13 - Commitments and Contingencies
- 14 - Other Post-Employment Benefits
- 15 - Employee Retirement System and Pension Plans
- 16 - Pending Governmental Accounting Standards
- 17 - Special Items

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 1 - Summary of Significant Accounting Policies

The County of Milwaukee, Wisconsin ("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 State of Wisconsin statutes.

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

This report includes all of the funds of the County. The reporting entity for the County consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost 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 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 primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

As required by 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

Component units are reported using one of two methods, discrete presentation or blending. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 1 - Summary of Significant Accounting Policies (cont.)

responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

The County has no blended component units to report. The County has four major discretely presented component units (one was liquidated in March 2016) which are described below.

Milwaukee Public Museum, Inc. ("MPM") was organized on January 10, 1992 as a non-stock, non-profit corporation based in Wisconsin. Prior to March 31, 1992, the Milwaukee Public Museum was operated by the County. On March 31, 1992, MPM commenced operations as a corporation, separate and distinct from the County. MPM operates a natural history museum which focuses on exhibits, public programming, and research in the natural sciences, anthropology, and history. A forty-five member Board of Directors governs MPM. Nine members of the Board are appointed by the County Executive and are confirmed by the County Board of Supervisors.

MPM is reported as a discretely presented component unit of the County because the County owns the majority of the economic resources (the building and artifacts) available to MPM and provides annual appropriations. As a result, MPM has the ability to impose specific financial burdens on the County. MPM has a fiscal year ending August 31st.

Milwaukee County War Memorial, Inc. ("War Memorial") is a non-stock, non-profit corporation based in Wisconsin. The War Memorial is operated under the auspices of Milwaukee County. The original purpose of the War Memorial was to operate the War Memorial Center Facility/Milwaukee Art Museum, the Marcus Center for the Performing Arts, and the Charles Allis and Villa Terrace Art Museums. In 2006, the Marcus Center for the Performing Arts and in 2012, the Charles Allis and Villa Terrace Art Museums were granted separate Internal Revenue Service Section 501(c)(3) status and began operating as separate entities. In 2013, operation of a portion of the War Memorial Center Facility/Milwaukee Art Museum was ceded to the Milwaukee Art Museum. Beginning September 17, 2013, the sole purpose of the War Memorial is to operate the War Memorial Center.

A four member Board of Trustees ("Trustees") and an eleven member Board of Directors ("Board") govern the War Memorial. The four Trustees and two members of the Board are appointed by the County Executive and are confirmed by the County Board of Supervisors.

The War Memorial is reported as a discretely presented component unit of the County because the County appoints the voting majority of the Board of Trustees, owns the majority of the economic resources (the building) available to the War Memorial, and provides annual appropriations. As a result, the War Memorial has the ability to impose specific financial burdens on the County. The War Memorial has a fiscal year ending December 31st.

Marcus Center for the Performing Arts ("Marcus Center") is a non-stock, non-profit 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. The Marcus Center operates

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 1 - Summary of Significant Accounting Policies (cont.)

as a separate reporting entity and has combined all of its related funds into one set of financial statements. A twenty-five member Board of Directors governs the Marcus Center. Seven members of the Board are appointed by the County Executive and are confirmed by the County Board of Supervisors.

On August 12, 2015, the State of Wisconsin passed Wisconsin Act 60; the legislation states that under Section 115 of Nonstatutory Provisions, the Marcus Center property can be transferred to the local exposition district ("Wisconsin Center District"). This transfer shall take effect upon adoption of a resolution by the Wisconsin Center District Board requesting the transfer, at which point a written proclamation of support from the County Executive would be needed to complete the transfer of the property. The Wisconsin Center District Board issued a statement in 2016 that it will not take up this issue until after the completion of the district-owned Milwaukee Bucks arena in 2018.

The Marcus Center is reported as a discretely presented component unit of the County because the County owns the majority of the economic resources (the building) available to the Marcus Center, provides annual appropriations, and has assisted in the past with the issuance of general obligation corporate purpose bonds to finance certain improvements. As a result, while the Marcus Center is fiscally dependent, it has the ability to impose specific financial burdens on the County. Also, even though the County does not appoint the majority of the Board of Directors, excluding the Marcus Center would render the County's financial statements incomplete or misleading. The Marcus Center has a fiscal year ending December 31st.

Milwaukee County Research Park Corporation ("MCRPC") was a non-stock, non-profit quasi-public corporation based in Wisconsin that was 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 were not required for medical or health institution purposes and were leased, conveyed or otherwise transferred to MCRPC; provided, however, that such development shall, in the judgment of MCRPC, advance the economic and social interests of the community. A fifteen member Board of Directors governed MCRPC. Five members of the Board were County Board Supervisors and ten members of the Board, including a representative of the City of Wauwatosa and the County Executive's personal representative, were appointed by the County Executive and were confirmed by the County Board of Supervisors.

On November 10, 2015, the MCRPC's board of directors approved a policy to liquidate MCRPC as of March 31, 2016. In December 2015, the Milwaukee County Board approved a transfer of control of MCRPC to Milwaukee Regional Innovation Center Inc. ("MRIC"). The MCRPC board of directors approved the transition in February 2016. On March 31, 2016, Milwaukee County sold MCRPC to Technology Innovation Center LLC ("TIC") for \$1. TIC is a subsidiary of MRIC. As of November 30, 2016 MCRPC was officially dissolved.

MCRPC is reported as a discretely presented component unit of the County through November 2016 because the County appointed all of the members of the governing board and therefore had the ability to impose its will on MCRPC. The economic resources held by MCRPC were contributed to MCRPC through land sales and tenant rent, by agreement of the County, for the direct benefit of the County and its constituents.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 1 - Summary of Significant Accounting Policies (cont.)

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

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

Milwaukee County War Memorial, Inc.
750 North Lincoln Memorial Drive
Milwaukee, WI 53202

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

Milwaukee County Research Park Corp.
10437 Innovation Drive
Wauwatosa, WI 53226

Related Organizations

The Milwaukee County Federated Library System ("MCFLS") is a membership organization with its membership made up of the fifteen administratively autonomous and fiscally independent public libraries in Milwaukee County. MCFLS assumes a leadership role in facilitating cooperation among its member libraries, improving access to and encouraging sharing of resources, promoting the most effective use of local, county, state and federal funds and assisting member libraries in the utilization of current and evolving technologies to provide the highest possible level of library service to all County residents. The County Executive is responsible for appointing the seven-member board of MCFLS but the County's accountability for MCFLS does not extend beyond making the appointments. In accordance with State Statute s.43.19 (1) (a) at least one but not more than two County Board Supervisor(s) shall be members of the system board at any one time.

Milwaukee Regional Innovation Center, Inc. ("MRIC") is a community for entrepreneurs that provides the environment, the support and resources for innovation. The MRIC board is composed of fifteen members of whom two are appointed by the County Executive, two are appointed by the County Board Chairperson, six are elected by the MRIC board itself and confirmed by the County Board, and five are elected by the MRIC board. If MRIC were to dissolve, its remaining assets (after debt and liability payment) would be given to the County to benefit the public.

B. Measurement Focus and Basis of Accounting

Government-wide Financial Statements

The statement of net position and the statement of activities report information on all of the non-fiduciary activities of the primary government and its discretely presented component units. 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

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 1 - Summary of Significant Accounting Policies (cont.)

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 is 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 and other items not properly included among program revenues are reported instead as general revenues.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges for interfund services provided and used between the County's governmental and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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/deferred outflows of resources, liabilities/deferred inflows of resources, 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.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 1 - Summary of Significant Accounting Policies (cont.)

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, deferred outflows of resources, liabilities, and deferred inflows of resources 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. Uncollected property taxes of municipalities within the County, except the City of Milwaukee, are purchased and then collected by the County. There is no recourse to the municipalities for the collection of these taxes. 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.

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 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 position.

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

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 1 - Summary of Significant Accounting Policies (cont.)

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.

C. Basis of Presentation

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

- (a) Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures /expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- (b) The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- (c) In addition, any other governmental or enterprise fund that the County believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds, proprietary funds 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 presents the following **major governmental funds**:

- **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.
- **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-

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 1 - Summary of Significant Accounting Policies (cont.)

term general obligation debt.

- **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 presents the following **major proprietary funds**:

- **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.
- **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 presents 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 maintenance and repairs of the miniature passenger train and the zoomobile, conservation, maintaining and expanding the library, employee's travel, animal acquisitions and specimens for the Milwaukee County Zoo.
 - ◇ **Parks** - used for the repair, restoration and enhancement of the various parks throughout Milwaukee County.
 - ◇ **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, funding for youth and young adults with severe mental health needs and compensated absence payouts for Behavioral Health Division retirees.
 - ◇ **Airport** - Airport Passenger Facility Charge (PFC) is used for the collection of Federal Aviation Administration (FAA) approved passenger facility charges, which

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 1 - Summary of Significant Accounting Policies (cont.)

are to be used for capital projects at the Airport. A separate trust is maintained to secure a pledge by the County for repayment of certain debt of local airlines.

- ◇ **Administrative Services** – used by Risk Management for employee health and safety issues. It also includes pension stabilization established with \$6,500 in 2009 with issuance of Pension Liability funds for County ERS, under state statute.
- ◇ **Public Works** - used for compensated absence payouts for retirees from the Fleet Maintenance and Facilities Management divisions.
- **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.

D. Assets / Deferred Outflows of Resources, Liabilities / Deferred Inflows of Resources and Net Position or Equity

1. Deposits and Investments

To facilitate cash management of the County's resources, cash and investments are pooled in common accounts. These pooled common accounts are considered cash equivalents for the purposes of the statements of cash flows. The cash and investment balance in each fund represents the equity in these pooled resources.

The resources of the Special Revenue, Pension Trust, and Agency funds are restricted and are not available to the County to finance its operations. Deposits and investments of the Airport Trust are held separately from those of other County funds due to Revenue Bond restrictions. Substantially all of the deposits and investments of the Agency Funds are held separately from those of other County funds. 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.

State of Wisconsin 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

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 1 - Summary of Significant Accounting Policies (cont.)

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.

Additional information is provided in Note 3.

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). The County has no "advances to/from other funds". All other outstanding balances between funds are reported as "due to/from other funds". Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

At year-end, 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 accounts. 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 shown as deferred inflows of resources.

Property taxes are levied based on the equalized value, which is computed using the assessment date of January 1, 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 within the County, except the City of Milwaukee, to facilitate the collection of taxes. The purchases are a financing arrangement. The municipalities portion that is not collectable within sixty days of year-end is 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 to the City each year.

Interest is earned on investments and delinquent property taxes. The County's portion of delinquent property taxes, accrued interest and penalties that are not collectable within sixty

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 1 - Summary of Significant Accounting Policies (cont.)

days of year-end is reflected as unearned revenue in the governmental funds.

Additional information is provided in Note 4.

3. Inventory, Prepaid Items and Insurance Deposits

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. As of December 31, 2016 Milwaukee County has prepaid items totaling \$1,791.

Milwaukee County offers its employees the option to participate in flexible spending account plans for eligible health and daycare expenses which are administered by a third party; as of December 31, 2016 \$218 is a prepaid.

Milwaukee County has self-funded health and prescription insurance plans administered by a third party. A requirement of the self-funded plans is that the County must maintain deposits with this third party manager; as of December 31, 2016 \$3,173 is on deposit.

4. Restricted Assets

Certain proceeds of the Deposits and Investments area are considered restricted as explained earlier in Note 1, section D, item 1. At the end of 2016, these restricted assets consisted of Capital Project reserves, Airport reserves and unspent revenue bond proceeds, Airport Passenger Facility Charge revenues, and Family Care reserves. Restricted assets are not available to the County to finance its operations.

Capital Projects: Bond proceeds of \$34,055 are held for various capital projects for the Courthouse and other governmental facilities, Parks and other recreational areas, and Highway and related transportation assets and infrastructure.

Airports: Certain proceeds of the Airports enterprise fund revenue bonds, as well as certain resources set aside for repayment are maintained in separate bank accounts and their use is limited by applicable bond covenants. At the end of 2016, the restricted asset balance of \$24,007 consists of \$18,215 of reserves under Airport Revenue Bond covenants and \$5,792 of 2006, 2009, 2010 and 2013 unspent revenue bond proceeds.

The Airport Revenue Bond Interest and Principal Account are 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 first.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 1 - Summary of Significant Accounting Policies (cont.)

Airport Special Revenue Fund: Restricted Assets for the Airport Special Revenue Fund at the end of 2016 amount to \$28,779 which consists of \$28,697 for passenger facility charges allocated and \$82 for contributed assets. 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 2015, the County had restricted \$5,148 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 company plus the restricted assets. During 2016, the airlines holding the debt defaulted on their payments due to bankruptcy, and the County fulfilled its guarantee by paying off the debt with tax levy funds plus the restricted assets. The restricted contributed assets are no longer available. The mortgaged assets of the company were also obtained and are available for sale.

5. Capital Assets / Other 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 which has an initial, individual cost of 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 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 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: Buildings - 40 years, Building Improvements - 12-20 years, Furniture and Fixtures - 10 years, Infrastructure - 20-30 years, Machinery and Equipment - 5-15 years, and Vehicles and Related Equipment - 5-12 years.

In 2016, the County obtained mortgaged assets from a company who defaulted on its loan commitment, which required the County to pay off the company's debt. The assets are valued at the cost of \$11,410. The other assets are available for sale.

The County owns a collection of zoo animals and a collection of museum historical artifacts which 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, and 3) the collection is subject to an organizational policy requiring that the proceeds from sales of

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 1 - Summary of Significant Accounting Policies (cont.)

collection items be used to acquire other items for collections. 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.

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.

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 in the same manner as in the government-wide statements.

Additional information is provided in Note 5.

6. Compensated Absences

County employees are granted vacation, sick leave, and personal days in varying amounts in accordance with administrative policies and union contracts. County employees are requested to use all accumulated vacation time earned each calendar year; however, a maximum of 56 (fifty six) vacation hours may be carried over to the subsequent calendar year. Sick leave is accrued to a maximum of 960 (nine hundred sixty) hours. Personal days must be used in the current calendar year; unused balances are forfeited at year-end.

In the event of termination or retirement, employees are paid for accumulated, unused vacation, personal days, holiday and overtime hours; however, if an employee has less than one year of service or is discharged, all unused balances are forfeited. Accumulated sick leave hours are forfeited upon termination other than retirement. Depending on their prior bargaining unit affiliation and date of hire, a retiring employee may be entitled to either a full or partial cash payout or full credit for post-retirement health care costs of their applicable sick leave hours. The County eliminated the cash payout/health care credit at retirement for any sick leave hours accrued after June 24, 2012 for certain union and non-represented employees. Retiree sick leave cash payouts are \$1,546 and health care credits are \$154 in 2016.

Vacation, eligible sick leave, holiday and overtime hours earned and vested by active employees are 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 \$19,638 and \$2,892, respectively. The long-term portions of compensated absences, primarily for sick leave payable upon retirement, is classified as compensated absences. For the governmental activities and the business-type activities, the long-term portion is \$11,068 and \$9,934,

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 1 - Summary of Significant Accounting Policies (cont.)

respectively. The \$2,714 paid to employees in the governmental fund types within 60 days of year-end is recorded as a liability and as an expense in the governmental funds.

Additional information is provided in Note 8.

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 position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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.

Additional information is provided in Note 8.

8. Deferred Outflows of Resources

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

A deferred loss on refunding arises from a refunding of debt. The difference between the cost of the securities placed in trust for future payment of refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund statements.

9. Deferred Inflows of Resources

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

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 1 - Summary of Significant Accounting Policies (cont.)

10. Equity Classifications

Government-wide Statements

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

- **Net Investment in Capital Assets** – 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.
- **Restricted Net Position** – Consists of net position 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.
- **Unrestricted Net Position** - All other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

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. Intent is expressed by the legislative, executive branch or an official of the County to which the governing body has assigned this authority. As adopted May 17, 2012 on Board Resolution 12-418, generally, final intent is authorized through the County resolution approved by the County Board and County Executive. The Comptroller shall ensure that there are adequate funds in the department prior to the encumbering of any funds. The County has restrictions against, and does not presently have, any Assigned Fund Balance.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 1 - Summary of Significant Accounting Policies (cont.)

- **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.

The County considers restricted resources to be spent first and then unrestricted resources 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 position that represents net investment in capital assets is reported separately. Restricted net positions are reported for amounts that are legally restricted by outside parties to be used for a specific purpose.

The State of Wisconsin statutes 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 restricted 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 State of Wisconsin statutes. The surplus cannot be used for any other purposes except those stated above.

11. 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 Department of Health and Human Services ("DHHS") provides an allowance for amounts due from recipients of housing loans provided to low-income homeowners. The County's Department of Public Works ("DPW") provides an allowance for Private Fire Protection charges that are in dispute.

BHD, DHHS, and DPW 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 estimate, any difference between the amount accrued and the amount settled is recorded in operations in the year of settlement. As of December 31, 2016, the total allowance for BHD, DHHS, and DPW is \$25,531. No other allowances for doubtful accounts are maintained since other fund accounts receivable are considered collectable as reported at December 31, 2016. All allowances are netted against receivables for financial statement presentation.

Additional information is provided in Note 4.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 1 - Summary of Significant Accounting Policies (cont.)

12. Capitalization of Interest

Interest is capitalized on 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 2016, the net amount of capitalized interest is \$331.

13. 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, 2016.

14. 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. The County has recorded short-term and long-term obligations for post-closure costs. These costs are recognized in the governmental activities.

Additional information is provided in Note 8.

15. Pollution Remediation Costs

The County has been designated as the responsible party to cleanup petroleum contamination located on County property, to inspect manholes in the Parks System to ensure that clear water does not go into the sanitary or stormwater sewers, to repair stream banks after contaminated sediment is removed, and repair and monitor underground storage tanks used by MCTS. The County has recorded short-term and long-term obligations for these pollution remediation costs. These costs are recognized in the governmental activities.

Additional information is provided in Note 8

16. Capital Contributions

The capital contributions accounted for in the proprietary fund types represent contributions from other funds and state and federal grant programs. The contributions amount is reported after non-operating revenues and expenses on the statement of revenues, expenses, and changes in fund net position.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 1 - Summary of Significant Accounting Policies (cont.)

17. Unearned and Unavailable Revenues

Unearned revenues reported in the government-wide and proprietary financial statements represent amounts received before eligibility requirements (excluding time) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows. In governmental fund financial statements, amounts owed to the County which are not available are recorded as receivables and unavailable revenues.

18. Net Pension Liability (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 the annual change in the net pension liability (asset) adjusted for certain other changes in the net pension liability (asset) which are amortized over the average expected remaining service lives of plan participants or five years.

Additional information is provided in Note 15.

19. Encumbrances

Encumbrance accounting is employed in governmental, proprietary and internal service funds. Encumbrances of purchase orders, contracts and other commitments for the expenditure of funds are recorded as restriction of fund balance. As of year-end, encumbrances are not reflected as expenditures but as restriction of fund balance and are liquidated in subsequent years when the services or materials are received. Every appropriation lapses, except for capital projects, at December 31 to the extent that it has not been expended or encumbered.

The 2016 encumbrance, carryover and commitment balances by fund are:

	Encumbrances	Carryovers	Other	Total Commitments
General Fund	\$ 16,599	\$ (2,639)	\$ (2,635)	\$ 11,325
Capital Projects	23,056	20,258	327	43,641
Internal Service Funds	1,753	-	-	1,753
Airports	2,948	-	-	2,948
Transit	311	-	-	311
Totals	<u>\$ 44,667</u>	<u>\$ 17,619</u>	<u>\$ (2,308)</u>	<u>\$ 59,978</u>

20. 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.

Additional information is provided in Note 8.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 1 - Summary of Significant Accounting Policies (cont.)

21. 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 and interest, net of payments.

Additional information is provided in Note 14.

E. Governmental Accounting Standards for 2016

In fiscal year 2016, the County implemented the following GASB's:

- **GASB Statement No. 72, *Fair Value Measurement and Application***, was implemented by the County, effective January 1, 2016. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- **GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68***, was implemented by the County, effective January 1, 2016. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability
- **GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments***, was implemented by the County, effective January 1, 2016. The objective of this is Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 1 - Summary of Significant Accounting Policies (cont.)

- **GASB Statement No. 77, *Tax Abatement Disclosures***, was implemented by the County, effective January 1, 2016. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.
- **GASB Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans***, was implemented by the County, effective January 1, 2016. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions.
- **GASB Statement No. 79, *Certain External Investment Pools and Pool Participants***, was implemented by the County, effective January 1, 2016. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes.

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 2016 appropriations and encumbrances. 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.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 2 - Stewardship, Compliance and Accountability (cont.)

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. No supplemental appropriations were approved during 2016 for emergencies or utilizing tax anticipation notes.

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 liability bonds are considered a departmental personnel service appropriation and are reflected 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.

The reconciliation of the General Fund is as follows:

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources (Uses)</u>	<u>Special Items</u>
GAAP Basis	\$ 975,190	\$ 885,861	\$ (86,142)	\$ (24,722)
Encumbrances	-	16,599	-	-
Pension/Other	-	22	-	-
Transfers to Component Units	-	(6,259)	(6,259)	-
Non-GAAP Budgetary Basis	<u>\$ 975,190</u>	<u>\$ 896,223</u>	<u>\$ (92,401)</u>	<u>\$ (24,722)</u>

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

County Tax Rate Limit

Wisconsin State Statute (s.59.605) imposes a limit on the property tax rate that the County can impose upon its citizens. Wisconsin State Statute (s.66.0602), 2011 Wisconsin Act 32, changed the local levy limit to the greater of the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current year or zero percent. For the 2016 Budget, the levy limit consists of net new construction which is 1.40%. The limit also contains adjustments for levy for debt service payments and terminated tax increment districts.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

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 quarterly 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(s) or to maintain the funds in the financial institution. Funds sent to the investment manager(s) 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 institutions earn a guaranteed rate of return set to the current market LIBOR rates and are secured by collateral in the County's name at a Federal Reserve Bank. The County maintains other bank accounts for convenience of deposit which may be transferred to the primary account as warranted.

The following information presents the deposits and investments split into two sections: Primary Government - County and Agency and Pension Trust Fund.

Statement of Net Position:

Cash and Investments	\$ 234,151
Cash and Investments - Restricted	86,841
Subtotal County	320,992

Statement of Fiduciary Net Position:

Cash and Investments:	
Pension Trust Fund	1,668,684
Agency Fund	15,961
Subtotal Fiduciary	1,684,645
Total	\$ 2,005,637

County and Agency:

Deposits	\$ 62,411
Investments	274,542
Pension:	
Deposits	58,343
Investments	1,610,341
Total	\$ 2,005,637

PRIMARY GOVERNMENT - COUNTY AND AGENCY

Cash Deposits

The carrying amount of the County's deposits at December 31, 2016 is \$62,411 and the bank balance is \$73,531. The primary differences between the carrying value and bank balances are outstanding checks, deposits not yet processed by the banks and Petty Cash on hand.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 3 - Deposits and Investments (cont.)

Custodial Credit Risk - Deposits

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. All time and savings deposits (includes NOW accounts and money market deposits) held in an insured depository institution within the State of Wisconsin are added together and insured, by FDIC, up to \$250. Separately, all demand deposit accounts (includes interest-bearing and noninterest-bearing deposits) held in an insured depository institution within the State of Wisconsin are added together and insured, by FDIC, up to \$250. In addition, if the depository institution is outside of the State of Wisconsin, both time and savings deposits and demand deposits are added together and insured up to \$250. The State Deposit Guarantee Fund insures deposits up to a total of \$400 per entity, not per banking institution. Of the \$73,531 of deposits with financial institutions, \$1,831 is covered by Federal depository insurance and State governmental insurance, subject to availability of funds in the State's Deposit Guarantee Fund, \$63,287 is collateralized with government securities held in a separate financial institution in the County's name, and \$8,413 is uninsured, uncollateralized, or exposed to custodial credit risk.

Investments

On August 12, 2014 the County modified its Statement of Investment Policy ("investment policy"). The primary objectives of the modified investment policy are safety, liquidity, return and local interests. Investments will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The goal will be to mitigate credit risk and interest rate risk. The investment portfolio will remain sufficiently liquid to enable the County to meet all operating requirements that may be reasonably anticipated. The investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the County's investment risk constraints and liquidity needs. The County will support investment in local financial institutions to the maximum extent possible, consistent with all other investment objectives and will employ mechanisms to control risk and diversify its investments with respect to specific security types or individual security issuers.

Consistent with the Government Finance Officers Association Policy Statement on local laws concerning investment practices, the following investments will be permitted by the County's investment policy and are those defined by Wisconsin State Statute (s.66.0603) and Milwaukee County ordinances, where applicable. If additional types of securities are approved for investment of public funds by Wisconsin State Statutes, they will not be eligible for investment by Milwaukee County until the investment policy has been amended and the amended version adopted by the governing body.

- Time and other money market deposits of banks, trust companies, savings and loans, and credit unions.
- ◊ Deposits over the Federal Deposit Insurance Corporation ("FDIC") insured amount are to be fully collateralized with an acceptable form of collateral, surety, or other guarantee assuring the principal repayment to Milwaukee County.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 3 - Deposits and Investments (cont.)

- ◊ CDARS – Certificates of Deposit Account Registry Service, a placement service in which a member institution uses CDARS to place funds into Certificate of Deposits (“CD”) issued by banks that are members of the Network. This occurs in increments below the standard FDIC insurance coverage maximum, allowing for coverage of principal and interest.
- ◊ ADM – American Deposit Management, CD placement service and other depository placement services.
- U.S. Treasury obligations, government agency securities, and Government Sponsored Enterprise (“GSE”).
- Municipal Securities including general obligation bonds, essential service bonds rated AA or higher, or securities of any county, city, drainage district, vocational, technical and adult education district, village, town or school district of the State of Wisconsin.
- State of Wisconsin Investment Board’s Local Government Investment Pool.
- Repurchase Agreements (“Repos”). Investment agreements pursuant to which a federal or state credit union, federal or state savings and loans association, state bank, savings and trust company, mutual savings bank, or national bank in the State of Wisconsin agrees to repay funds advanced to it by the issuer, plus interest. Repos are to be secured by investments securities fully guaranteed by the U.S. government.
- Corporate securities. Issued by private corporations, these securities must be rated in the highest or second highest rating category assigned by Standard and Poor’s Corporation (“S&P”), Moody’s Investor Service (“Moody’s”), some other Nationally Recognized Statistical Rate Organization (“NRSRO”), or senior to or on parity with a security of the same issuer which has such a rating.
- Commercial Paper which may be tendered for purchase at the option of the holder within not more than two hundred seventy (270) days of the date acquired as permitted by Wisconsin State Statutes. These securities must be rated in the highest or second highest rating category assigned by S&P, Moody’s, NRSRO, or senior to or on parity with a security of the same issuer which has such a rating.
- Money Market Funds. Open-ended Money Market funds restricted to investments permitted in Wisconsin State Statute (s.66.0603 (1) (m)), limited to a maximum average maturity of sixty (60) days or less.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 3 - Deposits and Investments (cont.)

The following restrictions will apply to any investments made by Milwaukee County: no leveraged investments and no securities in foreign currencies. All other investments not listed above are prohibited from consideration of investment. At any time the Milwaukee County Treasurer may desire to be more conservative in its investments and may limit or restrict certain of the investments listed above.

As of December 31, 2016, the County and Agency investments are as follows:

<u>Investment Type</u>	<u>Fair Value</u>
Corporate	\$ 8,765
Corporate Bonds	2,249
F F C B Deb	8,954
F H L B	2,983
F H L B Deb	12,700
F H L M C	28,904
F H L M C Deb	5,947
F H L M C M	13,674
F N M A	32,543
F N M A M T	9,217
F N M A Deb	499
F N M A Gtd	2,242
First Amer Treas Oblig FD CI D	17,469
Futures Hedge	1,895
G N M A I I	18,731
G N M A Gtd	2,078
LGIP	17,747
Money Market	13,243
Municipal	11,087
Ncua Guaranteed Nt	8,413
S B A Gtd Ln	10,949
U S Treasury	44,253
Total	<u>\$ 274,542</u>

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 3 - Deposits and Investments (cont.)

The County has one futures brokerage relationship to facilitate the purchase and sale of diesel futures contracts in conjunction with the hedging program. In its normal course of operations, the Transit System enters into exchange-traded futures contracts for diesel fuel as a hedge for its diesel fuel purchases. The collateral held with the broker at December 31, 2016 is \$1,895. The maximum loss that would be recognized at the reporting date if the broker failed to perform as contracted is \$3,663. The aggregate fair value of these hedging derivative instruments (futures contracts) at December 31, 2016 is \$1,768, resulting in no credit risk to the County. This broker 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

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. The County's investment policy states that all investment institution must enter into a "depository agreement" requiring the depository to pledge collateral to secure amounts over and above FDIC guaranteed amounts. All securities serving as collateral will be specifically pledged to the County and placed in a custodial account at a Federal Reserve Bank, the trust department of a commercial bank, or through another financial institution. The custodian may not be owned or controlled by the depository institution or its holding company unless it is a separately operated trust institution.

Amounts in excess of FDIC guaranteed amounts must be fully collateralized and held by a third party or fully insured by an insurance company with an A rating or better by A.M. Best. Acceptable collateral includes the following: Securities of the U.S. Treasury and/or Agency or GSE securities as long as they are fully guaranteed.

All securities purchased will be properly designated as an asset of Milwaukee County and will be evidenced by safekeeping receipts in Milwaukee County's name and held in safekeeping by a third-party custodial bank or other third-party custodial institution designated by Milwaukee County, and chartered by the U.S. Government or the State of Wisconsin. No withdrawal of such securities, in whole or in part, will be made from safekeeping except by the Milwaukee County Treasurer or a designee. All trades of marketable securities will be executed on a delivery versus payment basis to ensure that the securities are deposited in Milwaukee County's safekeeping institution prior to the release of funds.

The County does not have any investments exposed to custodial credit risk.

Interest Rate Risk - Investments

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. Unless matched to a specific cash flow requirement, the County will not directly invest in securities maturing more than ten (10) years from the date of purchase. For adjustable rate securities, the time to coupon reset will be used as the effective maturity date.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 3 - Deposits and Investments (cont.)

As of December 31, 2016, the County and Agency have the following investments and maturities subject to interest rate risk:

Investment Type	Fair Value	Years			
		Less than 1	1 - 5	6 - 10	More than 10
Corporate	\$ 8,765	\$ 2,518	\$ 6,247	\$ -	\$ -
Corporate Bonds	2,249	-	2,249	-	-
F F C B Deb	8,954	-	8,954	-	-
F H L B	2,983	-	2,983	-	-
F H L B Deb	12,700	-	12,700	-	-
F H L M C	28,904	751	7,040	414	20,699
F H L M C Deb	5,947	-	5,947	-	-
F H L M C M	13,674	-	13,674	-	-
F N M A	32,543	-	14,222	63	18,258
F N M A M T	9,217	4,246	4,971	-	-
F N M A Deb	499	-	499	-	-
F N M A Gtd	2,242	-	2,122	-	120
First Amer Treas Oblig FD Cl D	17,469	17,469	-	-	-
Futures Hedge	1,895	1,895	-	-	-
G N M A I I	18,731	-	-	1,379	17,352
G N M A Gtd	2,078	-	-	20	2,058
Money Market	13,243	13,243	-	-	-
Municipal	11,087	689	5,373	5,025	-
Ncua Guaranteed Nt	8,413	2,623	5,790	-	-
S B A Gtd Ln	10,949	-	1,555	1,192	8
U S Treasury	44,253	6,449	37,804	-	-
Total interest rate risk investments	<u>\$ 256,795</u>	<u>\$ 49,883</u>	<u>\$ 132,130</u>	<u>\$ 8,093</u>	<u>\$ 58,495</u>
Not subjected to interest rate risk:					
LGIP	<u>17,747</u>				
Total investments	<u>\$ 274,542</u>				

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 3 - Deposits and Investments (cont.)

Credit Risk - Investments

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 Standard & Poor's or Moody's Investor Service) gives an indication of the degree of credit risk for that security. In accordance with the County's investment policy, the County will mitigate the credit risk using the following strategies: diversification, liquidity, investment rating downgrade and market risk.

As of December 31, 2016, the County and Agency investments' credit quality ratings are as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Standard & Poor's</u>	<u>Moody's Investor Services</u>
Corporate	\$ 1,371	A	A1
Corporate	666	A+	A1
Corporate	1,455	AA-	A1
Corporate	1,104	AA-	AA2
Corporate	1,447	AA-	AA3
Corporate	1,422	AA+	AA1
Corporate	500	AA+	AAA
Corporate	799	AAA	AAA
Corporate Bonds	1,147	A+	AA3
Corporate Bonds	1,102	AA-	AA1
F F C B Deb	8,954	AA+	AAA
F H L B	2,983	AA+	AAA
F H L B Deb	12,700	AA+	AAA
F H L M C	5,246	AA+	AAA
F H L M C	408	AA+	N/A
F H L M C	249	N/A	AAA
F H L M C	23,002	N/A	N/A
F H L M C Deb	5,947	AA+	AAA
F H L M C M	11,684	AA+	AAA
F H L M C M	1,990	AA+	N/A
F N M A	14,205	AA+	AAA
F N M A	18,339	N/A	N/A
F N M A M T	9,217	AA+	AAA
F N M A Deb	499	AA+	AAA
F N M A Gtd	2,242	N/A	N/A
First Amer Treas Oblig FD CI D	17,469	N/R	N/R
Futures Hedge	1,895	N/A	N/A
G N M A I I	18,731	N/A	N/A
G N M A Gtd	2,078	N/A	N/A
LGIP	17,747	N/A	N/A
Money Market	13,243	N/R	N/R
Municipal	355	AA	AA2
Municipal	426	AA	N/R
Municipal	5,281	AA-	AA3
Municipal	5,024	AAA	AAA
Ncua Guaranteed Nt	3,572	AA+	AAA
Ncua Guaranteed Nt	4,841	AA+	N.A
S B A Gtd Ln	10,949	N/A	N/A
U S Treasury	44,253	N/A	AAA
Total	<u>\$ 274,542</u>		

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 3 - Deposits and Investments (cont.)

Fair Value Measurements - Investments

The GASB Board issued Statement 72 to update the existing standards on fair value (primarily Statement 31). A review of existing standards by the GASB Board, found opportunities to improve the measurement of resources available to governments, and to increase comparability and accountability. Statement 72 is effective for fiscal years beginning after June 15, 2015.

Fair Value Hierarchy Valuation inputs are assumptions that market participant use in pricing an asset or liability. The standard establishes a hierarchy of inputs used to measure fair value that prioritizes the inputs into three categories - Level 1, Level 2, and Level 3 inputs - considering the relative reliability of the inputs. GASB chose to leverage the input hierarchy in FASB Statement 157, Fair Value Measurement. The level is determined based on the lowest level of input significant to the measurement in its entirety. Premiums or discounts based on the government's transaction size, i.e., "blockage factors", should not be a valuation or a price adjustment for any level of the hierarchy.

As of December 31, 2016, the County and Agency investments' fair value measurements are as follows:

Investments by Fair Market Value:	12/31/16	Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Corporate	\$ 8,765	\$ -	\$ 8,765	\$ -
Corporate Bonds	2,249	-	2,249	-
F F C B Deb	8,954	-	8,954	-
F H L B	2,983	-	2,983	-
F H L B Deb	12,700	-	12,700	-
F H L M C	28,904	-	28,904	-
F H L M C Deb	5,947	-	5,947	-
F H L M C M	13,674	-	13,674	-
F N M A	32,543	-	32,543	-
F N M A M T	9,217	-	9,217	-
F N M A Deb	499	-	499	-
F N M A Gtd	2,242	-	2,242	-
Futures Hedge	1,895	-	-	1,895
G N M A II	18,731	-	18,731	-
G N M A Gtd	2,078	-	2,078	-
Money Market	13,243	-	13,243	-
Municipal	11,087	-	11,087	-
Ncua Guaranteed Nt	8,413	-	8,413	-
S B A Gtd Ln	10,949	-	10,949	-
US Treasury	44,253	44,253	-	-
Total Investments by Fair Value Measurement	<u>\$ 239,326</u>	<u>\$ 44,253</u>	<u>\$ 193,178</u>	<u>\$ 1,895</u>

Short-term Investments Reported at Cost or Amortized Cost:

First Amer Treas Oblig FD CI D	17,469
LGIP	17,747
Total Investments	<u>\$ 274,542</u>

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 3 - Deposits and Investments (cont.)

Concentration of Credit Risk – Investments

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The County's investment policy states that to mitigate risk of loss resulting from the over-concentration of assets in a specific maturity, issuer, or class of securities, assets in all of the County's funds will be diversified by maturity, issuer, and class of security. Diversification strategies will be determined, and revised periodically, by the Milwaukee County Treasurer.

As of December 31, 2016, the County is not exposed to a concentration of credit risk.

PENSION TRUST FUND

Cash Deposits

The carrying amount of Pension Trust Fund deposits at December 31, 2016 is \$58,343 and the bank balance is \$58,766. The carrying amount consists of \$3,521 of cash held in deposit at banks and \$54,822 of cash equivalents held by investment managers.

Custodial Credit Risk - Deposits

The 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 deposits or will not be able to cover collateral securities that are in the possession of an outside entity. All time and savings deposits (includes NOW accounts and money market deposits) held in an insured depository institution within the State of Wisconsin are added together and insured, by FDIC, up to \$250. Separately, all demand deposit accounts (includes interest-bearing and noninterest-bearing deposits) held in an insured depository institution within the State of Wisconsin are added together and insured, by FDIC, up to \$250. In addition, if the depository institution is outside of the State of Wisconsin, both time and savings deposits and demand deposits are added together and insured up to \$250. The State Deposit Guarantee Fund insures deposits up to a total of \$400 per entity, not per banking institution. Of the \$3,521 of deposits with financial institutions, \$3,521 is covered by Federal depository insurance and State governmental insurance, subject to availability of funds in the State's Deposit Guarantee Fund, and there is no balance that is uninsured, uncollateralized, or exposed to custodial credit risk. All assets of the Pension Trust Fund are held in its name.

Investments

As provided by state legislative act and County Ordinance, the ERS 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 ERS 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.

The ERS 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. Investments, primarily stocks, bonds, certain government loans and

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 3 - Deposits and Investments (cont.)

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. Unrealized gains and losses in the fair value of investments represent the net change in the fair value of the investments held during the period.

As of December 31, 2016 the Pension Trust Fund has the following investments:

<u>Investment Type:</u>	<u>Fair Value</u>
Domestic Common and Preferred Stocks	\$ 485,245
Fixed Income	267,442
Futures	(172)
Infrastructure	149,511
International Common and Preferred Stocks	266,029
Long / Short Hedge Funds	148,311
Private Equity	122,055
Real Estate and REIT'S	171,920
Total	<u>\$ 1,610,341</u>

Custodial Credit Risk – Investments

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, 2016. As of December 31, 2016, all deposits with banks are fully insured by the Federal Depositary Insurance Corporation or the State Deposit Guarantee Fund.

Interest Rate Risk – Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair 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.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 3 - Deposits and Investments (cont.)

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.

As of December 31, 2016, the Retirement System has the following Option-Adjusted Durations for the fixed income investments:

<u>Fixed Income Sector</u>	<u>Fair Value</u>	<u>Option Adjusted Duration (In Years)</u>
ABS-Car Loan	\$ 2,933	1.29
ABS-Credit Cards	1,025	1.93
ABS-Home Equity	144	-
Aerospace & Defense	284	5.82
Agency for Int'l. Devel. Backed Debt	351	7.90
Automobiles & Components	576	10.11
Banking & Finance	9,398	5.13
Canadian Government Bonds	340	3.18
Capital Goods	738	9.88
Chemicals	660	9.06
CMBS - Conduit	1,010	0.05
Commercial Services & Supp.	202	13.03
Communications	1,917	7.88
FHLMC Multiclass	10,382	3.05
FHLMC Pools	5,408	2.09
FNMA Pools	15,750	2.53
FNMA REMIC	19,461	1.91
Food Beverage & Tobacco	683	5.67
Food Products	772	6.96
GNMA Multi Family Pools	504	2.86
GNMA REMIC	5,907	2.42
GNMA Single Family Pools	1,304	3.10
Health Care	1,796	7.87
Household Products	118	3.28
Industrial	289	4.36
Insurance	1,035	7.53
Interest Only US Agencies	223	11.37
Materials	12	7.50
Mining	233	3.39
Non-US Corporate Bonds	464	8.79
Oil & Gas	5,241	6.95
Principal Only US Agencies	5,379	5.51
Private Placements - ABS	1,056	0.38
Private Placements - MBS	1,172	2.46

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 3 - Deposits and Investments (cont.)

<u>Fixed Income Sector</u>	<u>Fair Value</u>	<u>Option Adjusted Duration (In Years)</u>
Pvt Placements - More than 1 year	\$ 4,263	5.49
Pvt Placements - Interest Only	303	1.67
REITS	1,523	5.88
Retail	1,400	9.81
Taxable Municipals	895	15.36
Technology	1,669	6.56
Transportation	1,568	7.14
U.S. Agencies	944	14.03
U.S. Governments Interest Only	14,395	10.48
U.S. Governments	29,655	6.01
Utility-Electric	3,850	6.08
Utility-Gas	358	4.82
Utility-Other	147	8.62
Utility-Telephone	2,383	9.70
Whole Loan - CMO	5,105	1.20
Whole Loan - Re-securitization	304	0.02
Yankee Bonds	1,291	7.84
Other:		
Units of participation	50,198	
FNMA REMIC	246	
Utilities	1,058	
Whole Loans	875	
Cash transfer to be invested	48,245	
Total	<u>\$ 267,442</u>	

Concentration of Credit Risk - Investments

Concentration of credit risk is the 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 represent 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 the U.S. Government securities and mutual funds, that exceed five (5) percent of the total investments.

Foreign Currency Risk - Investment

Foreign currency is the risk that changes in currency exchange rates will adversely affect the fair value of an investment or deposit. As of December 31, 2016, the Retirement System directly owned less than \$5.2 in investments denominated in foreign currencies.

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

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 3 - Deposits and Investments (cont.)

Credit Risk - Investments

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 ("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". Of the \$5.6 million not rated by Moody's as of December 31, 2016, \$4.8 is rated by S&P as investment grade ("BBB-" or higher). As of December 31, 2016, \$0.7 million is not rated by S&P or Moody's. Of the \$7.2 million not rated by Moody's as of December 31, 2015, \$5.9 was rated by S&P as investment grade ("BBB-" or higher). As of December 31, 2015, \$1.1 million was not rated by S&P or Moody's.

The credit quality ratings of investments in fixed income securities by Moody's, a nationally recognized statistical rating agency, as of December 31, 2016 are as follows:

Moody's Quality Ratings	Fair Value	Moody's Quality Ratings	Fair Value
AAA	\$ 67,627	BA2	\$ 969
AA1	716	BA3	343
AA2	2,263	B1	1,158
AA3	2,542	B2	529
A1	4,442	B3	111
A2	4,352	CAA1	71
A3	7,134	CAA2	122
BAA1	10,745	CAA3	143
BAA2	6,884	CA	239
BAA3	4,378	NR	5,583
BA1	<u>1,184</u>		<u>-</u>
Subtotal	<u>\$ 112,267</u>	Subtotal	<u>\$ 9,268</u>
Total Credit Risk Fixed Income Securities		121,535	
U.S. Government and Agencies		45,285	
Units of Participation (Not Rated)		<u>100,622</u>	
Total Investment in Fixed Income		<u>\$ 267,442</u>	

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 3 - Deposits and Investments (cont.)

Fair Value Measurements

The GASB Board issued Statement 72 to update the existing standards on fair value (primarily Statement 31). A review of existing standards by the GASB Board, found opportunities to improve the measurement of resources available to governments, and to increase comparability and accountability. Statement 72 is effective for fiscal years beginning after June 15, 2015.

Fair Value Hierarchy Valuation inputs are assumptions that market participant use in pricing an asset or liability. The standard establishes a hierarchy of inputs used to measure fair value that prioritizes the inputs into three categories - Level 1, Level 2, and Level 3 inputs - considering the relative reliability of the inputs. GASB chose to leverage the input hierarchy in FASB Statement 157, Fair Value Measurement. The level is determined based on the lowest level of input significant to the measurement in its entirety. Premiums or discounts based on the government's transaction size, i.e., "blockage factors", should not be a valuation or a price adjustment for any level of the hierarchy.

As of December 31, 2016, the Pension investments fair value measurements are as follows:

Fair Value Measurements Using:

		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level: 12/31/2016				
Equity Securities				
Common Stocks	\$ 389,407	\$ 337,370	\$ 52,037	\$ -
Domestic Stock Funds	95,838	-	95,838	-
International Stock Funds	266,029	-	266,029	-
Subtotal	751,274	337,370	413,904	-
Fixed Income Securities				
Corporate Bonds	166,820	-	166,820	-
Corporate Bond Funds	100,622	-	100,622	-
Subtotal	267,442	-	267,442	-
Futures				
Futures Contracts	(172)	(172)	-	-
Subtotal	(172)	(172)	-	-
Total Fair Value Level	\$ 1,018,544	\$ 337,198	\$ 681,346	\$ -

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 3 - Deposits and Investments (cont.)

Investments measured at the net asset value (NAV):	Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Alternative Investments				
Hedge Funds				
ABS Investment Management	\$ 64,291	\$ -	Quarterly	45 Days
Parametric Def Equity Fund LLC	84,020	-	Monthly	5 Days
Subtotal	<u>148,311</u>			
Private Equity				
Venture Capital				
Adams Street	67,083	44,339	Illiquid	
Mesirow Financial	11,251	18,750	Illiquid	
Progressive Investment Mgmt	26	-	Illiquid	
Siguler Guff	43,695	37,800	Illiquid	
Infrastructure				
IFM Infrastructure	74,644	-	Quarterly	90 Days
JP Morgan Infrastructure	74,867	-	Semi-Annually	90 Days
Subtotal	<u>271,566</u>			
Real Estate				
American Realty Advisors	40,354	-	Quarterly	30 Days
Morgan Stanley Prime Property Fund	90,337	-	Quarterly	90 Days
UBS Trumbull R/E	41,229	-	Quarterly	60 Days
Subtotal	<u>171,920</u>			
Total Investments measured at NAV	<u>591,797</u>			
Total Investments measured at Fair Value	<u>\$ 1,610,341</u>			

Note 4 - Receivables

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

	General	Debt Service	Capital Projects	Nonmajor Governmental	Total
Receivables:					
Accounts	\$ 38,927	\$ 12	\$ 188	\$ -	\$ 39,127
Taxes:					
Current Levy	291,878	-	-	-	291,878
Delinquent	14,254	-	-	-	14,254
Interest	7,668	-	-	-	7,668
Other	16,360	-	-	1	16,361
Due from Other Governments	54,065	332	2,555	-	56,952
Gross Receivables	423,152	344	2,743	1	426,240
Less: Allowance for Uncollectibles	(22,197)	-	-	-	(22,197)
Net Total Receivables	\$ 400,955	\$ 344	\$ 2,743	\$ 1	\$ 404,043

\$4,985 of the \$14,254 delinquent taxes balance is not expected to be collected within one year.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 4 - Receivables (cont.)

Receivables as of the year-end for the Proprietary Funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Business-type Activities		Governmental Activities
	Airports	Transit System	Internal Service Funds
Receivables:			
Accounts	\$ 3,558	\$ -	\$ 5,359
Other	79	5,558	-
Due from Other Governments	5,783	29,549	15
Gross Receivables	9,420	35,107	5,374
Less: Allowance for Uncollectibles	-	-	(3,334)
Net Total Receivables	\$ 9,420	\$ 35,107	\$ 2,040

All balances are expected to be collected within one year.

Governmental funds report unearned and deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

As of December 31, 2016, the various components of unearned revenue and deferred inflows of resources reported in the governmental funds are as follows:

	Unearned Revenue	Deferred Tax Revenue	Unavailable Other Revenue	Total
Property Taxes Receivable for Subsequent Year	\$ -	\$ 291,030	\$ -	\$ 291,030
Delinquent Tax Receivables	-	8,788	-	8,788
Federal and State Receivables	-	-	6,615	6,615
Housing Loan Receivables	-	-	7,134	7,134
Other Receivables	2,616	-	-	2,616
Due from Other Governments	-	-	138	138
Totals	\$ 2,616	\$ 299,818	\$ 13,887	\$ 316,321
Liabilities	\$ 3,016	\$ -	\$ -	\$ 3,016
Less: Other Unearned Revenue	(400)	-	-	(400)
Deferred Inflows	-	299,818	13,887	313,705
Totals	\$ 2,616	\$ 299,818	\$ 13,887	\$ 316,321

Enterprise funds also defer revenue recognition in connection with resources received, but not yet earned. As of December 31, 2016, the unearned revenue balances for the Airports and Transit System are \$15,463 and \$3,862, respectively.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 5 - Capital Assets

Primary Government

The following is a summary of changes in capital assets for governmental activities for the year ended December 31, 2016.

Governmental Activities	Beginning Balance	Increases	Decreases	Adj *	Ending Balance
Capital Assets, not being depreciated					
Land	\$ 59,311	\$ -	\$ -	\$ -	\$ 59,311
Construction in progress	81,970	30,618	(78,545)	-	34,043
Total Capital Assets, not being depreciated	141,281	30,618	(78,545)	-	93,354
Capital Assets, being depreciated					
Land Improvements	279,542	23,712	(1)	-	303,253
Buildings	663,571	43,970	-	1,118	706,423
Fixed Equipment Buildings	59,364	3,237	-	(1,118)	63,719
Infrastructure	195,526	6,085	(1,760)	-	199,851
Machinery and Equipment	91,452	12,256	(429)	-	103,279
Vehicles and Related Equipment	81,795	3,809	(1,298)	-	84,306
Furniture and Fixtures	6,614	79	-	-	6,693
Total Capital Assets, being depreciated	1,377,864	93,148	(3,488)	-	1,467,524
Less: Accumulated Depreciation					
Land Improvements	(172,192)	(9,181)	-	-	(181,373)
Buildings	(416,385)	(18,478)	-	-	(434,863)
Fixed Equipment Buildings	(40,074)	(2,863)	-	-	(42,937)
Infrastructure	(97,169)	(9,993)	1,760	-	(105,402)
Machinery and Equipment	(71,016)	(5,165)	430	-	(75,751)
Vehicles and Related Equipment	(45,995)	(6,965)	1,017	-	(51,943)
Furniture and Fixtures	(2,663)	(449)	-	-	(3,112)
Total Accumulated Depreciation	(845,494)	(53,094)	3,207	-	(895,381)
Net Capital Assets being depreciated	532,370	40,054	(281)	-	572,143
Governmental Activities Capital Assets-Net	\$ 673,651	\$ 70,672	\$ (78,826)	\$ -	\$ 665,497

* reclassification of assets into appropriate category

Governmental activities capital assets, net of accumulated depreciation, as of December 31, 2016 are comprised of the following:

General Capital Assets, Net	\$ 651,971
Internal Service Fund Capital Assets, Net	13,526
Total Capital Assets, Net	<u>\$ 665,497</u>

Depreciation is charged to governmental functions as follows:

Legislative, Executive and Staff	\$ 3,746
Courts and Judiciary	79
General Governmental Services	145
Public Safety	6,737
Public Works and Highways	19,668
Human Services	3,472
Parks, Recreation and Culture	19,247
Total	<u>\$ 53,094</u>

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 5 - Capital Assets (cont.)

The following is a summary of changes in capital assets for business-type activities for the year ended December 31, 2016.

Business-type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, not being depreciated				
Land	\$ 22,100	\$ -	\$ -	\$ 22,100
Construction in progress	54,315	15,866	(45,395)	24,786
Total Capital Assets, not being depreciated	76,415	15,866	(45,395)	46,886
Capital Assets, being depreciated				
Land Improvements	211,093	30,638	(308)	241,423
Buildings	149,821	5,449	(13,824)	141,446
Fixed Equipment Buildings	294,757	5,280	(160)	299,877
Machinery and Equipment	28,478	4,890	(2,322)	31,046
Vehicles and Related Equipment	181,305	21,556	(10,818)	192,043
Furniture and Fixtures	6,653	-	(20)	6,633
Total Capital Assets, being depreciated	872,107	67,813	(27,452)	912,468
Less: Accumulated Depreciation				
Land Improvements	(96,899)	(12,021)	309	(108,611)
Buildings	(74,064)	(5,499)	8,089	(71,474)
Fixed Equipment Buildings	(94,082)	(10,308)	117	(104,273)
Machinery and Equipment	(19,521)	(2,537)	70	(21,988)
Vehicles and Related Equipment	(91,833)	(12,219)	10,818	(93,234)
Furniture and Fixtures	(3,918)	(363)	19	(4,262)
Total Accumulated Depreciation	(380,317)	(42,947)	19,422	(403,842)
Net Capital Assets, being depreciated	491,790	24,866	(8,030)	508,626
Business-type Activities Capital Assets- Net	\$ 568,205	\$ 40,732	\$ (53,425)	\$ 555,512

Depreciation is charged to business-type activities as follows:

Airports	\$ 28,302
Transit System	14,645
Total	\$ 42,947

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 5 - Capital Assets (cont.)

Discretely Presented Component Units

Of the County's component units in business at year-end, all have reportable capital assets.

The capital assets of the **Milwaukee Public Museum, Inc.** consist of the following:

Construction in progress	\$ 1,285
Building additions and improvements	19,692
Furniture, equipment and exhibits improvements	13,141
Less: Accumulated Depreciation	<u>(19,365)</u>
Capital Assets, Net	<u>\$ 14,753</u>

The capital assets of the **Milwaukee County War Memorial, Inc.** consist of the following:

Machinery, Vehicles and Equipment	\$ 96
Less: Accumulated Depreciation	<u>(87)</u>
Capital Assets, Net	<u>\$ 9</u>

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

Building and Improvements	\$ 28,320
Machinery, Vehicles and Equipment	1,578
Less: Accumulated Depreciation	<u>(18,798)</u>
Capital Assets, Net	<u>\$ 11,100</u>

Construction Commitments

The following is a list of **capital projects appropriations** that were approved by the Milwaukee County Board of Supervisors per the 2016 Adopted Capital Improvements Budget. These reflect projects for both governmental and proprietary funds.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 5 - Capital Assets (cont.)

Project Number	Project Description	2016 Appropriations	2016 Expenditures & Encumbrances
Airports (WA)			
WA042	GMIA BAG CLAIM REMODELING	\$ -	\$ 401
WA044	GMIA - IN-LINE BAGGAGE SCREENI	-	27
WA096	PARKING STRUCTURE RELIGHTING	-	3,884
WA125	SECURITY & WILDLIFE DETER PERI	309	343
WA130	PART 150 NOISE BARRIER STUDY	-	3
WA139	GMIA - Redundant Main Electric	-	127
WA148	FLEET MAINTENANCE EXPANSION	-	4
WA158	GMIA - DEICER PADS	-	1,604
WA163	PERIMETER RD BRIDGE-HOWARD AVE	-	100
WA167	GMIA TERMINAL ESCALATOR REPLAC	-	235
WA172	GMIA SANITARY SEWER UPGRADE	-	29
WA173	GMIA Fuel Farm Electrical Serv	-	10
WA176	GMIA MASTER PLAN AGIS/EALP	-	221
WA177	GMIA PARKING STRUCTURE REPAIRS	610	46
WA181	LJT RUNWAY 4L-22R RESURFACE	-	7
WA182	GMIA SNOW MELTER	-	24
WA185	GMIA SURVEILLANCE SYSTEM	-	7,320
WA186	HVAC RETROCOMMISSIONING	-	17
WA187	GMIA 13-31 PAVEMENT RESURFACE	-	845
WA189	LJT AIRFIELD PVMNT REHAB 2015	225	377
WA190	LJT PERIMETER SECURITY FENCE	225	22
WA191	GMIA PAVEMENT REHAB 2015	1,120	944
WA192	GMIA AIRFIELD SAFETY IMPR 2015	500	510
WA193	GMIA GATES D54 & D55 IMPRVMENTS	-	63
WA194	GMIA TAXIWAY RE-CABLING/RELIGH	1,760	521
WA195	GMIA TAXIWAY F RECONSTRUCTION	2,500	1,978
WA196	REPLACE SKYWALK GLASS	5,500	436
WA201	GMIA TERMINAL EXP CENTR CHECKP	-	46
WA203	GMIA GRE APRON PANEL REPLACEME	-	23
WA204	GMIA PART 150 NOISE STUDY UPDA	3,500	-
WA205	GMIA FIREHOUSE ADDITION	1,996	320
WA206	EXPAN TAXICAB PARKING/STAGING	1,584	1,128
WA207	GMIA LANDSIDE ROADWAY REHAB	350	39
WA208	LJT 15L-33R PAVEMENT RESURF	1,580	56
WA209	GMIA SUSTAINABILITY MGT PLAN	400	383
WA221	INTERNATIONAL TERMINAL REDEVEL	-	100
WA224	LJT AIRFIELD PAVMNT REPL/REHAB	-	474
Courthouse Complex (WC)			
WC013	Criminal Justice Center Deputy	-	14
WC023	CH COMPLEX AUTOMATION & ACCESS	-	90
WC027	Courthouse Light Court Window	-	65
WC050	COURTROOM PA SYSTEM REPLACE	-	127
WC059	CH COMPLEX ELEC INFRASTR PH 1	50	-
WC062	CJF BLDG ROOF REPLACEMENT	100	14
WC071	DA SECURITY CARD SYSTEM	-	41
WC075	COURTHOUSE MASONRY IMPROVEMENT	-	1

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 5 - Capital Assets (cont.)

Project Number	Project Description	2016 Appropriations		2016 Expenditures & Encumbrances
WC081	SAFETY BLDG COOLING TOWER REPL	\$ -	***	\$ 28
WC089	COURTHOUSE ELEVATOR RENOV PH 1	242	***	230
WC093	COURTHOUSE PENTHOUSE MASONRY	-	*	2
WC095	COURTHOUSE BASEMENT MASONRY	-	*	2
WC096	COURTHOUSE TUCKPOINTING	-	*	118
WC102	COURTHOUSE COOLING TOWER	-	***	32
WC103	CJF COOLING TOWER	-	***	204
WC116	COURTHOUSE COOLING COIL REPLAC	242	**	39
WC120	CJF HOT WATER HEATER REPLACEME	401	**	54
<u>Behavioral Health (WE)</u>				
WE050	BHD PANIC ALARM SYSTEM	-	***	32
WE054	BHD ESSENT ELEC SYS IMPRVMENTS	-	***	344
WE056	ACUTE/CHILDREN'S WHITEBOARD UN	-	*	19
<u>County Grounds (WG)</u>				
WG017	VPJJC FIRE PROTECTION MON SYS	-	***	413
WG018	RES PARK FIRE PROT MON SYS	-	***	176
WG019	CATC FIRE PROT MONITORING SYST	-	*	14
WG020	VEL PHILIPS EMERGENCY GENERATO	-	***	76
WG026	CHILD CRT PARKING LOT /ACCESS	-	*	23
WG027	CATC PARKING LOT REPLACEMENT	-	*	5
<u>Highways (WH)</u>				
WH001	TRAFFIC HAZARD ELIMINATION PROGRAM	-	***	354
WH002	CONGESTION MITIGATION AND AIR QUALITY	-	*	39
WH010	MILL RD. 43RD ST. TO SYDNEY PL	9,818	***	4,396
WH020	MAJOR REHABILITATION	-	***	457
WH030	BRIDGE REPLACEMENT PROGRAM	150	***	49
WH080	BRIDGE REHABILITATION PROGRAM	-	***	42
WH087	RAWSON AVENUE CULVERT PIPES	-	***	50
WH090	W RYAN RD CTH H 96TH TO 112TH	90	***	151
WH091	SHORT TERM CTH REHAB-MANIT PRJ	450	***	278
WH092	S 76TH & W LAYTON ADAPT SIG SY	-	***	1
WH094	W. RAWSON INT W/ 10TH AND 6TH	-	***	26
WH097	E NORTH AVE BRIDGE OVER OLT	200	**	-
WH234	HIGHWAY BILLING SYSTEM	-	*	287
WH238	W LAYTON W OF 99TH ST BRIDGE	-	*	105
WH239	NORTH SHOP P LOT & FENCE REPLA	-	***	131
<u>House of Correction (WJ)</u>				
WJ021	ACC HVAC SYSTEM	-	***	932
WJ022	UPGARDE FIRE ALARMS	-	***	127
WJ064	UPGRADE CELLS SECURITY DOORS	-	***	260
WJ066	UPGRADE HOC POWER PLANT	-	***	28
WJ068	HOC ROADWAY/SIDEWALK REPLACE	221	**	227
WJ074	HOC MASTER CONTROL	804	**	-

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 5 - Capital Assets (cont.)

Project Number	Project Description	2016 Appropriations		2016 Expenditures & Encumbrances
WJ086	HOC VISITING CENTER IMPROVEMEN	\$ 340	**	\$ 56
	Museum (WM)			
WM003	ELECTRICAL DISTRIBUTION REPLAC	1,119	***	1,626
WM010	MPM ELEVATOR/ESCALATOR MODERN	-	*	640
WM015	MUSEUM EXTERIOR WINDOW REPLACE	-	***	31
WM016	MPM FASCADE REPAIR	-	*	154
WM019	MPM WATERPROOF & CAULK- GAR/PL	-	***	267
WM023	MPM STEAM CONVERTOR & INST CHE	-	***	91
WM024	MPM CHILLED WATER UPGRADES	-	***	8
WM563	SECURITY/FIRE/LIFE SAFETY SYS	-	*	30
	Other Agencies (WO)			
WO038	MARCUS CENTER HVAC UPGRADE	-	***	232
WO060	LAKE PK-RAV NORT TO SERV DRIV	-	*	33
WO064	WIL-O-WAY REC CENTER ENTRANCE	-	***	39
WO077	OAK CRK PARKWAY RR TRKS TO CHI	80	**	20
WO086	MILWAUKEE RIVER PARKWAY RECONS	-	*	2,363
WO103	FLEET MGT CENT GARAGE ROOF REP	-	***	39
WO112	FLEET EQUIPMENT	6,423	***	7,016
WO113	FLEET MGT STORMWATER RECONFIG	-	***	698
WO114	COUNTY WIDE INFRASTRUCTURE	-	***	52
WO116	VOGEL HALL RENOVATION	-	*	689
WO118	HISTORICAL SOCIETY EXT RENOVAT	2,000	***	249
WO130	WOW UNDERWOOD INTERIOR IMPRVMN	-	*	33
WO132	WOW UNDERWOOD HVAC REPLACEMENT	-	***	44
WO136	TRIMBORN FARM STONE BARN ROOF	-	***	30
WO141	ZOO INTERCHANGE	-	***	808
WO165	COUNTYWIDE ADA REPAIRS	500	**	294
WO205	FISCAL AUTOMATION PROGRAM	-	*	256
WO215	STORAGE EXPANSION	-	***	2
WO217	PHONE AND VOICEMAIL REPLACEMEN	250	***	32
WO218	TECHNICAL INFRASTRUCTURE REPLA	-	***	66
WO223	RESEARCH PARK ENTRANCE RELOCAT	-	*	12
WO224	ZOO INTER UTILITIES RELOCATION	-	*	101
WO226	CHARLES ALLIS BOILER REPLACEMENT	-	*	35
WO229	WAREHOUSE FACILITY REPLACEMENT	-	*	444
WO230	FLEET/HIGHWAYS BLDG MODIFICAT	-	*	192
WO236	DATA CONSULTING/CALL CENTER UG	-	*	173
WO240	PROJECT MANAGEMENT SOFTWARE	-	***	273
WO246	GRANT WOW STAGE IMPROVEMENTS	62	**	40
WO247	MCHS WINDOW GRATES	150	**	4
WO424	JAIL MANAGEMENT SYSTEM	-	***	932
WO433	GLASS BARRIER AT CJF	-	***	30
WO445	911 ANSWERING SYSTEM	-	***	429
WO447	CCFC CAMERA SYSTEM	-	***	676
WO450	IRIS SCAN ENROLLMENT & READING	-	***	88
WO452	TRAIN ACAD. FIRING RANGE VENT	339	**	60

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 5 - Capital Assets (cont.)

Project Number	Project Description	2016 Appropriations		2016 Expenditures & Encumbrances
WO454	IN SQUAD CAMERA SYST 34 UNITS	\$ -	*	\$ 46
WO455	TRAIN ACAD CNTRL TURN TARG SYS	336	**	215
WO462	BULLPEN CAMERA SYSTEM	-	***	571
WO506	CHARLES ALLIS ROOF & DRAIN RE	-	*	53
WO507	CHARLES ALLIS EXT FACADE REPAI	-	*	79
WO517	WAR MEMORIAL IMPROVEMENTS	1,975	***	1,991
WO602	MAINFRAME APPLICATIONS MIGRATION	480	***	689
WO606	CW WIRE/WIRELESS INFRASTRUCTURE	-	***	29
WO614	BUILD OUT TEN SITES TO DIGITAL	1,559	***	1,827
WO619	CRIT DATA PROT AND BACKUP	425	***	475
WO632	INTERNET/INTRANET REBUILD/REDI	450	**	333
WO634	MER INFRASTRUCTURE IMPROVEMENT	-	**	11
WO870	COUNTY SPECIAL ASSESSMENTS	-	***	54
WO888	UIHLEIN ELEVATOR #1	-	***	718
WO948	MASTER REAL PROP IND	620	***	1,039
WO949	INVENTORY & ASSESS CNTY BLDGS	-	*	170
Parks (WP)				
WP063	ESTABROOK DAM REHABILITATION	-	*	127
WP129	ATHLETIC FIELDS	-	***	67
WP131	OLT DOWNTOWN CONN. PHASE 4	-	***	57
WP143	MITCHELL PARK GREENHOUSE	-	*	112
WP167	VETERANS PARK PAVILION AND RR	-	***	27
WP172	MLK COMMUNITY CENTER ROOF REPL	-	***	15
WP191	MOODY POOL RENOVATION	-	*	107
WP192	FEMA FLOOD PROJECTS	-	*	1,431
WP202	MLK JR. COMMUNITY CENTER HVAC	-	*	41
WP203	KOSCIUSZKO CC HVAC	-	***	82
WP208	KOSCI COMM CNT FIRE ALARM UPGR	-	*	116
WP214	HONEY CREEK PARKWAY LIGHTING	-	*	45
WP225	OAKWOOD CART PATHS	-	***	96
WP245	LAFOLLETTE PLAY AREA REPLACEMN	264	**	229
WP248	SPORTS COMPLEX SECURITY SYSTEM	-	***	8
WP255	SHERMAN PARK B&G HVAC REPL	1,943	***	1,244
WP260	HOLLER PARK POOL SAND FILT SYS	-	*	12
WP262	BROWN DEER CLUBHOUSE KITCHEN	-	***	607
WP269	WEHR NATURE CENTER IMPROVEMENT	-	*	1
WP271	JOHNSON PARK PAVILION	-	*	206
WP272	NOYES POOL ROOF REPLACEMENT	-	***	1
WP273	GROBSCHMIDT PARK POOL REHAB	-	*	13
WP275	MENOMONEE RIVER PRKWY WETLANDS	-	*	106
WP279	COUNTYWIDE PARK WALKWAYS	500	***	449
WP280	MENOMONEE RIVER PRKWY RECON	-	***	2,400
WP284	CLARKE SQUARE PARK IMPROVEMENT	-	***	4
WP287	GREENFIELD GC IRRIGATION	-	*	2
WP288	HALES CORNERS BATHOUSE ROOF	-	***	272
WP289	HOYT PARK SUSPENSION BRIDGE	-	*	464
WP290	KINNICKINNIC PARKWAY	848	**	44

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 5 - Capital Assets (cont.)

Project Number	Project Description	2016 Appropriations		2016 Expenditures & Encumbrances
WP297	OAKLEAF TRAIL IMPROVEMENTS	\$ -	*	\$ 235
WP298	SOUTH SHORE IMPROVEMENTS	-	***	305
WP304	HALES CORNERS POOL REHAB	-	*	180
WP311	JACKSON PARK ELECTRICAL SERVIC	-	*	286
WP330	COOL WATERS SLIDE	-	***	930
WP332	CURRIE PARK ELECTRICAL SERVICE	-	*	314
WP368	COUNTYWIDE PARK ROOFS	271	***	194
WP383	MITCHELL DOMES ELECTRICAL	-	*	231
WP394	BAY VIEW DOG PARK	-	*	7
WP395	PARK PAVILION FURNACES	-	*	1
WP399	NOYES/PULASKI POOL IMPROVEMENTS	-	***	173
WP461	MCGOVERN PARK BASKETBALL COURT	-	*	1
WP462	DINEEN PARK TENNIS COURTS REPL	-	***	27
WP465	TENNIS COURTS LIGHTING RETROS	-	*	459
WP482	SHERMAN PARK TENNIS COURTS IMP	-	*	22
WP483	MANITOBA PLAYGROUND IMPROVEMEN	-	*	1
WP484	LAKE PARK RAVINE BRIDGE	-	***	131
WP485	WHITNALL GC CLUBHOUSE HVAC	-	*	33
WP487	MCGOVERN PK RESTROOMS/PAVILION	-	*	624
WP488	KERN PK RESTROOMS/PAVILION	-	***	663
WP489	DOCTORS PK RESTROOMS/PAVILION	-	***	614
WP490	MITCHELL DOMES	-	***	1,349
WP491	OLT RECON- PROSPECT TO BELLVIE	700	**	12
WP492	ROOT RIVER OLT EXTENSION	1,076	**	122
WP496	BEECH ST. PEDESTRIAN BRIDGE	-	*	27
WP497	WHITNALL CLUBHOUSE FURN./MAINT	-	*	40
WP512	MCKINLEY MARINA PARKING LOTS	365	**	4
WP601	BROWN DEER CLUBHOUSE MAINT.	-	***	23
WP602	HUMBOLDT PARK PAVILION MAINT.	-	*	3
WP603	SMITH PAVILION WALL IMP/MAINT.	-	*	23
WP604	SOUTH SHORE PAVILION MAINT	-	*	377
WP605	GREENFIELD PAVILION BLDG REP	-	*	87
WP606	SYSTEMWIDE- HARD SURFACE ASSET	-	*	165
WP607	SYSTEMWIDE- PAINTING	-	*	308
WP608	SYSTEMWIDE- DEMOLITIONS	-	*	102
WP610	WAHL PARK BASKETBALL COURT	200	**	148
WP613	CUDAHY PARK BASEBALL DIAMOND	166	**	-
WP614	GRANT PARK BASEBALL DIAMOND	149	**	-
WP616	PULASKI PARK PAVILION IMPROVEM	130	**	181
WP617	WASHINGTON PK BASEBALL DIAMOND	210	**	-
WP618	WASHINGTON PK BANDSHELL	913	**	126
WP619	MILWAUKEE RIVER FISH PASSAGE	750	**	-
WP620	WAHL PARK PAVILION IMPROVEMENT	200	**	10
Human Services (WS)				
WS034	WASHNGTN PK SR CTR - ROOF REPL	-	*	3
WS035	COGGS ROOF REPLACEMENT	-	***	4
WS040	MCGOVERN SR CTR IMPROVEMENTS	69	***	21

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 5 - Capital Assets (cont.)

Project Number	Project Description	2016 Appropriations		2016 Expenditures & Encumbrances
WS042	SENIOR CENTERS DOORS	\$ -	*	\$ 53
WS044	WASHINGTON SC RESTROOM RENNOV	-	*	7
WS049	SENIOR CENTERS WINDOWS RENOV	-	*	6
WS058	MCGOVERN SC CHILLER REPLACEMEN	-	***	19
Transit (WT)				
WT026	BUS REPLACEMENT PROGRAM	14,450	**	14,316
WT055	FDL GARAGE CONCRETE YARD REPL	-	***	347
WT075	ON-BUS VIDEO SYSTEM	-	***	4,924
WT081	WI AVE COORIDOR TRANSIT SIGNAL	-	*	225
WT087	REBUILD KK MAINTENANCE PITS	-	**	10
Environmental (WV)				
WV009	COUNTY-WIDE SANITARY SEWERS RE	150	***	263
WV017	FRANKLIN LANDFILL FEMA MITIGAT	-	**	58
WV018	UNDERGROUND STORAGE TANKS	-	*	1
WV022	LANDFILL INFRASTRUCTURE	1,456	***	443
WV024	COLLEGE AVE STORM WATER POND	-	*	13
WV027	WARNIMONT PARK REMEDIATION	-	*	234
WV029	GRANT PARK LIFT STATION	-	***	13
Zoo (WZ)				
WZ040	POLAR BEAR & SEAL EXHIBIT STRU	-	***	142
WZ041	AVIARY FIRE & SMOKE DETECTION	-	***	2
WZ045	AHC ELECTRICAL SERV EXTENSION	-	***	15
WZ057	ZOO AVIARY ROOF REPLACEMENT	-	***	1,065
WZ063	WINTER QUARTERS MAIN ROOF REPL	-	***	51
WZ089	ZOO SOUTH END HAY BARN ROOF	-	***	21
WZ101	APES BLDG BOILER REPLACEMENT	-	***	75
WZ107	BEAR SERVICE AREA IMPROVEMENTS	-	*	8
WZ112	PACHYDERM BUILDING TUNNEL REIN	-	*	454
WZ114	ZOO LIFE SUPPORT EMERGENCY GEN	318	***	25
WZ115	GREAT APES MECH ROOM ROOF REPL	-	***	20
WZ119	AFRICAN PLAINS EXHIBIT	1,774	***	1,682
WZ128	PECK ROOF REPLACEMENT	-	***	28
WZ132	ZOO-WIDE DECK WALKWAY REPLAC	-	*	19
WZ133	FLAMINGO BUILDING AC REPLACEME	-	*	183
WZ150	ZOO INTERCHANGE REMEDIATION	470	***	3,206
WZ151	AVIARY BOILER REPLACEMENT	291	**	-
WZ161	ARC OZONE SYS/EXCH&CHIL VALVES	200	**	-
WZ163	ARC HEATING	102	**	-
TOTALS		\$ 80,000		\$ 105,336

* Project has funding appropriations carryovers from 2015.

** Project has additional funding appropriations in 2016.

*** Project has both funding carryovers from 2015 and additional funding in 2016.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 5 - Capital Assets (cont.)

<u>Project Number</u>	<u>Project Description</u>	<u>2016 Transfers</u>	<u>2016 Expenditures & Encumbrances</u>
The following is a list of capital projects transfers approved by the Milwaukee County Board of Supervisors. These reflect projects for both governmental and proprietary funds.			
<u>Airports (WA)</u>			
WA176	GMIA MASTER PLAN AGIS/EALP	\$ 75	*** \$ 221
WA189	LJT AIRFIELD PVMNT REHAB 2015	(225)	*** 377
WA190	LJT PERIMETER SECURITY FENCE	(225)	*** 22
WA221	INTERNATIONAL TERMINAL REDEVEL	100	** 100
WA224	LJT AIRFIELD PAVMNT REPL/REHAB	600	** 474
WA225	GMIA FUEL STORAGE FACILITY	10,500	** -
<u>Courthouse Complex (WC)</u>			
WC013	CRIMINAL JUSTICE DEPUTY WORKSTATIONS	1	*** 14
WC027	COURTHOUSE LIGHT COURT WINDOWS	27	*** 65
WC050	COURTROOM PA SYSTEM REPLACE	-	*** 127
WC062	CJF BLDG ROOF REPLACEMENT	103	** 14
WC081	SAFETY BLDG COOLING TOWER REPL	-	*** 28
WC102	COURTHOUSE COOLING TOWER	1	*** 32
WC103	CJF COOLING TOWER	3	*** 204
WC116	COURTHOUSE COOLING COIL REPLAC	25	** 39
WC120	CJF HOT WATER HEATER REPLACEME	(24)	** 54
<u>Behavioral Health (WE)</u>			
WE050	BHD PANIC ALARM SYSTEM	3	*** 32
WE054	BHD ESSENT ELEC SYS IMPRVMNTS	1	*** 344
<u>County Grounds (WG)</u>			
WG017	VPJJC FIRE PROTECTION MON SYS	136	*** 413
WG018	RES PARK FIRE PROT MON SYS	42	*** 176
WG019	CATC FIRE PROT MONITORING SYST	(172)	* 14
WG020	VEL PHILIPS EMERGENCY GENERATO	-	*** 76
<u>Highways (WH)</u>			
WH001	TRAFFIC HAZARD ELIMINATION PROGRAM	10	*** 354
WH002	CONGESTION MITIGATION AND AIR QUALITY	(18)	* 40
WH010	MILL RD. 43RD ST. TO SYDNEY PL	43	*** 4,396
WH020	MAJOR REHABILITATION	26	*** 457
WH030	BRIDGE REPLACEMENT PROGRAM	16	*** 49
WH080	BRIDGE REHABILITATION PROGRAM	1	*** 42
WH087	RAWSON AVENUE CULVERT PIPES	15	*** 50
WH090	W RYAN RD CTH H 96TH TO 112TH	1	*** 151
WH091	SHORT TERM CTH REHAB-MANIT PRJ	37	*** 278
WH092	S 76TH & W LAYTON ADAPT SIG SY	-	*** 1
WH093	RESURF N. 43RD AND W. BRADLEY	(15)	* -
WH094	W. RAWSON INT W/ 10TH AND 6TH	4	*** 26
WH238	W LAYTON W OF 99TH ST BRIDGE	(18)	* 105
WH239	NORTH SHOP P LOT & FENCE REPLA	-	*** 131

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 5 - Capital Assets (cont.)

Project Number	Project Description	2016 Transfers	2016 Expenditures & Encumbrances
House of Correction (WJ)			
WJ021	ACC HVAC SYSTEM	\$ 500	*** \$ 932
WJ022	UPGARDE FIRE ALARMS	5	*** 127
WJ064	UPGRADE CELLS SECURITY DOORS	3	*** 260
WJ066	UPGRADE HOC POWER PLANT	-	*** 28
WJ086	HOC VISITING CENTER IMPROVEMEN	140	** 56
Museum (WM)			
WM003	ELECTRICAL DISTRIBUTION REPLAC	138	*** 1,626
WM010	MPM ELEVATOR/ESCALATOR MODERN	(114)	* 640
WM015	MUSEUM EXTERIOR WINDOW REPLACE	14	*** 31
WM019	MPM WATERPROOF &CAULK- GAR/PL	8	*** 267
WM023	MPM STEAM CONVERTOR & INST CHE	2	*** 91
WM024	MPM CHILLED WATER UPGRADES	-	*** 8
WM563	SECURITY/FIRE/LIFE SAFETY SYS	5	*** 30
Other Agencies (WO)			
WO038	MARCUS CENTER HVAC UPGRADE	-	*** 232
WO064	WIL-O-WAY REC CENTER ENTRANCE	66	*** 39
WO112	FLEET EQUIPMENT	18	*** 7,016
WO113	FLEET MGT STORMWATER RECONFIG	25	*** 698
WO114	COUNTY WIDE INFRASTRUCTURE	-	*** 52
WO118	HISTORICAL SOCIETY EXT RENOVAT	1,600	*** 249
WO132	WOW UNDERWOOD HVAC REPLACEMENT	-	*** 44
WO136	TRIMBORN FARM STONE BARN ROOF	1	*** 30
WO141	ZOO INTERCHANGE	17	*** 808
WO205	FISCAL AUTOMATION PROGRAM	(138)	* 256
WO215	STORAGE EXPANSION	2	*** 2
WO218	TECHNICAL INFRASTRUCTURE REPLA	-	*** 66
WO240	PROJECT MANAGEMENT SOFTWARE	100	*** 273
WO424	JAIL MANAGEMENT SYSTEM	165	*** 932
WO433	GLASS BARRIER AT CJF	1	*** 30
WO445	911 ANSWERING SYSTEM	3	*** 429
WO447	CCFC CAMERA SYSTEM	8	*** 676
WO450	IRIS SCAN ENROLLMENT & READING	3	*** 88
WO452	TRAIN ACAD. FIRING RANGE VENT	1	** 60
WO454	IN SQUAD CAMERA SYST 34 UNITS	-	* 46
WO455	TRAIN ACAD CNTRL TURN TARG SYS	1	** 215
WO462	BULLPEN CAMERA SYSTEM	9	*** 571
WO506	CHARLES ALLIS ROOF & DRAIN RE	(189)	* 53
WO507	CHARLES ALLIS EXT FACADE REPAI	(275)	* 79
WO517	WAR MEMORIAL IMPROVEMENTS	67	*** 1,991
WO527	CHARLES ALLIS EXT IMPROVEMENTS	464	** -
WO606	CW WIRE/WIRELESS INFRASTRUCTURE	1	*** 29
WO614	BUILD OUT TEN SITES TO DIGITAL	52	*** 1,827
WO621	WINDOWS MIGRATION	(26)	* -
WO634	MER INFRASTRUCTURE IMPROVEMENT	190	** 11

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 5 - Capital Assets (cont.)

Project Number	Project Description	2016 Transfers		2016 Expenditures & Encumbrances
WO870	COUNTY SPECIAL ASSESSMENTS	\$ 120	***	\$ 55
WO888	UIHLEIN ELEVATOR #1	301	***	718
<u>Parks (WP)</u>				
WP129	ATHLETIC FIELDS	1	***	67
WP131	OLT DOWNTOWN CONN. PHASE 4	13	***	57
WP167	VETERANS PARK PAVILION AND RR	-	***	27
WP172	MLK COMMUNITY CENTER ROOF REPL	156	***	15
WP191	MOODY POOL RENOVATION	(29)	*	107
WP202	MLK JR. COMMUNITY CENTER HVAC	(24)	*	41
WP203	KOSCIUSZKO CC HVAC	1	***	82
WP214	HONEY CREEK PARKWAY LIGHTING	(125)	*	45
WP225	OAKWOOD CART PATHS	771	***	96
WP245	LAFOLLETTE PLAY AREA REPLACEMN	-	**	229
WP248	SPORTS COMPLEX SECURITY SYSTEM	-	***	8
WP255	SHERMAN PARK B&G HVAC REPL	3	***	1,244
WP260	HOLLER PARK POOL SAND FILT SYS	(5)	*	12
WP262	BROWN DEER CLUBHOUSE KITCHEN	225	***	607
WP271	JOHNSON PARK PAVILION	(62)	*	206
WP272	NOYES POOL ROOF REPLACEMENT	-	***	1
WP273	GROBSCHMIDT PARK POOL REHAB	(30)	*	13
WP279	COUNTYWIDE PARK WALKWAYS	(69)	***	449
WP280	MENOMONEE RIVER PRKWY RECON	987	***	2,400
WP284	CLARKE SQUARE PARK IMPROVEMENT	4	***	4
WP288	HALES CORNERS BATHOUSE ROOF	54	***	272
WP289	HOYT PARK SUSPENSION BRIDGE	(49)	*	464
WP290	KINNICKINNIC PARKWAY	-	**	44
WP297	OAKLEAF TRAIL IMPROVEMENTS	(213)	*	235
WP298	SOUTH SHORE IMPROVEMENTS	901	***	305
WP304	HALES CORNERS POOL REHAB	(6)	*	180
WP311	JACKSON PARK ELECTRICAL SERVIC	(193)	*	286
WP330	COOL WATERS SLIDE	3	***	930
WP332	CURRIE PARK ELECTRICAL SERVICE	(274)	*	314
WP368	COUNTYWIDE PARK ROOFS	(142)	***	194
WP383	MITCHELL DOMES ELECTRICAL	(122)	*	231
WP395	PARK PAVILION FURNACES	1	*	1
WP399	NOYES/PULASKI POOL IMPROVEMENTS	5	***	173
WP462	DINEEN PARK TENNIS COURTS REPL	11	***	27
WP483	MANITOBA PLAYGROUND IMPROVEMEN	(55)	*	1
WP484	LAKE PARK RAVINE BRIDGE	6	***	131
WP485	WHITNALL GC CLUBHOUSE HVAC	(24)	*	33
WP487	MCGOVERN PK RESTROOMS/PAVILION	(210)	*	624
WP488	KERN PK RESTROOMS/PAVILION	130	***	663
WP489	DOCTORS PK RESTROOMS/PAVILION	81	***	614
WP490	MITCHELL DOMES	972	***	1,349
WP491	OLT RECON- PROSPECT TO BELLVIE	1	**	12
WP492	ROOT RIVER OLT EXTENSION	2	**	122
WP497	WHITNALL CLUBHOUSE FURN./MAINT	(262)	*	40

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 5 - Capital Assets (cont.)

Project Number	Project Description	2016 Transfers		2016 Expenditures & Encumbrances
WP512	MCKINLEY MARINA PARKING LOTS	\$ 1	**	\$ 4
WP529	OLT BENDER RACINE CONNECTOR	2,000	**	-
WP601	BROWN DEER CLUBHOUSE MAINT.	262	***	23
WP610	WAHL PARK BASKETBALL COURT	-	**	148
WP616	PULASKI PARK PAVILION IMPROVEM	53	**	181
WP618	WASHINGTON PK BANDSHELL	-	**	126
WP630	PULASKI PARK FUTSAL COURT	110	**	-
WP631	BASEBALL FIELD IMPROVEMENTS	35	**	-
Human Services (WS)				
WS035	COGGS ROOF REPLACEMENT	-	***	4
WS040	MCGOVERN SR CTR IMPROVEMENTS	1	***	21
WS058	MCGOVERN SC CHILLER REPLACEMEN	-	***	19
Transit (WT)				
WT026	BUS REPLACEMENT PROGRAM	(130)	**	14,316
WT055	FDL GARAGE CONCRETE YARD REPL	-	***	347
WT075	ON-BUS VIDEO SYSTEM	1	***	4,924
WT082	BRT PLANNING AND DESIGN	2,190	**	-
WT087	REBUILD KK MAINTENANCE PITS	130	**	10
Environmental (WV)				
WV017	FRANKLIN LANDFILL FEMA MITIGAT	58	**	58
WV022	LANDFILL INFRASTRUCTURE	14	***	443
WV029	GRANT PARK LIFT STATION	-	***	13
Zoo (WZ)				
WZ040	POLAR BEAR & SEAL EXHIBIT STRU	-	***	142
WZ041	AVIARY FIRE & SMOKE DETECTION	-	***	2
WZ045	AHC ELECTRICAL SERV EXTENSION	1	***	15
WZ057	ZOO AVIARY ROOF REPLACEMENT	393	***	1,065
WZ063	WINTER QUARTERS MAIN ROOF REPL	2	***	51
WZ089	ZOO SOUTH END HAY BARN ROOF	1	***	-
WZ107	BEAR SERVICE AREA IMPROVEMENTS	(49)	*	-
WZ112	PACHYDERM BUILDING TUNNEL REIN	(54)	*	-
WZ114	ZOO LIFE SUPPORT EMERGENCY GEN	15	***	-
WZ115	GREAT APES MECH ROOM ROOF REPL	-	***	20
WZ128	PECK ROOF REPLACEMENT	1	***	-
WZ132	ZOO-WIDE DECK WALKWAY REPLAC	(131)	*	-
WZ133	FLAMINGO BUILDING AC REPLACEME	(24)	*	-
WZ151	AVIARY BOILER REPLACEMENT	(59)	**	-
WZ161	ARC OZONE SYS/EXCH&CHIL VALVES	(57)	**	-
	Totals	\$ 21,559		\$ 65,464

* Project has funding appropriations carryovers from 2015.

** Project has additional funding appropriations in 2016.

*** Project has both funding carryovers from 2015 and additional funding in 2016.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 5 - Capital Assets (cont.)

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.

2016 Funding Total

Encumbrances and Carryovers from 2015	\$ 124,505
2016 Appropriations	80,000
2016 Transfers	21,559
Total	<u>\$ 226,064</u>

2016 Appropriations - Funding Source

Bonds	\$ 39,235
PFC Revenue / Airport Reserve	11,665
Private Contributions	887
Property Tax Levy	1,592
Reimbursement Revenue	19,920
Sales Tax Revenue	6,701
Total	<u>\$ 80,000</u>

2016 Transfers - Funding Source

Appropriation for Contingency	\$ 1,420
Bonds	53
Contribution from Reserves	1,928
Miscellaneous Revenue	856
PFC Revenue / Airport Reserve	10,617
Private Contributions	1,600
Reimbursement Revenue	5,085
Total	<u>\$ 21,559</u>

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 6 - Interfund Transfers

The composition of interfund transfers as of December 31, 2016 is as follows:

Transfers In:	Transfers Out:	Purpose	Total
General Fund	Debt Service Fund	Debt Service	\$ (11,372)
General Fund	Capital Projects Fund	Capital Projects	(17,932)
General Fund	Airports	Operating Transfer	(8,729)
General Fund	Transit	Operating Transfer	(20,851)
General Fund	Special Revenue Fund - Airport	Operating Transfer	(5,066)
General Fund	Special Revenue Fund - Admin Services	Operating Transfer	(1,507)
General Fund	Internal Service Fund - Info Mgmt Svcs	Operating Transfer	(1,141)
General Fund	Internal Service Fund - Public Works Service	Operating Transfer	(116)
General Fund	Internal Service Fund - Risk Management	Operating Transfer	(4)
Debt Service Fund	General Fund	Debt Service	79,629
Capital Projects Fund	General Fund	Capital Projects	22,082
Airports	General Fund	Operating Transfer	5,726
Transit	General Fund	Operating Transfer	42,895
Special Revenue Fund - Airport	General Fund	Operating Transfer	82
Internal Service Fund - Info Mgmt Svcs	General Fund	Operating Transfer	1,959
Internal Service Fund - Public Works Service	General Fund	Operating Transfer	2,051
Internal Service Fund - Risk Management	General Fund	Operating Transfer	178
Subtotal - Fund Financial Statements			\$ 87,884
Less: Fund eliminations			(68,843)
Total Transfers - Government-wide Statement of Activities			\$ 19,041

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

No fund may have a reserve except for the Debt Service, Nonmajor and Airports funds. 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.

Note 7 - Leases

Capital Leases - Primary Government

In 2007 and 2008, the County entered into Capital Lease Agreements in the amounts of \$3,332 and \$1,510, respectively, with Chase Bank to improve the County's energy efficiency and promote environmental sustainability. The County has expended all acquisition funds associated with these leases. In 2010, the County entered into a Capital Lease Agreement in the amount of \$7,515 with Banc of America to improve the County's energy efficiency and promote environmental sustainability. The County expended \$6,385; the balance of \$1,130 was returned to the Banc of America and the principal balance was reduced.

All equipment acquired through the Capital Lease Agreements will transfer to the County at the end of the lease terms. The County is making lease payments over a period of 10 years and is required to make semi-annual payments during the term. Final payments are as follows: 2007 – December 1, 2017, 2008 – June 1, 2018, and 2010 – December 1, 2020. The gross amount of these assets under capital leases is \$11,227 and is presented in the governmental activities

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 7 - Leases (cont.)

statement - capital assets.

In current and prior years, the County entered into capital lease agreements for various Airport vehicles and equipment. At the end of the capital lease term, ownership of the equipment will transfer to the County. In 2015, the Airport began to depreciate two leases using the useful life of the assets (10 years) versus the capital lease term (5 years); in 2016, the depreciation was changed back to the capital lease term. The gross amount of these assets under capital leases is \$3,512 and is presented in the business-type statement - capital assets.

The assets acquired through capital leases are as follows:

Assets:	Governmental Activities	Business-type Activities
Machinery & Equipment	\$ 11,227	\$ -
Vehicles and Related Equipment	-	3,512
Less: Accumulated Depreciation	(8,076)	(2,577)
Total	<u>\$ 3,151</u>	<u>\$ 935</u>

The future minimum lease payments and the net present value of these capital leases as of December 31, 2016, are as follows:

Year Ending December 31	Governmental Activities	Business-type Activities
2017	\$ 1,257	\$ 338
2018	769	318
2019	680	224
2020	679	116
Subtotals	3,385	996
Less: Amount representing interest	(234)	(61)
Present Value of Future minimum Lease Payments	<u>\$ 3,151</u>	<u>\$ 935</u>

Operating Leases - Primary Government

The County leases facilities, office equipment, and vehicles. Total costs for such leases are \$1,580 for the year ended December 31, 2016.

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

Year Ending December 31	Amount
2017	\$ 1,634
2018	1,514
2019	1,420
2020	573
2021	282
2022 and beyond	495
Total	<u>\$ 5,918</u>

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 8 - Long-Term Liabilities

Changes in Long-Term Liabilities

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the governmental activities. At year-end, \$46,429 of internal service funds long-term liabilities is included in the following tables. As claims and judgments expenditures are incurred, the general fund is used to liquidate the costs. Adjustments to short and long-term liabilities are made at year end based on a detailed reevaluation of the accounts.

Unfunded claims and judgments include estimated costs for outstanding medical, environmental, and other claims. As of December 31, 2016, the outstanding amount of claims and judgments due within one year totaled \$4,400 and the long-term liability is \$1,100.

In accordance with GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Post-Closure Care Costs*, the County has recorded a long-term liability for its estimated maintenance and monitoring costs for closed landfill sites. As of December 31, 2016, the estimated liability for costs due within one year totaled \$120 and the long-term liability is \$3,000. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

In accordance with GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, the County has recorded a long-term liability for its estimated pollution remediation costs. As of December 31, 2016, the estimated liability for costs due within one year totaled \$641 and the long-term liability is \$13,083. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

Risk claims include accruals for workers compensation and other insurance claims of the Risk Management Fund and Transit System. As of December 31, 2016, the outstanding amount of risk claims due within one year totaled \$13,901 and the long-term liability is \$12,610.

All Funds contribute toward their specific share and plan related to pension liabilities. 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 OPEB trust and pension 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 liquidation of annual pension costs through the General Fund and allocates these costs to all departments on a prorated basis. Transit accounts for cost and liquidation of OPEB and pension costs through its applicable trust.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 8 - Long-Term Liabilities (cont.)

Governmental Long-Term Liability activity for the year ended December 31, 2016 is as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance	Due in One Year
Bonds Payable:					
General Obligation Bonds	\$ 635,096	\$ 54,130	\$ (78,475)	\$ 610,751	\$ 61,360
Add (Subtract) Deferred Amounts for:					
Premium	4,950	1,574	(1,345)	5,179	-
Discount	(94)	-	80	(14)	-
Subtotal Bonds Payable	<u>639,952</u>	<u>55,704</u>	<u>(79,740)</u>	<u>615,916</u>	<u>61,360</u>
Other Liabilities:					
Unfunded Claims and Judgments	500	5,400	(400)	5,500	4,400
Landfill Post-Closure Costs	6,432	-	(3,312)	3,120	120
Pollution Remediation Costs	13,823	762	(861)	13,724	641
Compensated Absences	32,489	20,192	(21,975)	30,706	19,638
Risk Claims	18,978	7,001	(7,301)	18,678	8,801
Net Pension Liability	386,739	173,251	(31,541)	528,449	-
Other Post Employment Benefits	326,880	62,198	(46,009)	343,069	-
Capital Leases	4,262	-	(1,111)	3,151	1,152
Subtotal Other Liabilities	<u>790,103</u>	<u>268,804</u>	<u>(112,510)</u>	<u>946,397</u>	<u>34,752</u>
Total Governmental Activities	<u>\$ 1,430,055</u>	<u>\$ 324,508</u>	<u>\$ (192,250)</u>	<u>\$ 1,562,313</u>	<u>\$ 96,112</u>

Governmental Compensated Absences consist of the following:

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance	Due in One Year
Retirement sick pay payout	\$ 12,433	\$ -	\$ (1,919)	\$ 10,514	\$ 1,212
Vacation time earned	15,743	15,173	(15,743)	15,173	13,818
Overtime earned	2,049	2,154	(2,049)	2,154	1,965
Holiday Pay	2,264	2,865	(2,264)	2,865	2,643
Total Compensated Absences	<u>\$ 32,489</u>	<u>\$ 20,192</u>	<u>\$ (21,975)</u>	<u>\$ 30,706</u>	<u>\$ 19,638</u>

Business-type Long-Term Liability activity for the year ended December 31, 2016 is as follows:

Business-type Activities:	Beginning Balance	Increases	Decreases	Ending Balance	Due in One Year
Bonds Payable:					
General Obligation Bonds	\$ 27,323	\$ 13,005	\$ (3,001)	\$ 37,327	\$ 3,864
Revenue Bonds	201,900	46,165	(65,705)	182,360	10,460
Add (Subtract) Deferred Amounts for:					
Premium	8,076	7,894	(2,048)	13,922	-
Discount	(1,825)	(513)	988	(1,350)	-
Subtotal Bonds Payable	<u>235,474</u>	<u>66,551</u>	<u>(69,766)</u>	<u>232,259</u>	<u>14,324</u>
Other Liabilities:					
Compensated Absences	12,411	5,145	(4,730)	12,826	2,892
Risk Claims	9,069	3,228	(4,464)	7,833	5,100
Net Pension Liability - Transit	78,316	27,475	(11,087)	94,704	-
Net Pension Liability - Airports	15,863	5,581	(476)	20,968	-
Other Post Employment Benefits - Transit	2,579	6,944	(9,254)	269	-
Other Post Employment Benefits - Airports	14,975	4,081	(2,739)	16,317	-
Capital Leases	694	553	(312)	935	309
Subtotal Other Liabilities	<u>133,907</u>	<u>53,007</u>	<u>(33,062)</u>	<u>153,852</u>	<u>8,301</u>
Total Business-type Activities	<u>\$ 369,381</u>	<u>\$ 119,558</u>	<u>\$ (102,828)</u>	<u>\$ 386,111</u>	<u>\$ 22,625</u>

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 8 - Long-Term Liabilities (cont.)

Business-type Compensated Absences consist of the following:

Business-type Activities:	Beginning Balance	Increases	Decreases	Ending Balance	Due in One Year
Retirement sick pay payout	\$ 7,753	\$ 395	\$ (72)	\$ 8,076	\$ 1,695
Vacation time earned	4,478	4,440	(4,478)	4,440	919
Overtime earned	98	186	(98)	186	167
Holiday pay	82	124	(82)	124	111
Total Compensated Absences	\$ 12,411	\$ 5,145	\$ (4,730)	\$ 12,826	\$ 2,892

Additional information is provided in the following Notes for: Landfill Post-Closure Costs and Pollution Remediation Costs - Note 13 , Risk Claims - Note 10, Pension Liability - Note 15, OPEB - Note 14 and Capital Leases - Note 7.

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.

The ratio of the aggregate indebtedness of all taxing authorities located within the County to equalized value of the taxable property is approximately 6.09% including 1.07% related to direct County indebtedness at December 31, 2016.

Wisconsin Statutes limit the County's direct general obligation borrowing to an amount equivalent to 5% of the equalized value of taxable property. As of December 31, 2016 under Wisconsin Statutes, the County could borrow an additional \$2,405,613.

At December 31, 2016, the Governmental Activities weighted average interest rate of general obligation bonds and notes outstanding is 4.35%.

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

December 31	Principal	Interest	Total Debt Service Requirements
2017	\$ 61,360	\$ 24,056	\$ 85,416
2018	61,762	22,330	84,092
2019	53,618	20,553	74,171
2020	52,369	18,827	71,196
2021	49,502	17,038	66,540
2022-2026	196,750	58,034	254,784
2027-2031	135,390	14,311	149,701
Total Debt Service	\$ 610,751	\$ 175,149	\$ 785,900

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 8 - Long-Term Liabilities (cont.)

On November 10, 2016, the County issued \$25,505 of General Obligation Corporate Purpose Bonds, Series 2016A. Total proceeds of \$25,998 (par amount of bond issue of \$25,505, plus net premium and underwriters' discount of \$493) were used to purchase direct obligations of the United States of America or held in cash. The proceeds will be used to finance capital projects for general County purposes pursuant to the County's 2016 Adopted Capital Improvement Budget. The 2016A bonds of \$25,505 are recorded in Governmental Activities and Business-type Activities on the Statement of Net Position.

The 2016A bonds have semi-annual interest payments on March 1 and September 1 through 2031. The interest rate is 2.0% for 2018 through 2026, and 3.0% from 2027 through 2031.

On November 10, 2016, the County issued \$7,120 of Taxable General Obligation Mass Transit QECB's, Series 2016B. Total net proceeds of \$7,070 (par amount of bond issue of \$7,120, less discount and underwriter's discount of (\$50)) were used to purchase direct obligations of the United States of America or held in cash. The proceeds will be used to finance capital projects for general County mass transit purposes pursuant to the County's 2016 Adopted Capital Improvement Budget. The bonds of \$7,120 are recorded in Governmental Activities and the Business-type Activities on the Statements of Net Position.

The bonds have semi-annual interest payments on April 1 and October 1 through 2026. The interest rate ranges from 0.90% in 2017 to 2.375% in 2026.

On November 10, 2016, the County issued \$3,055 of General Obligation Promissory Notes, Series 2016C (Marcus Center). Total proceeds of \$3,115 (par amount of bond issue of \$3,055, plus net premium and underwriters' discount of \$60) were used to purchase direct obligations of the United States of America or held in cash. The proceeds will be used to finance capital projects for the Marcus Center pursuant to the County's 2016 Adopted Capital Improvement Budget. The notes of \$3,055 are recorded in Governmental Activities on the Statements of Net Position.

The notes have semi-annual interest payments on March 1 and September 1 through 2021. The interest rate is 2.00% for 2017 through 2021.

On November 10, 2016, the County issued \$7,465 of General Obligation Promissory Notes, Series 2016D. Total proceeds of \$7,604 (par amount of bond issue of \$7,465, plus net premium and underwriters' discount of \$139) were used to purchase direct obligations of the United States of America or held in cash. The proceeds will be used to finance capital projects for general County purposes pursuant to the County's 2016 Adopted Capital Improvement Budget. The 2016D notes of \$7,465 are recorded in Governmental Activities and the Business-type Activities on the Statements of Net Position.

The notes have semi-annual interest payments on March 1 and September 1 through 2020. The interest rate is 2.00% for 2017 through 2020.

On November 10, 2016, the County issued \$16,330 of General Obligation Refunding Bonds Series 2016E to current refund \$17,010 of outstanding General Obligation Bonds, Series 2007A, which were callable as of December 1, 2016. Net Proceeds of \$16,330 (par amount of

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 8 - Long-Term Liabilities (cont.)

bonds) along with \$841 of premium funds were used to prepay the General Obligation Bonds, Series 2007A on December 1, 2016.

The 2016E General Obligation Refunding Bonds have semi-annual interest payments on June 1 and December 1 through 2022. The interest rate is 2.0 % for 2017 through 2020, 3.00% for 2021 and 4.00% for 2022.

The cash flow requirements on the refunded bonds prior to the advance refunding was \$19,466 from 2017 to 2022. The cash flow requirements on the refunding bonds are \$17,921, a savings of \$1,545. 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 \$1,480.

On July 28, 2016, the County issued \$7,660 Taxable General Obligation Promissory Note ("Note") to a local bank. The proceeds from the Note along with funds held in trusts shall be used to reimburse a local bank under an agreement related to outstanding debt for Midwest Airlines, Inc. hangars at General Mitchell Airport. The County's agreement called for reimbursement of the local bank if Midwest Airlines, Inc. was unable to pay. Midwest Airlines, Inc. and its parent declared bankruptcy in February 2016. The hangars were built with Industrial Development Revenue Bonds issued by the City of Milwaukee, on behalf of the airlines. The net proceeds of the Note of \$7,651 (\$7,660 note less \$9 of cost), plus a trust of \$3,751 were used to pay off the Industrial Development Revenue Bonds of \$11,410, issued for the Midwest Airlines, Inc. hangars.

The Notes have semi-annual interest payments on February 1 and August 1 through 2018. The interest rate is 1.45% for the term of the issue.

Bond Issue	Date of Bond	Final Maturity Date	Average Interest Rate	Original Indebtedness	Principal Outstanding 12/31/2016	Interest to Maturity
General Obligation Refunding Bonds, Series 2003A	07/01/03	08/01/17	3.48 %	\$ 93,515	\$ 6,222	\$ 243
General Obligation Corporate Purpose Bonds, Series 2008A	06/01/08	12/01/23	3.93 %	30,656	18,775	3,071
Taxable Pension Obligation Bonds, Series 2009A	04/02/09	12/01/28	6.36 %	265,000	125,277	72,202
General Obligation Corporate Purpose Bonds, Series 2009C	08/01/09	10/01/24	5.04 %	24,139	24,139	5,844
Taxable General Obligation Corporate Purpose Bonds Series 2009E	11/15/09	08/01/24	4.87 %	24,051	20,368	5,277
General Obligation Promissory Notes, Series 2009F	11/15/09	08/01/19	2.55 %	15,610	3,485	215
Taxable General Obligation Corporate Purpose Bonds, Series 2010A	05/01/10	10/01/25	4.60 %	19,979	16,858	4,088
General Obligation Promissory Notes, Series 2010B	05/01/10	10/01/18	2.37 %	12,325	3,380	149

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 8 - Long-Term Liabilities (cont.)

Bond Issue	Date of Bond	Final Maturity Date	Average Interest Rate	Original Indebtedness	Principal Outstanding 12/31/2016	Interest to Maturity
General Obligation Corporate Purpose Bonds, Series 2010C	12/21/10	10/01/26	4.90 %	\$ 27,207	\$ 22,983	\$ 7,390
General Obligation Promissory Notes, Series 2010D	12/21/10	10/01/20	2.82 %	9,770	4,815	536
General Obligation Refunding Bonds, Series 2011A	03/15/11	10/01/18	5.04 %	28,737	5,018	324
General Obligation Refunding Bonds, Series 2012A	12/20/12	12/01/20	1.00 %	21,804	13,259	1,212
Taxable Pension Obligation Replacement Bonds, Series 2013A	02/12/13	12/01/30	3.28 %	138,730	123,630	41,830
Taxable Pension Obligation Tender Refund Bonds, Series 2013B	06/27/13	12/01/23	2.76 %	99,300	71,555	9,078
General Obligation Corporate Purpose Bonds, Series 2013A	08/14/13	09/01/23	2.43 %	26,935	19,515	2,313
General Obligation Corporate Purpose Bonds, Series 2014A	11/06/14	12/01/29	2.60 %	39,209	33,972	7,071
General Obligation Corporate Purpose Bonds, Series 2015A	11/12/15	10/01/30	2.73 %	31,415	30,045	6,638
General Obligation Refunding Bonds, Series 2015B	11/12/15	10/01/21	2.70 %	14,252	11,704	967
General Obligation Corporate Purpose Bonds, Series 2015C	11/12/15	10/01/19	1.85 %	3,600	2,700	103
General Obligation Corporate Purpose QECB Bonds, Series 2015D	11/12/15	10/01/25	2.30 %	100	90	11
General Obligation Corporate Purpose Bonds, Series 2016A	11/10/16	09/01/31	2.55 %	20,471	20,471	4,335
Taxable General Obligation Mass Transit QECB Bonds, Series 2016B	11/10/16	10/01/26	1.99 %	152	152	16
General Obligation Corporate Purpose Notes Series 2016C	11/10/16	09/01/21	2.00 %	3,055	3,055	171
General Obligation Corporate Purpose Notes Series 2016D	11/10/16	09/01/20	2.00 %	\$ 6,576	\$ 6,576	\$ 303
General Obligation Corporate Purpose Refunding Bonds, Series 2016E	11/10/16	12/01/22	2.78 %	16,216	16,216	1,580
Taxable General Obligation Notes 2016	07/28/16	08/01/18	1.45 %	7,660	<u>6,491</u>	<u>182</u>
Total Governmental Activities - General Obligation Debt					\$ 610,751	\$ <u>175,149</u>
Premium					5,179	
Discount					(14)	
Total Governmental Activities - General Obligation Debt, Net					\$ <u>615,916</u>	
Bonds and Notes Payable - General Obligation (Current Liabilities)					\$ 61,360	
Bonds and Notes Payable - General Obligation (Non-current Liabilities)					<u>554,556</u>	
Total Debt per Statement of Net Position - Governmental Activities					\$ <u>615,916</u>	

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 8 - Long-Term Liabilities (cont.)

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 \$182,360 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, 2038. 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 are \$20,605 and \$34,020 respectively, resulting in net revenues plus Coverage Fund assets of 165% of annual debt service for 2016. The principal and interest payment of \$20,605 represents 21% of operating revenues. The total principal and interest remaining to be paid on the revenue bonds is \$267,308.

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>
2017	\$ 14,324	\$ 10,337	\$ 24,661
2018	14,601	9,640	24,241
2019	14,449	9,008	23,457
2020	14,873	8,370	23,243
2021	15,521	7,704	23,225
2022-2026	68,525	28,330	96,855
2027-2031	49,975	14,127	64,102
2032-2036	20,975	4,598	25,573
2037-2038	6,444	513	6,957
Total Debt Service	\$ 219,687	\$ 92,627	\$ 312,314

An Airport capital project funded with General Airport Revenue Bonds, Series 2009A, of the 2032 maturity was partially refunded for \$1,020. The partially refunded amount is callable on December 1, 2019 and will be held in escrow until that time.

On November 10, 2016, the County issued \$46,165 of General Airport Revenue Refunding Bonds, Series 2016A to current refund \$21,470 of outstanding General Airport Revenue Bonds, Series 2005A, \$16,030 of outstanding General Airport Revenue Bonds, Series 2006A, and \$8,665 of outstanding General Airport Revenue Bonds, Series 2007A, which were all callable as of December 1, 2016. Net Proceeds of \$53,766 (\$46,165 par amount of bonds along with \$7,601 of net premium and underwriter's discount) were used to prepay the General Airport Revenue Bonds, Series 2005A, 2006A and 2007A on December 1, 2016.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 8 - Long-Term Liabilities (cont.)

The General Airport Revenue Refunding Bonds, Series 2016A have semi-annual interest payments on June 1 and December 1 through 2032. The interest rate is 4.0 % for 2017, and 5.00% for 2018 through 2032.

The cash flow requirements on the refunded bonds prior to the advance refunding was \$78,655 from 2017 to 2032. The cash flow requirements on the refunding bonds are \$66,477, a savings of \$12,178. 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 \$10,054.

Bond Issue	Date of Bond	Final Maturity Date	Average Interest Rate	Original Indebtedness	Principal Outstanding 12/31/2016	Interest to Maturity
General Obligation Refunding Bonds, Series 2003A	07/01/03	08/01/17	3.48 %	\$ 6,510	\$ 433	\$ 17
General Obligation Corporate Purpose Bonds, Series 2008A	06/01/08	12/01/23	3.93 %	204	125	20
General Obligation Corporate Purpose Bonds, Series 2009C	08/01/09	10/01/24	5.04 %	636	636	154
Taxable General Obligation Corporate Purpose Bonds Series 2009E	11/15/09	08/01/24	4.87 %	6,314	5,347	1,385
General Airport Revenue Bonds, Series 2009A	12/21/09	12/01/32	4.90 %	12,690	10,675	4,595
Taxable General Obligation Corporate Purpose Bonds, Series 2010A	05/01/10	10/01/25	4.60 %	2,746	2,317	562
General Obligation Corporate Purpose Bonds, Series 2010C	12/21/10	10/01/26	4.90 %	10,958	9,257	2,976
General Airport Revenue Refunding Bonds, Series 2010B	10/14/10	12/01/23	3.75 %	51,590	27,425	5,250
General Airport Revenue Bonds, Series 2010A	10/14/10	12/01/34	4.30 %	31,570	29,510	14,740
General Obligation Refunding Bonds, Series 2011A	03/15/11	10/01/18	5.04 %	3,020	527	34
General Obligation Refunding Bonds, Series 2012A	12/20/12	12/01/20	1.00 %	1,301	791	72
General Airport Revenue Bonds, Series 2013A	08/14/13	12/01/38	4.88 %	47,095	44,955	31,580
General Airport Revenue Refunding Bonds, Series 2013B	08/14/13	12/01/22	2.81 %	3,330	2,165	234
General Airport Revenue Refunding Bonds, Series 2014A	11/06/14	12/01/29	3.10 %	23,655	21,465	8,239
Taxable General Obligation Corporate Purpose Bonds, Series 2014A	11/06/14	12/01/29	2.60 %	31	28	6
General Obligation Corporate Purpose Bonds, Series 2015A	11/12/15	10/01/30	2.73 %	240	230	51
General Obligation Refunding Bonds, Series 2015B	11/12/15	10/01/21	2.70 %	428	351	29

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 8 - Long-Term Liabilities (cont.)

<u>Bond Issue</u>	<u>Date of Bond</u>	<u>Final Maturity Date</u>	<u>Average Interest Rate</u>	<u>Original Indebtedness</u>	<u>Principal Outstanding 12/31/2016</u>	<u>Interest to Maturity</u>
Taxable General Obligation Mass Transit QECB Bonds, Series 2015D	11/12/15	10/01/25	2.30 %	\$ 4,760	\$ 4,280	\$ 508
General Airport Revenue Refunding Bonds, Series 2016A	11/10/16	12/01/32	5.00 %	46,165	46,165	20,312
General Obligation Corporate Purpose Bonds, Series 2016A	11/10/16	09/01/31	2.55 %	5,034	5,034	1,066
Taxable General Obligation Mass Transit QECB Bonds, Series 2016B	11/10/16	10/01/26	1.99 %	6,968	6,968	745
General Obligation Corporate Purpose Notes Series 2016D	11/10/16	09/01/20	2.00 %	889	889	41
General Obligation Corporate Purpose Refunding Bonds, Series 2016E	11/10/16	12/01/22	2.78 %	\$ 114	\$ 114	\$ 11
Total Business-type - General Obligation and Revenue Bond Debt					\$ 219,687	\$ 92,627
Premium					13,922	
Discount					(1,350)	
Total Business-type - General Obligation and Revenue Bond Debt					\$ 232,259	
Bonds and Notes Payable - General Obligation (Current Liabilities)					\$ 3,864	
Bonds and Notes Payable - Revenue (Current Liabilities)					10,460	
Bonds and Notes Payable - General Obligation (Non-current Liabilities)					33,716	
Bonds and Notes Payable - Revenue (Non-current Liabilities)					184,219	
Total Debt per Statement of Net Position - Business-type Activities					\$ 232,259	

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 9 - Net Position

The various components of Restricted Net Position reported in the governmental and proprietary funds as of December 31, 2016 are as follows:

Type	Governmental Activities	Business-type Activities
2018 Appropriations	\$ 5,000	\$ -
2017 Appropriations	5,000	-
Administrative Services	5,647	-
Airports - PFC and Debt	28,779	-
Behavioral Health Division	33,890	-
Capital Asset Needs	-	21,713
Capital Project Commitments	43,641	-
Commitments	13,076	3,259
Debt Service	44,481	16,758
Delinquent Property Tax	11,053	-
Fleet and Facilities Divisions	9,692	-
Housing	794	-
Parks	1,540	-
Persons with Disabilities	100	-
Zoo	1,726	-
Total Net Position - Restricted	\$ 204,419	\$ 41,730

Discretely Presented Component Units

The Restricted Net Position of the **Milwaukee Public Museum, Inc.** as of December 31, 2016 consists of the following:

Temporarily Restricted:	2016
Capital Campaign - Debt	\$ 4,534
Educational Lecture Costs	649
Endowment Fund:	
Internship Programs	65
Purchase and Maintenance of Collections	126
Exhibits and Museum Renovations	62
Purchase and maintenance of Collections	380
Restricted for Time	292
Subtotal Temporarily Restricted Net Position	\$ 6,108
Permanently Restricted:	
Operations	\$ 2,548
Special Exhibits	1,138
Starr Adventure and Internship	77
Subtotal Permanently Restricted Net Position	3,763
Total Net Position - Restricted	\$ 9,871

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 9 - Net Position (cont.)

The Restricted Net Position of the **Milwaukee County War Memorial, Inc.** as of December 31, 2016 consists of the following:

Temporarily Restricted:	2016
9/11 Memorial Fund	\$ 4
Comprehensive Master Plan for Milwaukee's Lakeshore project	8
Congressional Medal of Honor Fund	1
Education Program	18
Memorial Day Parade Fund	1
MIA/POW programs	2
Purple Heart Memorial Fund	4
Veteran's Courtyard Project Fund	393
Vietnam Veterans Memorial	14
Total Temporarily Restricted Net Position	\$ 445

The Restricted Net Position of the **Marcus Center for the Performing Arts** as of December 31, 2016 consists of the following:

Temporarily Restricted:	2016
Programming Events	\$ 28

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(s) 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 (fifty dollars) and \$250 (two hundred fifty dollars) 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. 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.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 10 - Risk Management (cont.)

The County has recognized \$18,678 of claims liabilities in the Risk Management Fund. The short-term portion is \$8,801 and is classified as a current liability.

Changes in the balances of claim liabilities during the past two years are as follows:

	Year Ended 12/31/2016	Year Ended 12/31/2015
Beginning of Year Liability	\$ 18,978	\$ 19,463
Current Year Claims and Changes in Estimates	7,001	7,230
Claims Payments	(7,301)	(7,715)
End of Year Liability	\$ 18,678	\$ 18,978

The Transit System has recognized \$7,833 of claims liabilities in the Transit System Fund. The short-term portion is \$5,100 and is classified as a current liability.

Changes in the Transit System balances of the claims liability for the past two years are as follows:

	Year Ended 12/31/2016	Year Ended 12/31/2015
Beginning of Year Liability	\$ 9,069	\$ 13,036
Current Year Claims and Changes in Estimates	3,228	3,124
Claims Payments	(4,464)	(7,091)
End of Year Liability	\$ 7,833	\$ 9,069

Note 11 - Related Party Transactions

Milwaukee Public Museum, Inc.

Milwaukee County has legal title to the Milwaukee Public Museum, Inc. ("MPM") building, exhibits and artifacts, including any building additions and improvements and additions funded by the County or MPM. All such assets are leased to MPM under a long-term lease. MPM has not recorded the building and exhibits under the long-term lease in its consolidated financial statements, as the value cannot be determined. MPM capitalizes building additions, improvements and exhibit costs when MPM 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 were to vacate the facility. MPM amortizes these costs over their anticipated useful lives.

On August 15, 2013, Milwaukee County and MPM entered into a new Lease and Management Agreement ("New Agreement") to replace and supersede the original agreement and all subsequent amendments. The New Agreement provided a \$3,000 County contribution to the MPM Pension Plan for former County employees that was paid in August 2013, extends annual MPM funding support to 2022, and provides additional capital spending up to \$4,000 on the facility through December 2017. MPM is required to raise additional funds to eliminate its existing outstanding term debt and raise \$5,000 by December 2017 to support additional capital needs for the facility. As of August 31, 2016, MPM and the Milwaukee Public Museum

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 11 - Related Party Transactions (cont.)

Endowment Fund have raised \$3,468 towards the \$5,000 capital funding requirement. The New Agreement is renewable every five years through December 31, 2042.

MPM received \$3,500 in annual support from the County, based upon MPM's fiscal year ending August 31, 2016.

Milwaukee County War Memorial, Inc.

Milwaukee County has a lease agreement with the Milwaukee County War Memorial, Inc. ("War Memorial") for the spaces occupied in County owned buildings located at the War Memorial Center Facility. The War Memorial is responsible for all operational functions of their occupied space and receives \$486 in support annually from the County which will continue through 2023. There is no rent payable to the County under the terms of the lease agreement.

In addition, there is a development agreement which addresses structural repairs and improvements to the War Memorial Center Facility. Planned repairs and improvements to the existing space are estimated at \$10,000 with construction having started in the fall of 2014. The County has appropriated \$1,975 for the current year to be applied to the construction and renovation costs and has appropriated additional funds of \$1,600 for 2017.

Under the terms of the agreements, the County retains ownership of the War Memorial Center Facility and existing improvements. Ownership of any additional leasehold improvements located upon or within the premises is determined by mutual agreement of the County and the War Memorial at the time the War Memorial seeks County approval for construction. All expenditures for repairs, maintenance, improvements and betterments that materially prolong the useful lives of assets, which are not specifically identified by Milwaukee County as to be owned by the War Memorial, are expensed as incurred.

In March 2016, the War Memorial and the County negotiated a potential agreement to transfer the ownership of certain interior spaces of the Saarinen Pedestal Building owned by the County to the War Memorial. The County would retain ownership of the exterior elements of the Saarinen Pedestal Building. Under the agreement, County support would be extended at a diminishing level through 2033. The initial terms of the agreement have been approved by the Milwaukee County Board of Supervisors and the County Executive. As of March 1, 2017, the details of the agreement have not been finalized.

Marcus Center for the Performing Arts

Milwaukee County has legal title to the Marcus Center for the Performing Arts' ("Marcus Center") building. The Marcus Center capitalizes building improvements when the Marcus Center is obligated to pay for those capital items. These costs are amortized over their anticipated useful lives.

The County provided \$950 for the operation of the Marcus Center for the year ended December 31, 2016.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 12 - Subsequent Events

Pay Disputes for department heads and other executive appointees

In April 2017, a Milwaukee County circuit judge rejected the County Executive's claim that the County Board does not have authority to approve pay of department heads and other executive appointees. For those employees whose salary was modified, the County Board has the option to provide, fix or change the compensation.

Estabrook Dam transfer

The state Department of Natural Resources has approved the sale the Estabrook Park dam to the Milwaukee Metropolitan Sewerage District ("MMSD") for \$1 (one dollar). The County Executive agreed to a deal that requires MMSD to return most of the property to the County for park use at the time of the sale closing. The remaining parcel would be returned to the County for park use when the dam demolition is completed in early 2018, under the land transfer deal.

Request to transfer a worker training agency back to Milwaukee County

In April 2017, the County Executive sent a letter to the Governor and requested that he move control of Employ Milwaukee (a worker training agency) from the City of Milwaukee back to the County. If this is approved, the transfer will bring millions of dollars in federal and other training funding.

Potential loss of Wheel tax revenue

A State budget amendment has proposed to terminate the County's \$30 (thirty dollars) vehicle registration fee. Since the State budget has not been adopted, the status of the fee termination is uncertain. If the amendment is included in the adopted State budget, Milwaukee County could potentially report up to a \$6 million revenue loss for 2017 and a \$14 million revenue loss for 2018.

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. For claims and other legal proceedings that are open at the end of 2016 but resolved in early 2017, a current liability was established in the general fund. For the remaining open items, 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.

Environmental

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, and not storm water, from the County. The order will require future capital and operating commitments. For 2017, the commitment is \$385.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 13 - Commitments and Contingencies (cont.)

The County has various environmental commitments that will require future capital and operating commitments that are not specifically court mandated. The 2017 commitments include: Landfills: \$120 and underground storage tank management: \$256.

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, 2016.

Note 14 - Other Post-Employment Benefits

COUNTYWIDE PROGRAMS (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 for eligible retirees and their 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 insurance premium 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 cutoff date for this benefit. Retirees with non-contributory health insurance premiums who retired prior to January 1, 2012 (or January 1, 2013 for nurses) also receive reimbursement of the Medicare Part B premium for themselves and their covered spouses. Employees eligible for postretirement healthcare benefits who retire after December 31, 2011 (or December 31, 2012 for nurses) are not eligible for Medicare Part B reimbursement.

Retirees with less than 15 years of service and/or hired on and after January 1, 1994 are responsible for the full cost of the health insurance premiums upon retirement and are not eligible for Medicare Part B premium reimbursement. For those retirees, any unused eligible sick leave at retirement is converted to health credits for the purchase of retiree health insurance. The credit is capped as of June 23, 2012 to the unused balance at that date, less any subsequent sick leave usage. See Note 1, section D and item 1 for information regarding the County's accrued sick leave liability as of December 31, 2016.

Retiree life insurance benefits are authorized by County Ordinance, Section 62.02. The life insurance benefit is equal to the retiree's annual salary at the time of retirement, rounded to the next highest \$1. Milwaukee County provides the first \$25 (\$20 for select bargaining units) for retirees under age 65. The retiree is responsible for the cost of additional coverage at the rate of \$0.40 per thousand. At age 65, the plan becomes non-contributory and the original life insurance benefit reduces by 8% per year beginning at age 65 to 25% at age 70 and over.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 14 - Other Post-Employment Benefits (cont.)

Funding Policy

The health insurance and life insurance benefits for retirees are financed with current tax levy funds through the General Fund. The County pays for retiree's health and life insurance premiums on a pay-as-you-go basis and therefore, contributes only the annual cost incurred, net of retiree contributions.

The County's annual OPEB cost (expense) is calculated based on the Annual Required Contribution ("ARC") of the employer, 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 twenty three years.

The following schedules provide the components of the County's 2016, 2015, and 2014 OPEB costs:

Schedule of Annual OPEB Costs For the Year Ended December 31

	2016	2015	2014
Normal Cost	\$ 917	\$ 782	\$ 782
Amortization of Unfunded Actuarial Accrued Liability	75,182	69,856	69,857
Annual Required Contribution (ARC)	76,099	70,638	70,639
Interest on Net OPEB Obligation	13,674	16,282	15,502
Adjustment to the ARC	(23,430)	(22,993)	(21,891)
Annual OPEB Cost	\$ 66,343	\$ 63,927	\$ 64,250

Schedule of Employer Contributions For the Year Ended December 31

	2016	2015	2014
Premiums Paid on Behalf of Retirees	\$ 42,133	\$ 41,523	\$ 42,761
Medicare Reimbursement	7,313	7,150	7,071
Less: Retiree Contributions	(633)	(961)	(1,185)
Net Employer Contribution	\$ 48,813	\$ 47,712	\$ 48,647

Percent of Annual OPEB Cost Contributed by Employer	73.6 %	74.6 %	75.7 %
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Schedule of Net OPEB Obligation For the Year Ended December 31

	2016	2015	2014
Net OPEB Obligation - January 1,	\$ 341,856	\$ 325,641	\$ 310,038
Annual OPEB Cost	66,343	63,927	64,250
Less: Net Employer Contributions	(48,813)	(47,712)	(48,647)
Net OPEB Obligation (Asset) - December 31	\$ 359,386	\$ 341,856	\$ 325,641

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 14 - Other Post-Employment Benefits (cont.)

Funded Status and Funding Progress

As of January 1, 2016, the most recent actuarial valuation date, the County's OPEB plan is not funded. The actuarial accrued liability for benefits is \$1,082,279, and there is no actuarial value of assets, resulting in an unfunded actuarial accrued liability ("UAAL") of \$1,082,279. The annual payroll of active employees covered by the plan is \$33,800, and the ratio of UAAL to covered payroll is 32.0 to 1.

The schedule of funding progress, also presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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. Amounts 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 new estimates are made about the future. The schedule of funding progress, also presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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 2016 ARC was determined as part of the January 1, 2015 actuarial valuation using the Unit Credit Actuarial Cost Method with unfunded Actuarial Accrued liability amortized as a level dollar amount over 21 years on a closed basis. Significant actuarial assumptions used in the valuation include:

Investment rate of return	4.0% Varies from 3.0% to 10.0% based upon current age and employment category
Projected salary increases	
Post-Retirement benefit increases	N/A
Healthcare cost trend	9.0% decreasing by 1.0% annually to 5.0% RP-2014 Mortality Fully Generational Projected using Projection Scale MP-2015
Mortality	Current age
Disability rate	Current age and employment category
Retirement age	Current age, years of service, and employment category
Withdrawal	
Inflation rate	3.0%

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 14 - Other Post-Employment Benefits (cont.)

Changes in Plan Provisions or Actuarial Assumption since Prior Year:

- The census has been updated to reflect the current population.
- The discount rate has been changed from 5% to 4%. This has resulted in a \$156,507 increase in the liability.
- The mortality assumption has been updated from RP-2014 Mortality Fully Generational using Projection Scale MP-2014 to RP-2014 Mortality Fully Generational using Projection Scale MP-2015. This has resulted in a \$10,280 increase in liability.

Contributions Required and Contributions Made

As of December 31, 2016, the County has 6,680 retirees enrolled in a health plan. The 2016 expenditures for retiree healthcare costs are \$41,131. The County's 2016 expenditures also includes reimbursement of Medicare Part B premiums for eligible health plan retirees of \$7,313. The total health plan expenditures are offset by \$437 in contributions from retirees who are responsible for the partial or full health benefit premium cost.

As of December 31, 2016, the County has 5,353 retirees enrolled in the group life insurance plan. The 2016 expenditures for the group life insurance plan are \$1,002. The total life insurance expenditures are offset by \$196 in contributions from retirees who are responsible for the partial or full life insurance premium cost.

TRANSIT SYSTEM PROGRAM

Description and Provisions

Milwaukee Transport Services, Inc. (the "Company") 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 Company 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.

Active employees with 14 years of service are eligible provided they satisfy one of the following conditions: 100% vested in retirement program at early retirement age of 57, reach age 62, rule of 85 (combined age and years of service equal 85), attain 25 years of service or become disabled. Employees hired after July 16, 2007 are not eligible for retiree healthcare benefits.

The Plan offers two choices for medical: an HMO and a PPO. Employees who retired on or before April 1, 2007 and live more than 30 miles from an approved HMO provider may elect the PPO plan and pay the monthly PPO premium contribution. Employees who retired after April 1, 2007 and elect the PPO plan will pay the PPO monthly premium contribution plus the difference in cost between the PPO and HMO premium. The PPO premium contribution is 12% of the premium for the applicable rate class. Effective January 1, 2012, any employee whose combined age and years of service equal less than 75 will pay an additional 20% for coverage. Those whose combined age and years of service equal greater than or equal to 75, but less than 80, will pay an additional 12% for coverage.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 14 - Other Post-Employment Benefits (cont.)

Effective January 1, 2012, for surviving spouses not eligible for Medicare and dependent children, the Company will pay one-half ($\frac{1}{2}$) of the health insurance premium until the spouse becomes eligible for Medicare or remarries, provided the employee has completed at least fourteen years of service.

The Company pays the full premiums on a term life insurance policy for all eligible retired employees 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 (five hundred) to \$16,500 (sixteen thousand five hundred), who retired between April 1, 2001 and March 31, 2007 is \$8,500 (eight thousand five hundred), and retired after April 1, 2007 is \$9,000 (nine thousand).

Funding Policy

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 Company 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 payrolls 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 Company's intent to contribute the amount of the ARC each year into a trust. The Company does not issue a publicly available report that includes the financial statements for the trust on OPEB.

Annual OPEB Cost and Net OPEB Obligation

The Company's annual OPEB cost (expense) is calculated based on the annual required contribution ("ARC") of the employer, 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.

The following schedule provides the components of the Company's 2016, 2015, and 2014 OPEB costs:

Schedule of Annual OPEB Costs For the Year Ended December 31

	2016	2015	2014
Normal Cost	\$ 3,119	\$ 3,020	\$ 3,639
Amortization of Unfunded Actuarial Accrued Liability	10,292	8,871	11,872
Annual Required Contribution (ARC)	13,411	11,891	15,511
Interest on Net OPEB Obligation	(4)	(4)	(1)
Adjustment to the ARC	4	3	1
Annual OPEB Cost	\$ 13,411	\$ 11,890	\$ 15,511

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 14 - Other Post-Employment Benefits (cont.)

Schedule of Employer Contributions For the Year Ended December 31

	2016	2015	2014
Premiums Paid on Behalf of Retirees	\$ 13,135	\$ 10,229	\$ 12,991
Contribution to OPEB Trust	4,525	1,008	2,500
Less: Retiree and Survivor Contribution	(1,939)	(1,982)	(1,879)
Net Employer Contribution	\$ 15,721	\$ 9,255	\$ 13,612
Percent of Annual OPEB Cost Contributed by Employer	117.2 %	77.8 %	87.8 %

Schedule of Net OPEB Obligation For the Year Ended December 31

	2016	2015	2014
Net OPEB Obligation (Asset) - January 1,	\$ 2,579	\$ (56)	\$ (1,955)
Annual OPEB Cost	13,411	11,890	15,511
Less: Net Employer Contributions	(15,721)	(9,255)	(13,612)
Net OPEB Obligation (Asset) - December 31	\$ 269	\$ 2,579	\$ (56)

Funded Status and Funding Progress

As of January 1, 2016, the most recent actuarial valuation date, the Company's OPEB plan is partially funded. The actuarial accrued liability for benefits is \$230,146, and the actuarial value of assets is \$65,829, resulting in an unfunded actuarial accrued liability (UAAL) of \$164,317. The annual payroll of active employees covered by the plan is \$30,072, and the ratio of UAAL to the covered payroll is 5.46 to 1.

The schedule of funding progress, also presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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. Amounts 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 new estimates are made about the future. The schedule of funding progress, also presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 14 - Other Post-Employment Benefits (cont.)

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 2016 ARC was determined as part of the January 1, 2016 actuarial valuation using the Unit Credit Actuarial Cost Method with unfunded Actuarial Accrued liability amortized as a level percent over 30 years on an open basis. Significant actuarial assumptions used in the valuation include:

Investment rate of return	7.25%
Projected salary increases	3.0%
Healthcare cost trend	8.0% decreasing by 0.5% annually to 5.0%
Mortality	RP-2014 Mortality for Blue Collar Workers Fully Generational using Projection Scale AA
Retirement age	Estimates vary based upon historical experience
Withdrawal	Graduated rates based upon current age
Inflation rate	3.0%

Changes in Plan Provisions or Actuarial Assumptions since Prior Year:

- Employee census has been updated to reflect the current population.
- The mortality assumption has been updated from 1983 Group Annuity Mortality Table

Contributions Required and Contributions Made

The Company's policy is to fully fund its OPEB plan. The Company funds its annual OPEB cost with operating revenues and tax levy support from Milwaukee County and the State of Wisconsin. As of December 31, 2016, the Company has 1,009 retirees and survivors enrolled in the HMO and PPO healthcare plans. The 2016 expenditures for the HMO and PPO healthcare plans are \$12,877, plus a contribution to the OPEB plan trust of \$4,525. The total HMO and PPO expenditures are offset by \$1,939 in retiree contributions from retirees and survivors who are responsible for the partial or full health benefit premium cost.

As of December 31, 2016, the Company has 1,009 retirees enrolled in the life insurance plan. The 2016 expenditures for the life insurance plan are \$258. There are no retiree contributions towards the life insurance plan.

Note 15 - Employee Retirement System and Pension Plans

COUNTYWIDE PROGRAM (EXCLUDING TRANSIT SYSTEM)

Plan Description and Provisions

The description of the provisions of the Employees' Retirement System of the County of Milwaukee ("ERS" or the "Retirement System"), has been extracted from the Annual Report of the Retirement System and is provided for financial reporting purposes only. Actuarial data

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 15 - Employee Retirement System and Pension Plans (cont.)

presented here differs from the Annual Report of the Retirement System due to a one year lag for County financial reporting purposes. Additional narrative has been added to the plan descriptions and provisions section. Members should refer to Section 201.24 of the General Ordinances of Milwaukee County and their respective bargaining agreements for more complete information. Requests for ERS financial information should be sent to: Milwaukee County ERS, 901 N. 9th Street, Room 210C, Milwaukee, WI 53233.

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. The Pension Board consists of ten 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, one member appointed by the Milwaukee Deputy Sheriffs' Association and one retiree member elected by retirees.

The Pension Board created two (2) committees to assist in the administration of the Pension Board's duties. The Investment Committee reviews the investment portfolio on a periodic basis, endorses strategies and submits investment recommendations to the full Pension Board. The Audit Committee reviews legal issues, Ordinance adherence, and submits recommendations to the full Pension Board regarding the annual audit and the Annual Report of the Pension Board. The Pension Board, with the assistance of its actuarial professionals, determines and recommends how much the County should contribute to ERS based on what the Pension Board believes is necessary to properly fund the current and future payment of benefits. The Pension Board oversees the tax qualifications of ERS and oversees the administration of ERS in accordance with adopted County Ordinances (the "Ordinances"), any amendments to the Ordinances, and ERS Rules. The Pension Board oversees the benefit payment process from ERS to determine whether these payments are made in accordance with the Ordinances and ERS Rules.

Contributions

The Retirement System had been substantially non-contributory. However, starting in 2011, members began making mandatory contributions. Most full-time, regularly-appointed employees were required to make contributions starting in 2012. In 2016, the employee contribution percentages range from 6.5% to 7.4% of compensation. In 2017, the employee contribution percentages will range from 6.5% to 8.1% of compensation. These percentages may change from year to year based on an analysis performed by the Retirement System's actuary.

Employees who terminate County employment and are not eligible for an immediate pension payment may request a refund of all accumulated contributions made, with simple interest at 5% annum. Effective December 19, 2013, employees who terminate employment with the County must request a refund of accumulated contributions within one hundred eighty (180)

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 15 - Employee Retirement System and Pension Plans (cont.)

days of terminating County employment. Prior to December 19, 2013, terminated employees had sixty (60) days to request a refund of their contributions. The Retirement System will send an employee who terminates a written notice of the refund option. Any employee receiving this refund will forfeit his or her service credit and will no longer be a member of ERS.

Contributions due from the County to the Retirement System consist of actuarially determined amounts sufficient to fund the annual normal cost and interest on and amortization of the unfunded or overfunded actuarial accrued liability. A substantial portion of the current year's contribution is paid to the Retirement System in the following year.

In 2012, the Retirement System started receiving contributions from the State of Wisconsin ("the State") for members who were transferred from Milwaukee County to the State of Wisconsin for future service. As a result of the agreement between the State and the County, non-vested members of the Retirement System are able to continue to accrue pension benefits with the ERS, while they are employed with the State. Once the member is vested, they are transferred to the State retirement plan. The State employees are required to contribute 6.5% of their wages to ERS in 2016 and 5.1% in 2015, and the State contributes the same percentages to the County for 2016 and 2015.

The County makes contributions to the Retirement System based upon the Actuarially Determined Contribution and legal requirements, at the discretion of the County Board. Data used in the determination of the contribution is based upon the prior fiscal year's demographics. The actual contribution made to the pension plan is set during the County's budget process and may differ from the Actuarially Determined Contribution as a result of changes in plan provisions implemented subsequent to establishment of the Actuarially Determined Contribution and budgetary restraints. During the year, the Retirement System accrues those contributions that the County has included in its current year's budget. The County contribution recorded by the Retirement System is \$298 less than and \$9,448 less than, the Actuarially Determined Contribution in 2016 and 2015, respectively.

The Actuarially Determined Contribution is calculated by the Retirement System's actuary, hired by the Pension Board, using census data, following plan guidelines, and compared to current net assets. The objective is to calculate a contribution that allows the Retirement System to fulfill its obligations to its members.

Employee's Retirement System ("ERS")

ERS Pension Plan membership, which is open to new members, consists of the following:

	2016	2015
Retiree and beneficiaries currently receiving benefits	7,991	7,979
Vested and terminated employees not yet receiving benefits	1,387	1,370
Current employees	3,619	3,680
Total participants	<u>12,997</u>	<u>13,029</u>

Membership data above is as of January 1, 2016 and 2015, respectively, the date of the actuary report used to determine the total pension liability for each year and reasonably

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 15 - Employee Retirement System and Pension Plans (cont.)

approximates membership data through December 31, 2016 and 2015, respectively.

The normal retirement benefit is a monthly pension for the life of the member beginning at normal retirement age. The pension amount is determined by the following formula: Multiplier x Creditable Service x Final Average Salary.

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 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%, 2.0% 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.

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 post retirement 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 post-retirement increase based on the backdrop date once the member terminates employment.

In 2012, the County Board passed an ordinance limiting the amount of backdrop benefit for most eligible employees who choose a backdrop date after April 1, 2013. If a member chooses a backdrop date after April 1, 2013, the monthly backdrop benefit is calculated using the member's final average salary, service credit, and applicable multipliers as of April 1, 2013. This plan change does not apply to Elected Officials, Skilled Trades, Machinists, Federated Nurses, and Firefighters.

A member who meets the requirements for an accidental 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 (75% for a represented deputy sheriff). The ordinary disability pension benefit will not be less than 25% of the member's final average salary. 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.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 15 - Employee Retirement System and Pension Plans (cont.)

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 (two thousand dollars).

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% option) in the event of their death while in active service. Previously there had been a 50% option for PSO's; however, on December 17, 2015, the County Board amended Ordinance section 201.24(7.1) and removed that option. 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.

Members may choose among several benefit payment options when retiring. Currently there are six options with different payouts depending upon if the member wants payments to cease upon member's death or if payments should continue to the member's beneficiary at different levels.

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 plan are commingled for investment purposes with the assets of the Retirement System. The assets of the Retirement System are legally available to pay the benefits of either the ERS or OBRA plans and all assets have been commingled. The Retirement System and OBRA are considered a single plan for financial reporting purposes.

OBRA Pension Plan membership, which is open to new members, consists of the following:

	<u>2016</u>	<u>2015</u>
Retiree and beneficiaries currently receiving benefits	48	47
Vested and terminated employees not yet receiving benefits	5,073	4,783
Current employees	386	394
Total participants	<u>5,507</u>	<u>5,224</u>

Membership data above is as of January 1, 2016 and 2015, respectively, the date of the actuary report used to determine the total pension liability for each year and reasonably approximates membership data through December 31, 2016 and 2015, respectively.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 15 - Employee Retirement System and Pension Plans (cont.)

Net position identified for OBRA benefits as of December 31, 2016 is as follows:

<u>Statement of Fiduciary Net Position</u>	<u>2016</u>
Assets:	
Cash	\$ 78
Assets held for Retirement System	1,437
Total Assets	<u>1,515</u>
Liabilities:	
Taxes Payable	1
Net Position restricted for Pension Benefits	<u>\$ 1,514</u>

Changes in plan net position available for benefits for OBRA for the year ended December 31, 2016 are as follows:

<u>Statement of Changes in Fiduciary Net Position</u>	<u>2016</u>
Contributions from the County	\$ 819
Investment Income	88
Investment and administrative expenses	(460)
Benefits Paid	(244)
Net decrease in net position restricted for pension benefits	<u>\$ 203</u>

Summary of Significant Accounting Policies

Basis of Accounting – The ERS financial statements are 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. Benefits payments to members are recognized in the period in which the payment was due to the member.

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. Dividends and interest are recorded as earned. Realized gains and losses are computed based on the average cost method. Unrealized gains and losses in the fair value of investments represent the net change in the fair value of the investments held during the period.

Investment securities, in general, are exposed to various risks, such as interest, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect amounts reported in the Statements of Fiduciary Net Position.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 15 - Employee Retirement System and Pension Plans (cont.)

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.

Software Development Costs – Capitalized software developments costs represent direct costs related to the development and implementation of software programs utilized in the Retirement System. The amounts are being amortized over ten years using the straight-line method. Amortization expense is included in Administrative Expenses.

Expenses - Administrative expenses incurred by the County related to the Retirement System are payable by the Retirement System to the County. Such expenses total \$1,555 in 2016 and \$1,204 in 2015.

Income Taxes - Management has submitted to the Internal Revenue Service, as part of a Voluntary Compliance Program, any compliance issues that have been discovered through a self-administered review where the provisions contained in the Internal Revenue Code, the County Pension Ordinances or Pension Rules differ from actual practice. Management received a response from the Internal Revenue Service regarding what action will be required to bring the pension system into compliance in all of its practices in order to maintain its tax-qualified status, and completed the corrections required by December 31, 2016, at a cost of \$14,151. The majority of the cost resulted from a correction to the mortality tables used to calculate joint and survivor benefits for members who retired between 2001 and 2008. Management has submitted a supplemental report that details any new compliance issues.

Deposit and Investment Risk Disclosure

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. 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 2016 and 2015, the net investment income realized from security lending is \$123 and \$68, respectively.

ERS also invests in several commingled funds managed by Mellon Capital Management that participates 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.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 15 - Employee Retirement System and Pension Plans (cont.)

Securities loaned and the collateral held as of December 31, 2016 are as follows:

	Securities Lent	Collateral
Securities Lent for Cash Collateral	\$ 33,469	\$ 34,203
Securities Lent for Securities Collateral	3,913	3,995
Grand Total	<u>\$ 37,382</u>	<u>\$ 38,198</u>
Percent Collateral to Securities Loaned		102.18 %

The collateral received from securities 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 \$34,203 and U.S. Treasury securities, domestic stocks and REIT's of \$3,995 for the year ended December 31, 2016. 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 \$3,995 is controlled by the custodian and, correspondingly, not reflected in the Statement of Fiduciary Net Position.

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 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. The Retirement System did not hold any financial instruments with off-balance sheet risk as of December 31, 2016.

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 U.S. 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.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 15 - Employee Retirement System and Pension Plans (cont.)

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. The futures contracts held by the Retirement System as of December 31, 2016 are as follows:

	US Equity Investment Managers	Cash Used to Pay Benefits and Expenses	Total
Cash Held	\$ 17,298	\$ 28,225	\$ 45,523
Futures Purchased:			
Barclays AGG (Fixed Income)	-	4,562	4,562
MSCI EAFE (International Equity)	-	2,513	2,513
S&P 500 (US Equity)	5,031	16,101	21,132
Total Futures Purchased	5,031	23,176	28,207
Futures Above/(Below) Cash	\$ (12,267)	\$ (5,049)	\$ (17,316)
Market Value	\$ (172)	\$ -	\$ (172)

Contributions Required and Contributions Made

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.

County contributions, excluding member contributions, to ERS totaling \$50,626 and \$39,081 are recorded in 2016 and 2015, respectively. The 2016 and 2015 contributions are \$(298) and \$(9,448) (below)/above the Funding Contribution amount ("FCA"), respectively. Member contributions are \$12,144 and \$9,325 for the years ended December 31, 2016 and 2015, respectively. The change in member contribution is due to the increase in the employee contribution percentages of pensionable compensation to 6.5% - 8.0% in 2016 from 5.0% - 5.3% in 2015. See the Schedule of Employer and Other Contributions presented as Required Supplementary Information (RSI) immediately following the notes to the financial statements.

County contributions to OBRA totaling \$819 and \$440 are recorded in 2016 and 2015, respectively. The 2016 and 2015 contributions are \$8 and \$(326) above/(below) the Funding Contribution amount ("FCA"), respectively. There are no member contributions for OBRA.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 15 - Employee Retirement System and Pension Plans (cont.)

The 2016 contributions reflected in the Retirement System's financial statements are actuarially determined as of January 1, 2015. These amounts are included in the County's 2016 budget. The Retirement System's financial statements as of December 31, 2016 reflects the unpaid 2016 contributions as a contribution receivable.

Net Pension Liability

The County's net pension liability was measured as of December 31, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016.

The total pension liability in the January 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement. Significant actuarial assumptions used include (a) a rate of return on the investment of present and future assets of 8.0% (includes 3.0% inflation), compounded annually, (b) projected payroll growth increases per year, averaging 3.5% for ERS and 4.5% for OBRA compounded annually, attributed to inflation, seniority and merit, and (c) post-retirement benefit increases, per year, of 2.0% for ERS and 3.0% for OBRA.

Mortality rates for healthy pensioners are based on the sex-distinct UP-1994 Mortality Table with Projection scale AA to 2012 and then fully generational thereafter using scale AA. Active member's mortality rates are 70% of the rates applicable to healthy pensioners.

The actuarial assumptions used for ERS are based on the results of an actuarial experience study for the period January 1, 2007 through December 31, 2011. The actual assumptions used for OBRA are based on the results of an actuarial experience study for the period January 1, 2006 through December 31, 2011.

The long-term expected rate of return on pension plan investments is determined by using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of position plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2016 are summarized in the following table:

Asset Class	Policy	Expected Real Rate of Return
Fixed Income	22.0 %	2.5 %
Domestic common and preferred stocks	25.0 %	7.1 %
International common and preferred stocks	20.0 %	7.8 %
Long/Short hedge funds	10.0 %	5.7 %
Infrastructure	8.5 %	8.0 %
Real Estate and REIT's	8.5 %	8.5 %
Private Equity	6.0 %	13.5 %
Cash and cash equivalents	0.0 %	0.0 %
Estimated by ERS financial advisors	100.0 %	

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 15 - Employee Retirement System and Pension Plans (cont.)

Discount rate – The discount rate used to measure the total pension liability is 8.0%. The projection of cash flows used to determine the discount rate assumes that the Retirement System's contributions will continue to follow the current funding policy. Based on those assumptions, the Retirement System's fiduciary net position is projected to be available to make all projected future benefit payments of current plan members.

Changes in the Net Pension Liability

Pension Plan	Increases (Decreases)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
ERS:			
Balances as of 12/31/2015	\$ 2,222,620	\$ 1,822,580	\$ 400,040
Charges for the year:			
Service Cost	15,740	-	15,740
Interest	171,661	-	171,661
Differences between expected and actual experience	41,649	-	41,649
Contributions:			
Employer	-	39,080	(39,080)
Employee	-	9,325	(9,325)
Projected earnings on Pension Investments	-	139,031	(139,031)
Differences between expected and actual experience	-	(99,580)	99,580
Benefit payments, including refunds of employee contributions	(188,819)	(188,819)	-
Administrative expense	-	(5,465)	5,465
Net changes	40,231	(106,428)	146,659
Balances as of 12/31/2016	<u>\$ 2,262,851</u>	<u>\$ 1,716,152</u>	<u>\$ 546,699</u>
OBRA:			
Balances as of 12/31/2015	\$ 3,721	\$ 1,560	\$ 2,161
Charges for the year:			
Service Cost	111	-	111
Interest	299	-	299
Differences between expected and actual experience	104	-	104
Contributions:			
Employer	-	440	(440)
Projected earnings on Pension Investments	-	121	(121)
Differences between expected and actual experience	-	(83)	83
Benefit payments, including refunds of employee contributions	(207)	(207)	-
Administrative expense	-	(521)	521
Net changes	307	(250)	557
Balances as of 12/31/2016	<u>\$ 4,028</u>	<u>\$ 1,310</u>	<u>\$ 2,718</u>

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 15 - Employee Retirement System and Pension Plans (cont.)

Sensitivity of the Net Pension Liability to changes in the discount rate – The following presents the net pension liability of the ERS and OBRA pension plans, calculated using the discount rate of 8.0%, as well as what the ERS and OBRA's net pension liability would be if it were calculated using a discount rate that is a 1-percentage point decrease (7.0%) or a 1-percentage point increase (9.0%) than the current rate:

	1% Decrease (7.0 %)	Current Discount (8.0 %)	1% Increase (9.0 %)
ERS' net pension liability	\$ 770,471	\$ 546,699	\$ 356,602
OBRA's net pension liability	\$ 3,573	\$ 2,718	\$ 2,077

Pension Plan Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2016, the County recognizes pension expense of \$82,597 for ERS pension plan and \$935 for OBRA pension plan. At December 31, 2016, the County is reporting deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Pension Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
ERS:		
Differences between expected and actual experience	\$ 26,223	\$ 3,999
Net Difference between projected and actual earnings on pension plan investments	107,896	-
Employer pension contribution	50,612	-
Total	<u>\$ 184,731</u>	<u>\$ 3,999</u>
OBRA:		
Net Difference between projected and actual earnings on pension plan investments	\$ 81	\$ -
Employer pension contribution	819	-
Total	<u>\$ 900</u>	<u>\$ -</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	ERS	OBRA	Total
2017	\$ 91,415	\$ 841	\$ 92,256
2018	40,125	21	40,146
2019	29,327	21	29,348
2020	19,865	17	19,882

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 15 - Employee Retirement System and Pension Plans (cont.)

Payable to the Pension Plan

At December 31, 2016, the County has no outstanding payments to the OBRA or ERS pension plan. The County has paid its pension contribution for the subsequent year and, therefore, has a deferred outflow of resources for pension contributions as of December 31, 2016 of \$50,612 for ERS and \$819 for OBRA.

TRANSIT SYSTEM PROGRAM

Plan Description and Provisions

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 17th Street, Milwaukee, Wisconsin 53205.

The Transport Employees' Pension Plan (the "Plan") is a single employer contributory defined benefit plan sponsored by Milwaukee Transit Services, Inc (the "Company"). The plan is administered by an administration board, which consists of three members representing the Company 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 the Company are eligible to participate in the plan. An employee's normal retirement date is the earlier of:

- The first day of the month coincident with, or the next following, the attainment of age sixty-two and the completion of five years of credited service, or
- the first day of any month where the sum of employee's age and credited service total 85 (eighty-five) or more years, or
- prior to January 1, 2014, the first day of the month following completion of twenty-five years of credited service, or
- after January 1, 2014 and prior to January 1, 2015, the first day of the month following completion of twenty-six years of credited service, or
- January 1, 2015 and thereafter, the first day of the month following completion of twenty-seven years of credited service.

Continuous service is equal to total years and completed months of unbroken service with the Company. Absences due to temporary layoffs followed by re-employment within three years and other periods of specifically approved leaves of absence are not considered breaks in continuous service. Credited service, not to exceed thirty-five years, is equal to total years and completed months of unbroken service with the Company. Periods of leave of absence where the employee did not make the mandatory contributions, periods of absence due to unpaid sickness which accumulates in excess of thirteen days within any one calendar year, and other periods of absence are not included in credited service.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 15 - Employee Retirement System and Pension Plans (cont.)

The amount of annual benefit to be paid in monthly installments for life is equal to the sum of:

- \$90 (ninety dollars) times year of credited service before April 1, 1966, plus
- 2.0% of the retiree's highest average salary times years of credited service after March 31, 1966 and prior to January 1, 2014, plus
- 1.8% of the retiree's highest average salary times years of credited service after December 31, 2013.

An employee's highest average salary is the greater of the annual average of the highest three calendar year earnings or the twelve month average of the last thirty-six months of earnings. Credited service is limited to a maximum of thirty-five years. The minimum annual normal retirement benefit for an employee with at least ten years of service is \$3,000 (three thousand dollars). Employees who retired prior to April 1, 2002 receive a \$35 (thirty-five dollars) per month supplemental effective upon their attainment of age 65.

Upon completion of five years of continuous service and the attainment of age fifty-seven, an employee may elect early retirement. The employee has two choices: begin collecting at age sixty-two and receive a monthly benefit for life equal to the accrued benefit or begin collecting at the early retirement date and receive the accrued benefit reduced by 7/12 of 1% for each full month by which the payment date precedes age sixty-two.

An employee who has ten years of credited service and who becomes totally and permanently disabled before normal retirement date may retire and receive a disability retirement benefit calculated as their accrued benefit on the date of disability, payable immediately. The minimum annual disability benefit is \$3,000 (three thousand dollars). If a disabled employee dies while receiving a disability retirement benefit, the surviving spouse will receive a monthly benefit of 50% of the disability retirement benefit for the remainder of their lifetime.

Upon termination of employment before five years of credited service, an employee will receive a lump sum equal to their own employee contributions together with 2% simple interest from the January 1st following the date on which contribution were made up to the last day of the calendar year in which the termination of service occurs. Upon termination of employment after five or more years of credited service, an employee may elect to receive the lump sum equal to the aggregate of their contributions with 2% simple interest or to leave their contributions in the trust fund and on or after age fifty-seven receive their accrued benefit.

In the event of the death of an active employee who has ten or more years of credited service, the surviving spouse receives a pension benefit equal to 50% of the employee's accrued benefit payable immediately or the lump sum equivalent of the employee's contributions with 2% simple interest. In the event of the death of an active employee with less than ten years of credited service, their beneficiary will receive the lump sum equivalent of the employee's contributions with 2% simple interest.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 15 - Employee Retirement System and Pension Plans (cont.)

In the event of the death of a retired employee who has not elected an optional benefit, the employee's beneficiary recovers a lump sum equivalent of the employee's contribution with 2% simple interest to the end of the calendar year in which retirement occurred less the pension payments the retiree received up to the date of death. In lieu of the normal form of benefit and the death benefit, a retiree may elect one of three optional forms of payments.

On January 1 of each year, the retirement benefit of each retiree (excluding beneficiaries and surviving spouses) is increased by 2%.

Transit Pension Plan membership, which is open to new members, consists of the following:

	2016	2015
Retiree and beneficiaries currently receiving benefits	1,370	1,344
Vested and terminated employees not yet receiving benefits	59	59
Current employees	950	961
Total participants	<u>2,379</u>	<u>2,364</u>

Membership data above is as of January 1, 2016, the date of the actuary report used to determine the total pension liability for each year, and reasonably approximates membership data through December 31, 2016.

Summary of Significant Accounting Policies

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.

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.

Contributions Required and Contributions Made

Previously, employees covered under the plan contributed, in total, an amount equal to 15% of the actuarially determined contribution necessary to fund the plan. The Company contributed the remaining 85% of the actuarial determined contribution necessary to fund the plan. In 2012, employees contributed 25% of the contribution and the Company contributed the remaining 75%. Beginning in 2013 and continuing through present, employees contribute 30% of the

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 15 - Employee Retirement System and Pension Plans (cont.)

contribution and the Company contributes the remaining 70%.

In 2016, the Company contributed \$15,488 which includes contributions made by the members. Member contributions are \$4,626 for the year ended December 31, 2016.

Net Pension Liability

The Transit System's net pension liability is measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability is determined by an actuarial valuation as of January 1, 2016.

The total pension liability in the January 1, 2016 actuarial valuation is determined using the following actuarial assumptions, applied to all periods included in the measurement. Significant actuarial assumptions used include (a) a rate of return on the investment of present and future assets of 7.25% (includes 3.0% inflation), compounded annually, (b) projected payroll growth increases averaging 3.75% per year compounded annually, attributed to inflation, seniority and merit, and (c) post-retirement benefit increases of 2.0% per year.

Mortality rates for healthy pensioners are based on the RP-2014 employees and healthy annuitants with blue collar adjustment. Mortality rates for disabled pensioners are based on the RP-2014 disabled for males and females.

The actuarial assumptions used are based on the results of an actuarial experience study from January 1, 2006 through December 31, 2010.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of position plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2016 are summarized in the following table:

Asset Class	Policy	Expected Real Rate of Return
Fixed Income	30.0 %	1.6 %
Domestic common and preferred stocks	45.0 %	4.5 %
International common and preferred stocks	15.0 %	4.9 %
Real Estate and REIT's	10.0 %	3.5 %
Estimated by Transit System financial advisors	100.0 %	

Discount rate – The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that the Retirement System's contributions will continue to follow the current funding policy. Based on those assumptions, the Transit Retirement System's fiduciary net position is projected to be available to make all projected future benefit payments of current plan members.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 15 - Employee Retirement System and Pension Plans (cont.)

Changes in the Net Pension Liability

	Increases (Decreases)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Transit System			
Balances as of 12/31/2015	\$ 529,729	\$ 451,413	\$ 78,316
Charges for the year:			
Service Cost	7,657	-	7,657
Interest	37,764	-	37,764
Differences between expected and actual experience	(3,489)	-	(3,489)
Changes of assumptions	(7,566)	-	(7,566)
Contributions:			
Employer	-	10,863	(10,863)
Employee	-	4,626	(4,626)
Projected earnings on Pension Investments	-	32,033	(32,033)
Differences between expected and actual experience	-	(27,887)	27,887
Benefit payments, including refunds of employee contributions	(33,000)	(33,000)	-
Administrative expense	-	(1,657)	1,657
Net changes	1,366	(15,022)	16,388
Balances as of 12/31/2016	\$ 531,095	\$ 436,391	\$ 94,704

Sensitivity of the Net Pension Liability to changes in the discount rate – The following presents the net pension liability of the Transit System Retirement Plan, calculated using the discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is a 1-percentage point decrease (6.25%) or a 1-percentage point increase (8.25%) than the current rate:

	1% Decrease (6.25 %)	Current Discount (7.25 %)	1% Increase (8.25 %)
Transit System's net pension liability	\$ 157,034	\$ 94,704	\$ 42,698

Transit System Pension Plan Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2016, the Transit System recognizes pension expense of \$12,166. At December 31, 2016, the Transit System reports deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Transit System	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,131	\$ 2,429
Assumption Changes	-	5,266
Net difference between projected and actual earnings on pension plan investments	18,245	-
Employer pension contribution	10,756	-
Total	\$ 30,132	\$ 7,695

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 15 - Employee Retirement System and Pension Plans (cont.)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows

<u>Year Ended December 31</u>	<u>Transit System</u>
2017	\$ 12,502
2018	1,110
2019	3,248
2020	5,577

Payable to the Pension Plan

At December 31, 2016, the Transit System has no outstanding payments to the pension plan. The Transit System has paid its pension contribution for the subsequent year and therefore has a deferred outflow of resources for pension contributions as of December 31, 2016 of \$10,756.

Note 16 - Pending Governmental Accounting Standards

The County has not yet implemented the following GASB's into the CAFR presentation:

- **GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans***, will be effective for the County for the year beginning January 1, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.
- **GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions***, will be effective for the County for the year beginning January 1, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- **GASB Statement No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB No. 14***, will be effective for the County for the year beginning January 1, 2017. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 16 - Pending Governmental Accounting Standards (cont.)

- **GASB Statement No. 81, *Irrevocable Split-Interest Agreements***, will be effective for the County for the year beginning January 1, 2017. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.
- **GASB Statement No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73***, will be effective for the County for the year beginning January 1, 2018. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.
- **GASB Statement No. 83, *Certain Asset Retirement Obligations***, will be effective for the County for the year beginning January 1, 2019. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.
- **GASB Statement No. 84, *Fiduciary Activities***, will be effective for the County for the year beginning January 1, 2019. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.
- **GASB Statement No. 85, *Omnibus 2017***, will be effective for the County for the year beginning January 1, 2018. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2016 (Amounts expressed in thousands, unless otherwise noted)

Note 16 - Pending Governmental Accounting Standards (cont.)

- **GASB Statement No. 86, *Certain Debt Extinguishment Issues***, will be effective for the County for the year beginning January 1, 2018. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.
- **GASB Statement No. 87, *Leases***, will be effective for the County for the year beginning January 1, 2019. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflow of resources or outflows of resources based on the payment provisions of the contracts. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

Unless otherwise stated, the County's management has not yet determined the effect these GASB statements will have on the financial statements.

Note 17 - Special Items

The County is reporting the following Special Items in the Statement of Activities:

- The governmental activities includes the transfer of \$24,722 of net reserves for the Department of Family Care, which seceded from the County to form a new not-for-profit called My Choice Family Care.
- The component unit includes the transfer of \$4,747 of net assets from the Milwaukee County Research Park which was sold to form a new not-for-profit called Milwaukee Regional Innovation Center.

The County is reporting a Special Item in the Governmental Fund, Debt Services Fund.

- The Debt Service Fund includes a payment by the County on a guaranteed loan of \$11,410 issued by a now bankrupt company.

COUNTY OF MILWAUKEE, WISCONSIN

REQUIRED SUPPLEMENTARY INFORMATION

- 1 - Notes to Required Supplementary Information
- 2 - Retirement Systems (Pension)
- 3 - Other Post-Employment Benefits (OPEB)

COUNTY OF MILWAUKEE, WISCONSIN

Required Supplementary Information

Notes to Required Supplementary Information

Retirement Systems (Pension)

Employee's Retirement System (ERS) - Substantially all full-time employees of the County are participants in the Employees' Retirement System of the County of Milwaukee (ERS), which is a single-employer contributory defined benefit pension plan.

The pension information is determined based on an actuarial valuation as of January 1, one year prior to the end of the fiscal year in which contributions are reported.

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 ERS, which is a single-employer non-contributory defined benefit pension plan.

The pension information is determined based on an actuarial valuation as of January 1, one year prior to the end of the fiscal year in which contributions are reported.

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.

The pension information is determined based on an actuarial valuation as of January 1, one year prior to the end of the fiscal year in which contributions are reported.

Other Post-Employment 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 for eligible retirees and their eligible spouses through the County's self-insured health insurance plans and the County's group life insurance plan.

The OPEB information is determined based on an actuarial valuation as of January 1, one year prior to the end of the fiscal year in which contributions are reported.

Transit System Program - Milwaukee Transport Services, Inc. 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 Milwaukee Transport Services, Inc. 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.

The OPEB information is determined based on an actuarial valuation as of January 1, one year prior to the end of the fiscal year in which contributions are reported.

See independent auditors' report.

COUNTY OF MILWAUKEE, WISCONSIN

Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios - ERS Last Ten Fiscal Years * (In Thousands)

	2016	2015
Total Pension Liability		
Service Cost	\$ 15,740	\$ 15,299
Interest	171,661	172,040
Differences Between Expected and Actual Experience	41,649	(17,331)
Benefit Payments, including Refunds of Employee Contributions	(188,819)	(177,366)
Net Change in Total Pension Liability	40,231	(7,358)
Total Pension Liability - Beginning	2,222,620	2,229,978
Total Pension Liability - Ending	\$ 2,262,851	\$ 2,222,620
Plan Fiduciary Net Pension		
Contributions - Employer	\$ 39,081	\$ 19,005
Contributions - Employee	9,325	10,052
Net Investment Income	39,451	96,721
Benefit Payments, including Refunds of Employee Contributions	(188,819)	(177,366)
Administrative Expense	(5,465)	(5,067)
Net Change in Plan Fiduciary Net Position	(106,427)	(56,655)
Plan Fiduciary Net Position - Beginning	1,822,579	1,879,234
Plan Fiduciary Net Position - Ending	\$ 1,716,152	\$ 1,822,579
Net Pension Liability - Ending	\$ 546,699	\$ 400,041
Plan Fiduciary Net Position as a percentage of the total pension liability	75.84 %	82.00 %
Covered Employee Payroll	\$ 191,433	\$ 188,605
Net Pension Liability as a percentage of covered employee payroll	285.58 %	212.11 %

See independent auditors' report and accompanying notes to required supplementary information.
Measurement date is as of January 1 of current year.

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

COUNTY OF MILWAUKEE, WISCONSIN

Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios - OBRA Last Ten Fiscal Years * (In Thousands)

	2016	2015
Total Pension Liability		
Service Cost	\$ 111	\$ 97
Interest	298	298
Differences Between Expected and Actual Experience	104	(233)
Benefit Payments, including Refunds of Employee Contributions	(206)	(127)
Net Change in Total Pension Liability	307	35
Total Pension Liability - Beginning	3,721	3,686
Total Pension Liability - Ending	\$ 4,028	\$ 3,721
Plan Fiduciary Net Pension		
Contributions - Employer	\$ 440	\$ 440
Net Investment Income	37	99
Benefit Payments, including Refunds of Employee Contributions	(206)	(127)
Administrative Expense	(521)	(455)
Net Change in Plan Fiduciary Net Position	(250)	(43)
Plan Fiduciary Net Position - Beginning	1,560	1,603
Plan Fiduciary Net Position - Ending	\$ 1,310	\$ 1,560
Net Pension Liability - Ending	\$ 2,718	\$ 2,161
Plan Fiduciary Net Position as a percentage of the total pension liability	32.52 %	41.92 %
Covered Employee Payroll	\$ 3,925	\$ 3,478
Net Pension Liability as a percentage of covered employee payroll	69.25 %	62.13 %

See independent auditors' report and accompanying notes to required supplementary information.
Measurement date is as of January 1 of current year.

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

COUNTY OF MILWAUKEE, WISCONSIN

Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios - Transit System Last Ten Fiscal Years * (In Thousands)

	<u>2016</u>	<u>2015</u>
Total Pension Liability		
Service Cost	\$ 7,657	\$ 6,885
Interest	37,764	36,673
Differences Between Expected and Actual Experience	(3,489)	2,899
Changes in Assumptions	(7,566)	-
Benefit Payments, including Refunds of Employee Contributions	<u>(33,000)</u>	<u>(31,353)</u>
Net Change in Total Pension Liability	1,366	15,104
Total Pension Liability - Beginning	529,729	514,625
Total Pension Liability - Ending	<u>\$ 531,095</u>	<u>\$ 529,729</u>
Plan Fiduciary Net Pension		
Contributions - Employer	\$ 10,863	\$ 11,087
Contributions - Employee	4,626	4,721
Net Investment Income	4,146	37,409
Benefit Payments, including Refunds of Employee Contributions	(33,000)	(31,353)
Administrative Expense	<u>(1,657)</u>	<u>(1,544)</u>
Net Change in Plan Fiduciary Net Position	(15,022)	20,320
Plan Fiduciary Net Position - Beginning	451,413	431,093
Plan Fiduciary Net Position - Ending	<u>\$ 436,391</u>	<u>\$ 451,413</u>
Net Pension Liability - Ending	<u>\$ 94,704</u>	<u>\$ 78,316</u>
Plan Fiduciary Net Position as a percentage of the total pension liability	82.17 %	85.22 %
Covered Employee Payroll	\$ 61,311	\$ 60,347
Net Pension Liability as a percentage of covered employee payroll	154.46 %	129.78 %

See independent auditors' report and accompanying notes to required supplementary information.
Measurement date is as of January 1 of current year.

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

COUNTY OF MILWAUKEE, WISCONSIN

Required Supplementary Information

Schedule of Employer Contributions - Single Employer Plans Last Ten Fiscal Years (In Thousands)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<u>ERS Pension Plan:</u>										
Actuarially Determined Contribution	\$ 63,067	\$ 57,854	\$ 29,565	\$ 33,758	\$ 32,137	\$ 28,406	\$ 29,621	\$ 29,529	\$ 30,356	\$ 53,064
Contributions in Relation to the Actuarially Determined Contribution	62,769	48,405	29,057	29,057	30,953	27,451	31,590	32,970	457,921	34,981
Contribution Deficiency (Excess)	<u>\$ 298</u>	<u>\$ 9,449</u>	<u>\$ 508</u>	<u>\$ 4,701</u>	<u>\$ 1,184</u>	<u>\$ 955</u>	<u>\$ (1,969)</u>	<u>\$ (3,441)</u>	<u>\$ (427,565)</u>	<u>\$ 18,083</u>
Covered Employee Payroll	\$ 191,433	\$ 188,605	\$ 191,433	\$ 188,605	\$ 189,132	\$ 190,748	\$ 221,647	\$ 237,040	\$ 233,820	\$ 227,364
Contributions as a % of Covered Payroll	32.79 %	25.66 %	15.18 %	15.41 %	16.37 %	14.39 %	14.25 %	13.91 %	195.84 %	15.39 %
<u>OBRA Pension Plan:</u>										
Actuarially Determined Contribution	\$ 827	\$ 770	\$ 374	\$ 374	\$ 389	\$ 446	\$ 807	\$ 716	\$ 661	\$ 558
Contributions in Relation to the Actuarially Determined Contribution	819	440	440	440	360	880	2,022	786	661	522
Contribution Deficiency (Excess)	<u>\$ 8</u>	<u>\$ 330</u>	<u>\$ (66)</u>	<u>\$ (66)</u>	<u>\$ 29</u>	<u>\$ (434)</u>	<u>\$ (1,215)</u>	<u>\$ (70)</u>	<u>\$ -</u>	<u>\$ 36</u>
Covered Employee Payroll	\$ 3,925	\$ 3,478	\$ 3,925	\$ 3,478	\$ 7,736	\$ 8,939	\$ 8,936	\$ 6,901	\$ 8,498	\$ 8,284
Contributions as a % of Covered Payroll	20.87 %	12.65 %	11.21 %	12.65 %	4.65 %	9.84 %	22.63 %	11.39 %	7.78 %	6.30 %
<u>Transit System Pension Plan:</u>										
Actuarially Determined Contribution	\$ 15,482	\$ 15,838	\$ 15,809	\$ 11,018	\$ 10,253	\$ 9,867	\$ 9,939	\$ 9,190	\$ 7,243	\$ 7,429
Contributions in Relation to the Actuarially Determined Contribution	15,482	15,838	15,809	11,018	10,253	9,867	9,939	9,190	7,243	7,429
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	\$ 61,311	\$ 60,347	\$ 57,300	\$ 57,750	\$ 56,200	\$ 57,300	\$ 60,000	\$ 61,000	\$ 62,000	\$ 62,000
Contributions as a % of Covered Payroll	25.25 %	26.24 %	27.59 %	19.08 %	18.24 %	17.22 %	16.57 %	15.07 %	11.68 %	11.98 %

In 2009, actual contributions for ERS and OBRA include \$397.8 million from pension obligation bonds and \$29.0 million from a lawsuit settlement.

See independent auditors' report and accompanying notes to required supplementary information.

COUNTY OF MILWAUKEE, WISCONSIN

Required Supplementary Information

Schedule of Funding Progress - OPEB

(Unaudited - in Thousands)

	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
		(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
County-wide Program	1/1/2016	\$ -	\$ 1,082,279	\$ 1,082,279	0.0 %	\$ 33,800	3,202.0 %
	1/1/2014	-	973,014	973,014	0.0 %	47,291	2,057.5 %
	1/1/2012	-	1,134,995	1,134,995	0.0 %	87,908	1,291.1 %
	1/1/2010	-	1,465,159	1,465,159	0.0 %	97,620	1,500.9 %
	1/1/2008	-	1,546,458	1,546,458	0.0 %	118,977	1,299.8 %
Transit System Program	1/1/2016	\$ 65,829	\$ 230,146	\$ 164,317	28.6 %	\$ 30,072	546.4 %
	1/1/2015	72,640	214,272	141,632	33.9 %	31,586	448.4 %
	1/1/2014	54,606	244,148	189,542	22.4 %	34,926	542.7 %
	1/1/2013	47,024	241,115	194,091	19.5 %	41,624	466.3 %
	1/1/2012	34,603	245,991	211,388	14.1 %	46,695	452.7 %

Schedule of Employer Contributions - OPEB

For the Year Ended December 31

(Unaudited - in Thousands)

	Fiscal Year	Annual Required Contribution	Net Employer Contribution	Employer Percentage Contributed
County-Wide Program	2016	\$ 76,099	\$ 48,821	64.2 %
	2015	70,638	47,712	67.5 %
	2014	70,639	48,647	68.9 %
	2013	87,908	58,614	66.7 %
	2012	87,908	55,491	63.1 %
Transit System Program	2016	\$ 13,411	\$ 15,721	117.2 %
	2015	11,891	9,255	77.8 %
	2014	15,511	13,612	87.8 %
	2013	15,482	15,164	97.9 %
	2012	17,705	20,200	114.1 %

See independent auditors' report and accompanying notes to required supplementary information.

COUNTY OF MILWAUKEE, WISCONSIN

SUPPLEMENTARY INFORMATION - COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

- 1 - Budgetary Comparison Schedules
- 2 - Nonmajor Governmental Funds
- 3 - Internal Service Funds
- 4 - Fiduciary Funds

COUNTY OF MILWAUKEE, WISCONSIN

Budgetary Comparison Schedules

Budgetary Comparison Schedules

Budgetary comparison schedules present the Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual on a Non-GAAP Budgetary Basis. Information is provided for the original adopted budget, the final budget including appropriation transfers, actual revenue and expenditures, and variance with final budget.

COUNTY OF MILWAUKEE, WISCONSIN

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) General Fund For the Year Ended December 31, 2016 (In Thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 223,028	\$ 241,531	\$ 231,774	\$ (9,757)
Property Taxes	290,485	290,525	289,631	(894)
Sales Tax	65,883	65,883	66,308	425
Charges for Services	448,513	470,863	362,125	(108,738)
Fines and Forfeits	2,108	2,108	2,089	(19)
Licenses and Permits	779	779	968	189
Investment Income	1,303	1,136	2,098	962
Other	27,672	28,529	20,197	(8,332)
Total Revenues	1,059,771	1,101,354	975,190	(126,164)
Expenditures:				
Current:				
County Board	2,458	2,575	2,457	118
Veterans Service	261	266	261	5
County Executive Government Affairs	484	407	363	44
Office on African American Affairs	-	346	235	111
Community Development Business Partners	1,381	1,416	1,478	(62)
Procurement	952	890	818	72
Office for Persons with Disabilities	845	1,004	982	22
County Executive	1,044	1,073	1,040	33
Civil Service Commission	46	51	33	18
Personnel Review Board	290	332	275	57
Corporation Counsel	1,996	2,080	2,059	21
Department of Human Resources	6,987	7,214	7,171	43
Department of Administrative Services	8,068	10,156	9,175	981
Economic & Community Development	3,753	4,412	2,961	1,451
Other Executive and Staff	2,883	4,250	3,289	961
Legislative, Executive and Staff	31,448	36,472	32,597	3,875
County-funded State Court Services	36,842	37,874	37,652	222
Child Support Enforcement	17,777	18,436	16,972	1,464
Alternatives to Incarceration	4,636	4,735	4,511	224
Courts and Judiciary	59,255	61,045	59,135	1,910
Election Commission	1,550	1,740	1,296	444
County Treasurer	1,320	1,664	1,594	70
County Clerk	1,041	1,094	1,029	65
Register of Deeds	2,535	2,606	2,415	191
Office of the Comptroller	6,800	6,899	6,851	48
Other General Government	260	335	236	99
General Governmental Services	13,506	14,338	13,421	917
Sheriff	71,288	71,620	75,180	(3,560)
House of Correction	59,291	60,852	60,604	248
District Attorney	17,377	17,624	17,027	597
Medical Examiner	3,983	4,163	4,023	140
Emergency Management	10,062	10,413	9,691	722
Other Public Safety	-	491	491	-
Public Safety	162,001	165,163	167,016	(1,853)

COUNTY OF MILWAUKEE, WISCONSIN

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2016
(In Thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Highway Maintenance	\$ 15,451	\$ 15,587	\$ 14,324	\$ 1,263
Fleet / Facilities Services	39,932	42,816	43,084	(268)
Administration	78	1,677	1,581	96
Public Works and Highways	<u>55,461</u>	<u>60,080</u>	<u>58,989</u>	<u>1,091</u>
Department on Aging	17,089	16,655	16,892	(237)
Family Care	303,710	311,410	207,442	103,968
DHHS - Behavioral Health Division	176,933	178,935	171,506	7,429
Department of Human Services	84,437	113,287	103,449	9,838
Human Services	<u>582,169</u>	<u>620,287</u>	<u>499,289</u>	<u>120,998</u>
Department of Parks	41,208	45,369	42,454	2,915
Zoological Department	22,282	23,623	22,282	1,341
UW Extension Service	314	315	300	15
Other Cultural Organizations	692	742	740	2
Parks, Recreation and Culture	<u>64,496</u>	<u>70,049</u>	<u>65,776</u>	<u>4,273</u>
Total Expenditures	<u>968,336</u>	<u>1,027,434</u>	<u>896,223</u>	<u>131,211</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>91,435</u>	<u>73,920</u>	<u>78,967</u>	<u>5,047</u>
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	1,400	1,400	1,741	341
Transfers In	24,450	24,380	66,718	42,338
Transfers Out	(57,593)	(57,523)	(154,601)	(97,078)
Transfers To Component Units	(6,261)	(6,476)	(6,259)	217
Total Other Financing Sources (Uses)	<u>(38,004)</u>	<u>(38,219)</u>	<u>(92,401)</u>	<u>(54,182)</u>
Special Item:				
Separation of Family Care	<u>-</u>	<u>-</u>	<u>(24,722)</u>	<u>(24,722)</u>
Net Change in Fund Balance	53,431	35,701	(38,156)	(73,857)
Fund Balances - Beginning	88,178	88,178	88,178	-
Fund Balances - Ending	<u>\$ 141,609</u>	<u>\$ 123,879</u>	<u>\$ 50,022</u>	<u>\$ (73,857)</u>

COUNTY OF MILWAUKEE, WISCONSIN

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Debt Service Fund For the Year Ended December 31, 2016 (In Thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 1,790	\$ 1,790	\$ 1,790	\$ -
Other	8,560	8,559	9,064	505
Total Revenues	<u>10,350</u>	<u>10,349</u>	<u>10,854</u>	<u>505</u>
Expenditures:				
Debt Service:				
Principal Retired	58,789	59,956	59,514	442
Interest and Other Charges	20,145	20,226	20,236	(10)
Principal Retired on Current Refunding	-	17,010	16,055	955
Total Expenditures	<u>78,934</u>	<u>97,192</u>	<u>95,805</u>	<u>1,387</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(68,584)</u>	<u>(86,843)</u>	<u>(84,951)</u>	<u>1,892</u>
Other Financing Sources (Uses):				
General Obligation Bonds Issued	-	11,921	8,345	(3,576)
Refunding Bonds Issued	-	15,490	15,490	-
Premium on Debt Issued	-	-	1,574	1,574
Transfers In	58,084	66,844	79,629	12,785
Transfers Out	-	-	(11,372)	(11,372)
Total Other Financing Sources (Uses)	<u>58,084</u>	<u>94,255</u>	<u>93,666</u>	<u>(589)</u>
Special Item:				
Payment on Guaranteed Loan	-	(11,410)	(11,410)	-
Total Special Item	<u>-</u>	<u>(11,410)</u>	<u>(11,410)</u>	<u>-</u>
Net Change in Fund Balance	(10,500)	(3,998)	(2,695)	1,303
Fund Balances - Beginning	47,176	47,176	47,176	-
Fund Balances - Ending	<u>\$ 36,676</u>	<u>\$ 43,178</u>	<u>\$ 44,481</u>	<u>\$ 1,303</u>

COUNTY OF MILWAUKEE, WISCONSIN

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) Capital Project Fund For the Year Ended December 31, 2016 (In Thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 7,126	\$ 7,331	\$ 922	\$ (6,409)
Sales Tax	6,701	6,701	6,701	-
Investment Income	-	167	167	-
Other	887	3,802	31	(3,771)
Total Revenues	<u>14,714</u>	<u>18,001</u>	<u>7,821</u>	<u>(10,180)</u>
Expenditures:				
Capital Outlay	<u>43,392</u>	<u>61,653</u>	<u>62,825</u>	<u>(1,172)</u>
Total Expenditures	<u>43,392</u>	<u>61,653</u>	<u>62,825</u>	<u>(1,172)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(28,678)</u>	<u>(43,652)</u>	<u>(55,004)</u>	<u>(11,352)</u>
Other Financing Sources (Uses):				
General Obligation Bonds Issued	27,085	29,419	29,454	35
Proceeds from Sale of Capital Assets	-	62	400	338
Transfers In	-	1,402	22,082	20,680
Transfers Out	-	-	(17,932)	(17,932)
Total Other Financing Sources (Uses)	<u>27,085</u>	<u>30,883</u>	<u>34,004</u>	<u>3,121</u>
Net Change in Fund Balance	(1,593)	(12,769)	(21,000)	(8,231)
Fund Balances - Beginning	<u>50,512</u>	<u>50,512</u>	<u>50,512</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 48,919</u>	<u>\$ 37,743</u>	<u>\$ 29,512</u>	<u>\$ (8,231)</u>

COUNTY OF MILWAUKEE, WISCONSIN

Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
(Non-GAAP Budgetary Basis)
Airports Enterprise Fund
For the Year Ended December 31, 2016
(In Thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Operating Revenues:				
Rentals and Other Service Fees	\$ 80,417	\$ 82,489	\$ 73,348	\$ (9,141)
Admissions and Concessions	15,856	15,856	17,867	2,011
Total Charges for Services	96,273	98,345	91,215	(7,130)
Other Revenues	(4,488)	(4,488)	78	4,566
Total Operating Revenues	91,785	93,857	91,293	(2,564)
Operating Expenses:				
Personnel Services	27,993	27,993	27,678	315
Contractual Services	21,452	23,128	20,803	2,325
Intra-County Services	11,498	11,498	11,131	367
Commodities	4,777	4,968	4,407	561
Depreciation and Amortization	26,245	26,245	28,230	(1,985)
Maintenance	506	721	1,079	(358)
Other	252	2	10	(8)
Total Operating Expenses	92,723	94,555	93,338	1,217
Operating Income (Loss)	(938)	(698)	(2,045)	(1,347)
Nonoperating Revenues (Expenses):				
Intergovernmental Revenues	195	195	253	58
Investment Income	300	300	340	40
Interest Expense	(10,355)	(10,730)	(9,004)	1,726
Gain/(Loss) on Sale of Capital Assets	10	10	-	(10)
Total Nonoperating Revenues (Expenses)	(9,850)	(10,225)	(8,411)	1,814
Income (Loss) Before Transfers	(10,788)	(10,923)	(10,456)	467
Add Depreciation on Capital Assets				
Acquired by Capital Grants that Reduces				
Contributed Capital From Capital Grants	10,788	11,920	8,158	(3,762)
Transfers In	-	(1,132)	5,726	6,858
Transfers Out	-	-	(8,729)	(8,729)
Change in Net Position	\$ -	\$ (135)	\$ (5,301)	\$ (5,166)

COUNTY OF MILWAUKEE, WISCONSIN

Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual (Non-GAAP Budgetary Basis) Transit Enterprise Fund For the Year Ended December 31, 2016 (In Thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Operating Revenues:				
Rentals and Other Service Fees	\$ 18	\$ 18	\$ -	\$ (18)
Transit Fares	41,785	41,785	35,477	(6,308)
Total Charges for Services	41,803	41,803	35,477	(6,326)
Other Revenues	4,000	4,000	3,815	(185)
Total Operating Revenues	45,803	45,803	39,292	(6,511)
Operating Expenses:				
Personnel Services	115,657	115,677	110,568	5,109
Contractual Services	21,282	21,528	22,029	(501)
Intra-County Services	1,698	1,698	1,453	245
Commodities	18,221	18,221	16,239	1,982
Depreciation and Amortization	14,096	14,096	14,645	(549)
Maintenance	805	880	993	(113)
Other	1,895	1,895	1,000	895
Total Operating Expenses	173,654	173,995	166,927	7,068
Operating Income (Loss)	(127,851)	(128,192)	(127,635)	557
Nonoperating Revenues (Expenses):				
Intergovernmental Revenues	94,831	94,831	94,168	(663)
Gain/(Loss) on Sale of Capital Assets	-	-	(5,779)	(5,779)
Interest Expense	(1,149)	(1,149)	(1,111)	38
Total Nonoperating Revenues (Expenses)	93,682	93,682	87,278	(6,404)
Income (Loss) Before Transfers	(34,169)	(34,510)	(40,357)	(5,847)
Add Depreciation on Capital Assets				
Acquired by Capital Grants that Reduces Contributed Capital From Capital Grants	11,704	10,546	3,927	(6,619)
Transfers In	-	1,158	42,895	41,737
Transfers Out	-	-	(20,851)	(20,851)
Change in Net Position	\$ (22,465)	\$ (22,806)	\$ (14,386)	\$ 8,420

COUNTY OF MILWAUKEE, WISCONSIN

Nonmajor 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 - The Zoo Specimen Fund is used for the purchase of animals. The Zoo Railroad Fund is used for the repair and maintenance of the miniature passenger railroad and the Zoomobile, Zoo Conservation, Zoo Library, and employee travel.

Parks - Repair, restoration and enhancement of the various parks throughout Milwaukee County

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, funding for youth and young adults with severe mental health needs and compensated absence payouts for retirees from the Behavioral Health Division.

Airports - Airport Passenger Facility Charge is used for the collection of Federal Aviation Administration approved passenger facility charges, which are to be used for capital projects at the Airports. In addition, a separate trust is maintained to secure a pledge by the County for repayment of certain debt of local airlines.

Administrative Services - Administered by Risk management for employee health and safety issues. Also includes a pension stabilization reserve per state statute.

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

COUNTY OF MILWAUKEE, WISCONSIN

Combining Balance Sheet Nonmajor Governmental Funds As of December 31, 2016 (In Thousands)

	Special Revenue Funds							Total Nonmajor Governmental Funds
	Zoo	Parks	Persons with Disabilities	Behavioral Health Division	Airports	Administrative Services	Public Works	
ASSETS								
Cash and Investments	\$ 2,204	\$ 1,557	\$ 100	\$ 9,307	\$ -	\$ 5,647	\$ 9,692	\$ 28,507
Cash and Investments - Restricted	-	-	-	-	28,779	-	-	28,779
Receivables - Other	1	-	-	-	-	-	-	1
Total Assets	<u>\$ 2,205</u>	<u>\$ 1,557</u>	<u>\$ 100</u>	<u>\$ 9,307</u>	<u>\$ 28,779</u>	<u>\$ 5,647</u>	<u>\$ 9,692</u>	<u>\$ 57,287</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts Payable	\$ 479	\$ 17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 496
Fund Balances:								
Restricted	<u>1,726</u>	<u>1,540</u>	<u>100</u>	<u>9,307</u>	<u>28,779</u>	<u>5,647</u>	<u>9,692</u>	<u>56,791</u>
Total Liabilities and Fund Balances	<u>\$ 2,205</u>	<u>\$ 1,557</u>	<u>\$ 100</u>	<u>\$ 9,307</u>	<u>\$ 28,779</u>	<u>\$ 5,647</u>	<u>\$ 9,692</u>	<u>\$ 57,287</u>

COUNTY OF MILWAUKEE, WISCONSIN

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended December 31, 2016 (In Thousands)

	Special Revenue Funds							Total Nonmajor Governmental Funds
	Zoo	Parks	Persons with Disabilities	Behavioral Health Division	Airports	Administrative Services	Public Works	
Revenues:								
Charges for Services	\$ 829	\$ 99	\$ -	\$ 517	\$ 13,881	\$ -	\$ -	\$ 15,326
Investment Income and Rents	22	1	-	-	242	-	-	265
Other	96	72	4	-	-	138	-	310
Total Revenues	<u>947</u>	<u>172</u>	<u>4</u>	<u>517</u>	<u>14,123</u>	<u>138</u>	<u>-</u>	<u>15,901</u>
Expenditures:								
Public Works and Highways	-	-	-	-	9,097	-	90	9,187
Human Services	-	-	1	278	-	-	-	279
Parks, Recreation and Culture	972	225	-	-	-	-	-	1,197
Total Expenditures	<u>972</u>	<u>225</u>	<u>1</u>	<u>278</u>	<u>9,097</u>	<u>-</u>	<u>90</u>	<u>10,663</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(25)</u>	<u>(53)</u>	<u>3</u>	<u>239</u>	<u>5,026</u>	<u>138</u>	<u>(90)</u>	<u>5,238</u>
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	82	-	-	82
Transfers Out	-	-	-	-	(5,066)	(1,507)	-	(6,573)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,984)</u>	<u>(1,507)</u>	<u>-</u>	<u>(6,491)</u>
Net Changes in Fund Balance	(25)	(53)	3	239	42	(1,369)	(90)	(1,253)
Fund Balances -- Beginning	<u>1,751</u>	<u>1,593</u>	<u>97</u>	<u>9,068</u>	<u>28,737</u>	<u>7,016</u>	<u>9,782</u>	<u>58,044</u>
Fund Balances -- Ending	<u>\$ 1,726</u>	<u>\$ 1,540</u>	<u>\$ 100</u>	<u>\$ 9,307</u>	<u>\$ 28,779</u>	<u>\$ 5,647</u>	<u>\$ 9,692</u>	<u>\$ 56,791</u>

COUNTY OF MILWAUKEE, WISCONSIN

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 Work Services - This fund is used to account for various services provided to other County departments including:

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, WISCONSIN

Combining Balance Sheet Internal Service Funds As of December 31, 2016 (In Thousands)

	Information Management Services	Public Works Services	Risk Management	Total
<u>Assets</u>				
Current Assets:				
Cash and Investments	\$ 8,464	\$ 1,088	\$ 19,679	\$ 29,231
Accounts (Net of Allowance for Doubtful Accounts)	1	1,113	911	2,025
Due From Other Governments	14	1	-	15
Total Current Assets	8,479	2,202	20,590	31,271
Capital Assets:				
Construction in Progress	1,906	140	-	2,046
Land Improvements	-	3,354	-	3,354
Building and Improvements	1,523	5,708	-	7,231
Machinery, Vehicles and Equipment	27,048	1,764	3	28,815
Total Capital Assets (Net)	30,477	10,966	3	41,446
Less: Accumulated Depreciation	(21,816)	(6,103)	(1)	(27,920)
Net Capital Assets	8,661	4,863	2	13,526
Total Assets	17,140	7,065	20,592	44,797
<u>Deferred Outflows of Resources</u>				
Deferred Loss on Refunding of Debt	56	-	-	56
Deferred Outflow for Pension Contributions Subsequent to the Measurement Date	787	-	33	820
Deferred Outflow Difference Between Expected and Actual Experience	356	-	38	394
Deferred Outflow Net Difference Between Expected and Actual Earnings on Pension Plan Investments	1,475	-	81	1,556
Total Deferred Outflows of Resources	2,674	-	152	2,826
Total Assets and Deferred Outflows of Resources	\$ 19,814	\$ 7,065	\$ 20,744	\$ 47,623
<u>Liabilities</u>				
Current Liabilities:				
Accounts Payable	\$ 1,658	\$ 149	\$ 1,046	\$ 2,853
Accrued Liabilities	145	-	22	167
Accrued Interest Payable	79	59	-	138
Bonds and Notes Payable - General Obligation	1,899	357	-	2,256
Compensated Absences	358	-	26	384
Risk Claims	-	-	8,801	8,801
Total Current Liabilities	4,139	565	9,895	14,599
Long-Term Liabilities:				
Bonds and Notes Payable - General Obligation	6,919	3,553	-	10,472
Compensated Absences	343	-	7	350
Risk Claims	-	-	9,877	9,877
Net Pension Liability	7,648	-	583	8,231
Other Postemployment Benefits	5,251	-	807	6,058
Total Long-Term Liabilities	20,161	3,553	11,274	34,988
Total Liabilities	24,300	4,118	21,169	49,587
<u>Deferred Inflows of Resources</u>				
Deferred Inflow Difference Between Actual and Expected Experience	66	-	3	69
<u>Net Position (Deficit)</u>				
Net Investment in Capital Assets	(101)	953	2	854
Restricted for:				
Commitments	645	1,105	3	1,753
Unrestricted (Deficit)	(5,096)	889	(433)	(4,640)
Total Net Position (Deficit)	(4,552)	2,947	(428)	(2,033)
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 19,814	\$ 7,065	\$ 20,744	\$ 47,623

COUNTY OF MILWAUKEE, WISCONSIN

Combining Statement of Revenues, Expenses, and Changes in Net Position Internal Service Funds For the Year Ended December 31, 2016 (In Thousands)

	Information Management Services	Public Works Services	Risk Management	Total
Operating Revenues:				
Charges for Services	\$ 15,813	\$ 3,031	\$ 11,227	\$ 30,071
Other	5	-	888	893
Total Operating Revenues	<u>15,818</u>	<u>3,031</u>	<u>12,115</u>	<u>30,964</u>
Operating Expenses:				
Personnel Services	6,032	-	1,151	7,183
Contractual Services	8,461	1,215	1,149	10,825
Intra-County Services	488	565	180	1,233
Commodities	162	23	1	186
Depreciation and Amortization	1,059	434	-	1,493
Insurance and Claims	-	-	10,245	10,245
Other	-	1,207	-	1,207
Total Operating Expenses	<u>16,202</u>	<u>3,444</u>	<u>12,726</u>	<u>32,372</u>
Operating Income (Loss)	<u>(384)</u>	<u>(413)</u>	<u>(611)</u>	<u>(1,408)</u>
Nonoperating Revenues (Expenses):				
Intergovernmental Revenues	407	-	-	407
Interest Expense	(316)	(191)	-	(507)
Total Nonoperating Revenues (Expenses)	<u>91</u>	<u>(191)</u>	<u>-</u>	<u>(100)</u>
Income (Loss) Before Contributions and Transfers	(293)	(604)	(611)	(1,508)
Capital Contributions	-	42	-	42
Reassignment of Capital	(1,846)	-	-	(1,846)
Transfers In	1,959	2,051	178	4,188
Transfers Out	<u>(1,141)</u>	<u>(116)</u>	<u>(4)</u>	<u>(1,261)</u>
Change in Net Position	(1,321)	1,373	(437)	(385)
Net Position (Deficit) -- Beginning	(3,231)	1,574	9	(1,648)
Net Position (Deficit) -- Ending	<u><u>\$ (4,552)</u></u>	<u><u>\$ 2,947</u></u>	<u><u>\$ (428)</u></u>	<u><u>\$ (2,033)</u></u>

COUNTY OF MILWAUKEE, WISCONSIN

Combining Statement of Cash Flows Internal Service Funds For the Year Ended December 31, 2016 (In Thousands)

	Information Management Services	Public Works Services	Risk Management	Total
Cash Flows Provided (Used) by Operating Activities:				
Receipts from Customers and Users	\$ 1,296	\$ 2,246	\$ 1,117	\$ 4,659
Receipts from Interfund Services	14,567	107	10,927	25,601
Payments to Suppliers	(8,482)	(2,537)	(11,092)	(22,111)
Payments to Employees	(5,340)	-	(680)	(6,020)
Payments for (to) Interfund Services Used	(488)	(565)	(180)	(1,233)
Net Cash Flows Provided (Used) by Operating Activities	1,553	(749)	92	896
Cash Flows Provided (Used) by Noncapital Financing Activities:				
Intergovernmental Revenues	407	-	-	407
Transfers From Other Funds	1,959	2,051	178	4,188
Transfers (To) Other Funds	(1,141)	(116)	(4)	(1,261)
Net Cash Flows Provided (Used) by Noncapital Financing Activities:	1,225	1,935	174	3,334
Cash Flows Provided (Used) by Capital and Related Financing Activities:				
Capital Contributions	-	42	-	42
Proceeds on Refunding Bonds	409	431	-	840
Premium on Refunding Bonds	21	22	-	43
Principal Payment on Long-Term Debt	(1,769)	(296)	-	(2,065)
Principal Payment on Refunding Bonds	(409)	(431)	-	(840)
Interest Paid on Long-Term Debt	(369)	(191)	-	(560)
Acquisition of Capital Assets	(36)	(478)	-	(514)
Net Cash Flows Provided (Used) by Capital and Related Financing Activities	(2,153)	(901)	-	(3,054)
Net Increase (Decrease) in Cash and Cash Equivalents	625	285	266	1,176
Cash and Cash Equivalents at Beginning of Year	7,839	803	19,413	28,055
Cash and Cash Equivalents at End of Year	<u>\$ 8,464</u>	<u>\$ 1,088</u>	<u>\$ 19,679</u>	<u>\$ 29,231</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Loss on Refunding Bonds	\$ (1)	\$ (1)	\$ -	\$ (2)
Reassignment of Capital	<u>\$ (1,846)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,846)</u>

COUNTY OF MILWAUKEE, WISCONSIN

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2016
(In Thousands)

	Information Management Services	Public Works Services	Risk Management	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ (384)	\$ (413)	\$ (611)	\$ (1,408)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows Provided (Used) by Operating Activities:				
Depreciation and Amortization	1,059	434	-	1,493
(Increase) Decrease in Assets and Deferred Outflows of Resources:				
Accounts Receivable	-	(678)	228	(450)
Due From Other Governments	45	(1)	-	44
Deferred Outflow for Pension Contributions Subsequent to the Measurement Date	(83)	-	(33)	(116)
Deferred Outflow Difference Between Expected and Actual Experience	(356)	-	(38)	(394)
Deferred Outflow Net Difference Between Expected and Actual Earnings on Pension Plan Investments	(940)	-	(81)	(1,021)
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:				
Accounts Payable	142	(91)	304	355
Accrued Liabilities	12	-	2	14
Risk Claims	-	-	(300)	(300)
Other Post Retirements Benefits	368	-	70	438
Compensated Absences	6	-	(35)	(29)
Net Pension Liability	1,774	-	583	2,357
Deferred Inflow Related to Differences Between Actual and Expected Experience on Pension Investments	(156)	-	-	(156)
Deferred Inflow Difference Between Actual and Expected Experience	66	-	3	69
Total Adjustments	<u>1,937</u>	<u>(336)</u>	<u>703</u>	<u>2,304</u>
Net Cash Flows Provided (Used) by Operating Activities	<u>\$ 1,553</u>	<u>\$ (749)</u>	<u>\$ 92</u>	<u>\$ 896</u>

COUNTY OF MILWAUKEE, WISCONSIN

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, WISCONSIN

Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2016
(In Thousands)

	January 1, 2016	Additions	Deductions	December 31, 2016
<u>AGENCY FUND:</u>				
<u>CIVIL COURT ORDERED FOR FAMILY</u>				
<u>SUPPORT/PAYMENTS</u>				
Cash and Investments	\$ 8,242	\$ 46,648	\$ 47,005	\$ 7,885
Other Receivables	-	86,917	86,917	-
Total Assets	\$ 8,242	\$ 133,565	\$ 133,922	\$ 7,885
Accounts Payable	\$ 107	\$ 49	\$ 848	\$ (692)
Agency Deposits	8,135	47,205	46,763	8,577
Total Liabilities	\$ 8,242	\$ 47,254	\$ 47,611	\$ 7,885
<u>OTHER AGENCY FUNDS</u>				
Cash and Investments	\$ 8,119	\$ 110,480	\$ 110,523	\$ 8,076
Other Receivables	917	944	917	944
Total Assets	\$ 9,036	\$ 111,424	\$ 111,440	\$ 9,020
Accounts Payable	\$ 2,481	\$ 8,188	\$ 8,889	\$ 1,780
Agency Deposits	6,555	38,268	37,583	7,240
Total Liabilities	\$ 9,036	\$ 46,456	\$ 46,472	\$ 9,020
<u>SUMMARY</u>				
Cash and Investments	\$ 16,361	\$ 157,128	\$ 157,528	\$ 15,961
Other Receivables	917	87,861	87,834	944
Total Assets	\$ 17,278	\$ 244,989	\$ 245,362	\$ 16,905
Accounts Payable	\$ 2,588	\$ 8,237	\$ 9,737	\$ 1,088
Agency Deposits	14,690	85,473	84,346	15,817
Total Liabilities	\$ 17,278	\$ 93,710	\$ 94,083	\$ 16,905

COUNTY OF MILWAUKEE, WISCONSIN

Other Supplementary Information

Other Supplementary Information

The financial statement schedules provided in this section are required for outside parties. These are standalone schedules for the two agencies whose information is presented within the governmental activities financial statements. These schedules are presented on the full accrual basis, as requested.

Milwaukee County Family Care Fund:

- Balance Sheets

- Schedule of Revenues, Expenses and Changes in Net Position

- Schedule of Cash Flows

Milwaukee County Behavioral Health Division Fund:

- Balance Sheet

- Schedule of Revenues, Expenses and Changes in Net Position

COUNTY OF MILWAUKEE, WISCONSIN

Balance Sheets
Milwaukee County Family Care Fund
As of December 31, 2016 and 2015
(In Thousands)

	<u>2016</u>	<u>2015</u>
<u>Assets</u>		
Cash	\$ -	\$ 40,033
Restricted Cash	-	11,482
Due from State - Prior Year Capitation	-	1,453
Member Receivable - Cost Share/Room & Board	-	2,189
Allowance for Member Receivable	-	(1,382)
Provider Receivable - Audits	-	25
Deposit Solvency Insurance	-	750
Accounts Receivable - Other	-	209
Due from Other Governments	-	25
Total Assets	<u>\$ -</u>	<u>\$ 54,784</u>
<u>Liabilities</u>		
Accounts Payable	\$ -	\$ 2,779
Accrued Payroll	-	175
Accrued Vacation/Sick Leave Liability	-	473
Member Cost - Incurred but not Reported	-	22,557
Due to State - Unearned Capitation	-	627
Total Liabilities	<u>-</u>	<u>26,611</u>
<u>Net Position</u>		
Restricted:		
Working Capital Reserve	-	7,858
Restricted Reserve	-	3,624
Solvency & Risk Reserve	-	750
Unrestricted:		
Surplus Reserve	-	15,467
Capital Carryover Reserve	-	474
Total Net Position	<u>-</u>	<u>28,173</u>
Total Liabilities and Net Position	<u>\$ -</u>	<u>\$ 54,784</u>

COUNTY OF MILWAUKEE, WISCONSIN

Schedule of Revenues, Expenses and Changes in Net Position Milwaukee County Family Care Fund For the Years Ended December 31, 2016 and 2015 (In Thousands)

	<u>2016</u>	<u>2015</u>
Operating Revenues:		
State/Fed Capitated Member Payment	\$ 179,340	\$ 261,686
Member Cost Share/ Room & Board	23,668	34,879
State Grants	-	25
Other Revenues	<u>983</u>	<u>1,236</u>
Total Operating Revenues	<u>203,991</u>	<u>297,826</u>
Operating Expenses:		
Direct - Member Service Costs	193,908	288,140
Indirect - Salaries and Fringe Benefits	6,831	6,637
Indirect - Outside Services	4,252	3,545
Indirect - Commodities and Supplies	1,468	47
Indirect - Inter-Dept Service Charges	<u>983</u>	<u>2,975</u>
Total Operating Expenses	<u>207,442</u>	<u>301,344</u>
Operating Income (Loss)	<u>(3,451)</u>	<u>(3,518)</u>
Special Item:		
Separation of Family Care	<u>(24,722)</u>	-
Total Special Item	<u>(24,722)</u>	-
Change in Net Position	(28,173)	(3,518)
Net Position -- Beginning	<u>28,173</u>	<u>31,691</u>
Net Position -- Ending	<u>\$ -</u>	<u>\$ 28,173</u>

COUNTY OF MILWAUKEE, WISCONSIN

Schedule of Cash Flows Milwaukee County Family Care Fund For the Years Ended December 31, 2016 and 2015 (In Thousands)

	2016	2015
Cash Flows Provided (Used) by Operating Activities:		
Receipts from Customers and Users	\$ 206,257	\$ 297,901
Payments to Suppliers	(224,587)	(292,061)
Payments to Employees	(7,480)	(6,679)
Payments for Interfund Services Used	(983)	(2,975)
Net Cash Flows Provided (Used) by Operating Activities	<u>(26,793)</u>	<u>(3,814)</u>
Cash Flows Provided (Used) by Noncapital Financing Activities:		
Payment at Separation of Family Care	<u>(24,722)</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (51,515)	\$ (3,814)
Cash and Cash Equivalents at Beginning of Year	<u>51,515</u>	<u>55,329</u>
Cash and Cash Equivalents at End of Year	<u>\$ -</u>	<u>\$ 51,515</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
None	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows Provided (Used) by Operating Activities:		
Operating Income(Loss)	\$ (3,451)	\$ (3,518)
(Increase) Decrease in Assets:		
Due from State - Prior Year Capitation	1,453	58
Member Receivable - Cost Share/Room & Board	2,189	(13)
Allowance for Member Receivable	(1,382)	9
Provider Receivable - Audits	25	91
Deposit Solvency Insurance	750	-
Security deposits	-	2
Inventory - Taxi Tickets	-	23
Accounts Receivable - Other	209	(45)
Due from Other Governments	25	(25)
Increase (Decrease) in Liabilities:		
Accounts Payable	(2,779)	(75)
Accrued Payroll	(175)	22
Accrued Vacation/Sick Leave Liability	(473)	(64)
Member Cost - Incurred but not Reported	(22,557)	164
Due to State - Unearned Capitation	(627)	(443)
Total adjustments	<u>(23,342)</u>	<u>(296)</u>
Net Cash Flows Provided (Used) by Operating Activities	<u>\$ (26,793)</u>	<u>\$ (3,814)</u>

COUNTY OF MILWAUKEE, WISCONSIN

Balance Sheet Behavioral Health Division Fund As of December 31, 2016 (In Thousands)

	<u>2016</u>
<u>Assets</u>	
Current Assets:	
Cash	\$ 35,880
Patient Receivables	30,664
Allowance for Uncollectible Accounts	(21,900)
Accounts Receivable - Other	39
Due from Other Governments	3,704
Prepaid Items	90
Total Current Assets	<u>48,477</u>
Noncurrent Assets:	
Capital Assets:	
Land Improvements	1,703
Construction in Progress	327
Buildings and Improvements	39,281
Machinery, Vehicles and Equipment	3,136
Total Capital Assets	<u>44,447</u>
Less: Accumulated Depreciation	<u>(36,658)</u>
Total Capital Assets (Net)	<u>7,789</u>
Total Assets	<u>56,266</u>
<u>Deferred Outflows of Resources</u>	
Deferred Loss on Refunding of Debt	<u>24</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 56,290</u>
<u>Liabilities</u>	
Current Liabilities:	
Accounts Payable	\$ 11,481
Accrued Payroll	1,743
Due to Other Governments	6
Bonds and Notes Payable - General Obligation	705
Compensated Absences Payable	2,625
Other Current Liabilities	1,359
Total Current Liabilities	<u>17,919</u>
Long-Term Liabilities:	
Bonds and Notes Payable - General Obligation	3,161
Compensated Absences Payable	1,589
Total Long-Term Liabilities	<u>4,750</u>
Total Liabilities	<u>22,669</u>
<u>Net Position</u>	
Net Investments in Capital Assets	3,946
Restricted for:	
Commitments	1,775
Operational Reserve	19,569
Capital Reserve	3,540
Title XIX Capitation	6,860
Compensated Absences	2,145
Unrestricted (Deficit)	<u>(4,214)</u>
Total Net Position	<u>33,621</u>
Total Liabilities and Net Position	<u>\$ 56,290</u>

COUNTY OF MILWAUKEE, WISCONSIN

Schedule of Revenues, Expenses and Changes in Net Position Behavioral Health Division Fund For the Year Ended December 31, 2016 (In Thousands)

	<u>2016</u>
Operating Revenues:	
Charges for Services	\$ 88,532
Other Revenues	<u>1,552</u>
Total Operating Revenues	<u>90,084</u>
Operating Expenses:	
Personnel Services	56,814
Client Service Costs	43,922
Contractual Services	11,182
Intra-County Services	9,340
Commodities	3,488
Depreciation and Amortization	1,383
Maintenance	11
Provider Network Services	<u>55,405</u>
Total Operating Expenses	<u>(181,545)</u>
Operating Income (Loss)	(91,461)
Nonoperating Revenues (Expenses):	
Intergovernmental Revenues	<u>40,581</u>
Income (Loss) Before Transfers	(50,880)
Transfers In	59,112
Transfers Out	<u>(826)</u>
Changes in Net Position	7,406
Net Position -- Beginning	<u>26,215</u>
Net Position -- Ending	<u><u>\$ 33,621</u></u>

COUNTY OF MILWAUKEE, WISCONSIN

STATISTICAL SECTION (UNAUDITED)

- **Financial Trends**
- **Revenue Capacity**
- **Debt Capacity**
- **Demographic and Economic Information**
- **Operating Information**

COUNTY OF MILWAUKEE, WISCONSIN

Statistical Section

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 source, the property tax.

Debt Capacity

These schedules contain 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.

COUNTY OF MILWAUKEE, WISCONSIN

Net Position by Component
Last Ten Years Ended December 31
(In Thousands)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
	(a)	(b)		(c)	(d)			(e)		(f)
<u>Governmental Activities:</u>										
Net Investment in Capital Assets	\$ 398,593	\$ 408,914	\$ 396,649	\$ 372,792	\$ 322,247	\$ 293,406	\$ 269,272	\$ 198,007	\$ 222,474	\$ 207,437
Restricted for:										
Airport - PFC and Debt	28,779	28,737	27,398	26,352	29,369	27,199	26,921	22,179	34,082	32,603
Behavioral Health Division (BHD) (c & f))	33,890	23,968	17,855	9,082	9,986	7,169	8,360	8,978	9,344	9,671
Commitments	56,717	65,338	68,029	54,731	41,742	19,068	-	-	-	-
Debt	44,481	47,176	40,238	34,964	27,063	11,577	7,332	6,220	10,757	6,071
Delinquent Property Tax	11,053	12,204	14,072	14,797	15,275	14,826	-	-	-	-
Department of Family Care (a)	-	31,691	35,358	35,357	27,754	25,092	12,182	10,012	6,142	5,779
Fleet and Facilities Divisions (d & e)	9,692	9,782	9,851	10,192	10,270	5,781	6,183	6,499	-	-
Other	19,807	20,458	19,950	24,034	21,247	10,918	1,898	1,909	2,021	1,676
Unrestricted (b)	(1,049,925)	(1,042,553)	(316,659)	(321,623)	(316,075)	(241,327)	(193,380)	(122,177)	(151,947)	(77,848)
Subtotal Governmental Activities Net Position	(446,913)	(394,285)	312,741	260,678	188,878	173,709	138,768	131,627	132,873	185,389
<u>Business-type Activities:</u>										
Net Investment in Capital Assets	347,465	364,899	345,437	299,463	270,351	242,984	206,417	178,590	177,253	182,931
Restricted For:										
Debt	16,758	17,597	19,044	17,680	15,288	15,161	14,836	14,253	14,000	13,049
Commitments	3,259	3,812	4,432	2,769	3,619	-	-	-	-	-
Capital Asset Needs	21,713	19,291	16,357	14,004	10,450	8,039	5,057	5,113	5,115	5,121
Unrestricted (b)	(85,056)	(85,032)	433	492	876	5,104	9,924	5,256	2,777	2,496
Subtotal Business-type Activities Net Position	\$ 304,139	\$ 320,567	\$ 385,703	\$ 334,408	\$ 300,584	\$ 271,288	\$ 236,234	\$ 203,212	\$ 199,145	\$ 203,597

COUNTY OF MILWAUKEE, WISCONSIN

-Net Position by Component
Last Ten Years Ended December 31
(In Thousands)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
	(a)	(b)		(c)	(d)			(e)		(f)
Primary Government:										
Net Investment in Capital Assets	\$ 746,058	\$ 773,813	\$ 742,086	\$ 672,255	\$ 592,598	\$ 536,390	\$ 475,689	\$ 376,597	\$ 399,727	\$ 390,368
Restricted For:										
Airport - PFC and Debt	28,779	28,737	27,398	26,352	29,369	27,199	26,921	22,179	34,082	32,603
Behavioral Health Division (BHD) (c & f)	33,890	23,968	17,855	9,082	9,986	7,169	8,360	8,978	9,344	9,671
Capital Asset Needs	21,713	19,291	16,357	14,004	10,450	8,039	5,057	5,113	5,115	5,121
Commitments	59,976	69,150	72,461	57,500	45,361	19,068	-	-	-	-
Debt	61,239	64,773	59,282	52,644	42,351	26,738	22,168	20,473	24,757	19,120
Delinquent Property Tax	11,053	12,204	14,072	14,797	15,275	14,826	-	-	-	-
Department of Family Care (a)	-	31,691	35,358	35,357	27,754	25,092	12,182	10,012	6,142	5,779
Fleet and Facilities Divisions (d & e)	9,692	9,782	9,851	10,192	10,270	5,781	6,183	6,499	-	-
Other	19,807	20,458	19,950	24,034	21,247	10,918	1,898	1,909	2,021	1,676
Unrestricted (b)	(1,134,981)	(1,127,585)	(316,226)	(321,131)	(315,199)	(236,223)	(183,456)	(116,921)	(149,170)	(75,352)
Total Primary Government Activities Net Position	\$ (142,774)	\$ (73,718)	\$ 698,444	\$ 595,086	\$ 489,462	\$ 444,997	\$ 375,002	\$ 334,839	\$ 332,018	\$ 388,986

Notes:

Accounting standards require that Net Position be reported in three components in the financial statements: net investment in capital assets, restricted and unrestricted. Net Position is 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.

- (a) In 2016, Wisconsin Act 55 required Family Care to become organized as a non-governmental entity (IHA). Family Care separated from Milwaukee County in September 2016.
- (b) In 2015, a restatement occurred due to the implementation of GASB 68.
- (c) In 2013, Wisconsin Act 203 created the Mental Health Board. BHD surplus is now restricted. A new capital reserve was also created.
- (d) In 2012, the County began reporting the activities of its Public Works - Professional Services Divisions as part of the General Fund. Prior to 2012, it had been reported as part of the Internal Service Funds.
- (e) In 2009, the County began reporting the activities of its Fleet and Facilities Divisions as part of the General Fund. Prior to 2009, it had been reported as part of the Internal Service Funds.
- (f) In 2007, the County began reporting the activities of BHD as part of the General Fund. Prior to 2007, it had been reported as a separate Proprietary Fund.

COUNTY OF MILWAUKEE, WISCONSIN

Changes in Net Position
Last Ten Years Ended December 31
(Accrual Basis of Accounting)
(In Thousands)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
	(a)			(b)	(c)			(d)		(e)
<u>Expenses (by Function):</u>										
<u>Governmental Activities:</u>										
Legislative, Executive and Staff	\$ 56,063	\$ 51,469	\$ 46,266	\$ 49,832	\$ 56,232	\$ 51,886	\$ 51,340	\$ 52,144	\$ 54,395	\$ 70,318
Courts and Judiciary	60,318	54,296	51,904	50,502	56,516	53,132	57,121	63,839	67,435	64,486
General Governmental Services	13,374	13,989	12,980	12,165	10,969	6,668	4,077	7,991	8,912	8,545
Public Safety	178,807	154,830	143,774	147,637	156,162	162,316	164,447	148,192	180,186	178,063
Public Works and Highways (c & d)	91,630	82,848	104,079	79,849	90,974	89,559	66,641	93,756	81,522	80,433
Human Services (a, b & e)	494,362	572,031	551,239	556,149	563,378	597,078	616,717	648,296	675,169	637,120
Parks, Recreation and Culture	86,233	87,639	76,644	76,960	80,553	79,709	77,221	83,520	85,321	81,779
Other	-	-	-	-	-	-	-	-	-	6,996
Interest on Long-Term Debt	21,180	22,439	23,294	34,545	35,503	29,448	39,472	35,361	16,351	15,964
Total Governmental Activities Expenses	1,001,967	1,039,541	1,010,180	1,007,639	1,050,287	1,069,796	1,077,036	1,133,099	1,169,291	1,143,704
<u>Business-type Activities:</u>										
Airports	99,394	94,951	98,006	89,720	87,901	90,183	82,692	74,305	77,432	68,401
Transit	173,506	161,761	166,953	163,844	169,061	175,880	174,960	178,208	174,725	169,557
Total Business-type Activities Expenses	272,900	256,712	264,959	253,564	256,962	266,063	257,652	252,513	252,157	237,958
Total Primary Government Expenses	1,274,867	1,296,253	1,275,139	1,261,203	1,307,249	1,335,859	1,334,688	1,385,612	1,421,448	1,381,662
<u>Program Revenues (by Function):</u>										
<u>Governmental Activities:</u>										
Charges for Services:										
Legislative, Executive and Staff	4,841	4,479	3,750	3,270	4,048	198	1,786	5,811	4,806	10,153
Courts and Judiciary	3,814	3,695	3,666	3,923	3,994	4,431	4,622	4,758	6,209	4,854
General Governmental Services	5,038	4,650	4,791	5,377	5,407	4,571	4,243	4,782	5,181	5,785
Public Safety	12,213	12,002	9,598	11,698	10,153	9,986	9,992	10,500	11,337	6,494
Public Works and Highways (c & d)	29,218	23,819	30,261	27,931	25,216	30,260	29,537	27,746	27,321	32,106
Human Services (a, b & e)	292,544	368,906	354,424	359,331	343,742	347,018	328,101	286,763	319,912	286,465
Parks, Recreation and Culture	35,764	36,584	32,619	33,007	32,304	29,491	31,381	31,726	33,104	26,543
Operating Grants and Contributions:										
Legislative, Executive and Staff	413	641	1,183	921	1,394	3,635	1,530	355	4,839	19,513
Courts and Judiciary	25,826	25,802	24,889	23,398	24,084	23,212	26,626	22,063	21,595	24,857
General Governmental Services	55	52	88	70	53	50	43	79	247	82
Public Safety	13,321	14,283	14,056	14,325	15,941	18,543	18,015	17,967	21,766	19,148
Public Works and Highways (c & d)	19,631	19,505	19,141	18,346	18,859	37,853	17,526	16,913	17,280	23,170
Human Services (a, b & e)	119,991	139,378	133,066	133,770	131,452	169,911	202,219	261,271	259,845	252,592
Parks, Recreation and Culture	279	398	248	218	316	2,105	1,382	680	4,001	1,272

COUNTY OF MILWAUKEE, WISCONSIN

Changes in Net Position
Last Ten Years Ended December 31
(Accrual Basis of Accounting)
(In Thousands)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
	(a)			(b)	(c)			(d)		(e)
Program Revenues (by Function) (cont.)										
<u>Governmental Activities (cont.):</u>										
Capital Grants and Contributions:										
Legislative, Executive and Staff	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,164	\$ 1,046
Public Works and Highways (c & d)	73	6,287	2,085	2,157	-	71	160	30,638	5,231	2,183
Human Services (a, b & e)	1,094	-	-	-	-	-	-	-	-	-
Parks, Recreation and Culture	1,615	3,402	505	1,822	-	-	-	2,074	-	-
Total Governmental Activities - Program Revenues	565,730	663,883	634,370	639,564	616,963	681,335	677,163	724,126	743,838	716,263
<u>Business-type Activities:</u>										
Charges for Services:										
Airports	91,293	89,989	86,560	85,520	83,306	87,254	79,644	70,997	74,221	64,559
Transit	39,292	43,132	47,790	48,867	50,521	56,606	57,624	55,424	56,501	52,443
Operating Grants and Contributions:										
Airports	253	183	193	235	579	159	309	179	-	35
Transit	94,168	87,851	91,587	88,107	91,776	89,670	89,186	89,931	88,522	82,513
Capital Grants and Contributions:										
Airports	8,158	26,545	59,317	15,171	23,037	35,767	25,284	23,119	10,354	8,124
Transit	3,927	12,125	11,797	22,191	24,450	15,816	24,205	(5,536)	569	1,408
Total Business-type Activities - Program Revenues	237,091	259,825	297,244	260,091	273,669	285,272	276,252	234,114	230,167	209,082
Total Primary Government - Program Revenues	802,821	923,708	931,614	899,655	890,632	966,607	953,415	958,240	974,005	925,345
<u>Net (Expense)/Revenue:</u>										
Governmental Activities	(436,237)	(375,658)	(375,810)	(368,075)	(433,324)	(388,461)	(399,873)	(408,973)	(425,453)	(427,441)
Business-type Activities	(35,809)	3,113	32,285	6,527	16,707	19,209	18,600	(18,399)	(21,990)	(28,876)
Total Primary Net (Expense)/Revenue	(472,046)	(372,545)	(343,525)	(361,548)	(416,617)	(369,252)	(381,273)	(427,372)	(447,443)	(456,317)

COUNTY OF MILWAUKEE, WISCONSIN

Changes in Net Position Last Ten Years Ended December 31 (Accrual Basis of Accounting) (In Thousands)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
	(a)			(b)	(c)			(d)		(e)
General Revenues and Other Changes in Net Position:										
<u>Governmental Activities:</u>										
Taxes										
Property Taxes	\$ 289,631	\$ 285,494	\$ 284,461	\$ 283,631	\$ 279,179	\$ 273,297	\$ 266,973	\$ 260,724	\$ 251,495	\$ 243,144
Sales Taxes	73,009	70,838	67,826	65,488	64,740	64,348	61,534	59,258	67,112	63,613
Intergovernmental Revenues Not Related to Specific Programs	33,559	37,271	36,797	34,443	44,402	45,238	44,952	46,056	39,734	42,387
Investment Income	2,531	2,246	777	478	6,186	3,554	4,476	7,120	13,516	16,329
Gain on Sale of Capital Assets	1,874	-	12,696	36,315	-	-	-	-	146	96
Proceeds from Settlement of Lawsuit	-	-	-	-	-	-	-	29,000	-	-
Other Revenue	26,768	40,212	43,597	46,362	66,356	52,497	43,339	27,090	17,037	22,997
Transfers	(19,041)	(17,040)	(18,281)	(26,842)	(12,370)	(15,532)	(14,260)	(21,521)	(16,103)	(19,073)
Special Item - Separation of Family Care	(24,722)	-	-	-	-	-	-	-	-	-
Total Governmental Activities	383,609	419,021	427,873	439,875	448,493	423,402	407,014	407,727	372,937	369,493
<u>Business-type Activities:</u>										
Investment Income	340	300	729	332	219	313	162	945	1,417	2,070
Gain (Loss) on Sale of Capital Assets	-	(86)	-	123	-	-	-	-	18	29
Other Revenue	-	6	-	-	-	-	-	-	-	-
Transfers	19,041	17,040	18,281	26,842	12,370	15,532	14,260	21,521	16,103	19,073
Total Business-type Activities	19,381	17,260	19,010	27,297	12,589	15,845	14,422	22,466	17,538	21,172
Total Primary Government	402,990	436,281	446,883	467,172	461,082	439,247	421,436	430,193	390,475	390,665
<u>Change in Net Position:</u>										
Governmental Activities	(52,628)	43,363	52,063	71,800	15,169	34,941	7,141	(1,246)	(52,516)	(57,948)
Business-type Activities	(16,428)	20,373	51,295	33,824	29,296	35,054	33,022	4,067	(4,452)	(7,704)
Total Primary Government	\$ (69,056)	\$ 63,736	\$ 103,358	\$ 105,624	\$ 44,465	\$ 69,995	\$ 40,163	\$ 2,821	\$ (56,968)	\$ (65,652)

Notes:

- (a) In 2016, Wisconsin Act 55 required Family Care to become organized as a non-governmental entity (IHA). Family Care separated from Milwaukee County in September 2016.
- (b) In 2013, Wisconsin Act 203 created the Mental Health Board. BHD surplus is now restricted. A new capital reserve was also created.
- (c) In 2012, the County began reporting the activities of its Public Works - Professional Services Divisions as part of the General Fund. Prior to 2012, it had been reported as part of the Internal Service Funds.
- (d) In 2009, the County began reporting the activities of its Fleet and Facilities Divisions as part of the General Fund. Prior to 2009, it had been reported as part of the Internal Service Funds.
- (e) In 2007, the County began reporting the activities of BHD as part of the General Fund. Prior to 2007, it had been reported as a separate Proprietary Fund.

COUNTY OF MILWAUKEE, WISCONSIN

Fund Balances of Governmental Funds
Last Ten Years Ended December 31
(in Thousands)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
	(a)			(b)	(c)			(d)		(e)
General Fund (Per GASB 54): ^										
Non-spendable:										
Deposits	\$ 3,173	\$ -	\$ -	\$ -	\$ -	\$ -				
Inventories	2,205	2,364	2,722	2,696	2,815	2,085				
Prepays	1,071	-	-	-	-	-				
Restricted:										
2018 Appropriations	5,000	-	-	-	-	-				
2017 Appropriations	5,000	5,000	-	-	-	-				
2016 Appropriations	-	5,000	5,000	-	-	-				
2015 Appropriations	-	-	5,000	5,000	-	-				
2014 Appropriations	-	-	-	5,000	5,000	-				
2013 Appropriations	-	-	-	-	5,539	5,539				
2012 Appropriations	-	-	-	-	-	8				
Behavioral Health Division (BHD) (b & e)	24,583	14,899	8,483	-	-	-				
Commitments	11,325	14,081	7,734	10,181	9,284	9,021				
Delinquent Property Tax	11,053	12,204	14,072	14,797	15,275	14,826				
Department of Family Care - Excess Reserves (a)	-	19,460	23,138	23,149	16,322	12,910				
Department of Family Care - State Restricted (a)	-	12,231	12,220	12,208	11,432	12,182				
Housing	794	-	185	835	627	1,369				
Investment Fair Value in Excess of Book Value	-	-	-	-	999	1,850				
Committed:										
Economic Development	2,439	2,939	2,739	1,196	1,196	196				
Workforce Development	-	-	-	-	722	-				
	66,643	88,178	81,293	75,062	69,211	59,986				
General Fund (Prior to GASB 54): ^										
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
Reserved for Delinquent Property Tax							14,826	13,558	10,487	8,278
Reserved for Encumbrances							5,092	6,205	9,349	11,810
Reserved for Inventories							2,070	1,837	1,012	1,269
Reserved for Milwaukee County Family Care (a)							12,182	10,012	6,142	5,779
Unreserved:										
Designated for Aging CMO							-	437	4,115	4,919
Designated for Economic Development							196	196	201	200
Designated for Family Care (a)							3,233	-	-	-
Designated for Housing							948	813	2,193	1,954
Designated for Investments							2,476	2,561	3,480	1,217
Subtotal General Fund							45,175	43,907	49,070	48,274

COUNTY OF MILWAUKEE, WISCONSIN

Fund Balances of Governmental Funds
Last Ten Years Ended December 31
(in Thousands)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
	(a)			(b)	(c)			(d)		(e)
All Other Governmental Funds (Per GASB 54): ^										
Restricted:										
Administrative Services	\$ 5,647	\$ 7,016	\$ 7,016	\$ 7,016	\$ 6,984	\$ 136				
Airports - Passenger Facilities Charges and Debt	28,779	28,737	27,398	26,352	29,369	27,199				
Behavioral Health Division (b & e)	9,307	9,068	9,372	9,082	9,986	7,169				
Commitments	43,641	50,512	59,387	48,276	31,737	67,872				
Debt Service	44,481	47,176	40,238	34,964	27,063	11,577				
Fleet and Facilities Divisions (c & d)	9,692	9,782	9,851	10,192	10,270	5,781				
Parks	1,540	1,593	1,532	1,240	1,074	1,027				
Persons with Disabilities	100	97	99	101	110	115				
Zoo	1,726	1,751	1,118	950	914	874				
Subtotal All Other Governmental Funds	144,913	155,732	156,011	138,173	117,507	121,750				
Total Governmental Funds Balance	\$ 211,556	\$ 243,910	\$ 237,304	\$ 213,235	\$ 186,718	181,736				
All Other Governmental Funds (Prior to GASB 54): ^										
Reserved For:										
Reserved for Administrative Services						\$ 136	\$ 136	\$ 136	\$ 112	
Reserved for Airports - PFC and Debt						26,921	22,179	34,082	32,603	
Reserved for Behavioral Health Division (b & e)						8,360	8,978	9,344	9,671	
Reserved for Debt Service						7,332	6,220	10,757	6,071	
Reserved for Encumbrances						98,216	64,468	11,595	17,983	
Reserved for Fleet and Facilities Divisions (c & d)						6,183	6,499	-	-	
Reserved for Parks						930	998	1,072	853	
Reserved for Persons with Disabilities						121	123	128	124	
Reserved for Zoo						711	652	685	587	
Subtotal All Other Governmental Funds						148,910	110,253	67,799	68,004	
Total Governmental Funds Balance						\$ 194,085	\$ 154,160	\$ 116,869	\$ 116,278	

Notes:

^Under GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*, fund balances are classified as Nonspendable, Restricted, Committed or Unassigned. Prior to 2011 and the implementation of GASB No. 54, fund balances were classified as Reserved or Unreserved.

(a) In 2016, Wisconsin Act 55 required Family Care to become an IHA entity. Family Care separated from Milwaukee County in September 2016

(b) In 2013, Wisconsin Act 203 created the Mental Health Board. BHD surplus is now restricted. A new capital reserve was also created.

(c) In 2012, the County began reporting the activities of its Public Works - Professional Services Divisions as part of the General Fund. Prior to 2012, it had been reported as part of the Internal Service Funds.

(d) In 2009, the County began reporting the activities of its Fleet and Facilities Divisions as part of the General Fund. Prior to 2009, it had been reported as part of the Internal Service Funds.

(e) In 2007, the County began reporting the activities of BHD as part of the General Fund. Prior to 2007, it had been reported as a separate Proprietary Fund.

COUNTY OF MILWAUKEE, WISCONSIN

Changes in Fund Balances - Governmental Funds
Last Ten Years Ended December 31
(In Thousands)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
	(a)			(b)	(c)			(d)		(e)
Revenues:										
Intergovernmental	\$ 234,486	\$ 244,760	\$ 230,904	\$ 233,696	\$ 254,672	\$ 318,776	\$ 335,573	\$ 380,540	\$ 365,495	\$ 370,814
Property Taxes	289,631	285,494	284,462	283,632	279,179	273,297	266,973	260,724	251,495	243,144
Sales Taxes	73,009	70,838	67,826	65,488	64,740	64,348	61,534	59,258	67,112	63,613
Charges for Services (a & b)	377,451	443,611	429,945	420,623	414,039	405,138	388,274	344,591	379,907	347,478
Fines and Forfeits	2,089	1,734	1,680	2,172	2,621	2,932	3,284	3,245	3,375	3,571
Licenses and Permits	968	885	932	642	577	453	640	453	978	552
Investment Income (b)	2,530	2,245	777	10,260	9,069	10,730	11,540	11,352	17,679	20,411
Other	29,602	39,031	39,716	41,846	63,690	53,147	46,903	40,142	36,208	34,510
Total Revenues	1,009,766	1,088,598	1,056,242	1,058,359	1,088,587	1,128,821	1,114,721	1,100,305	1,122,249	1,084,093
Expenditures:										
Legislative, Executive and Staff	28,233	25,093	17,995	20,053	23,382	21,433	21,309	22,191	26,688	36,094
Courts and Judiciary	58,324	54,749	51,435	50,229	53,383	52,699	55,384	59,984	69,274	61,120
General Governmental Services	13,247	12,996	13,261	11,070	9,939	6,746	6,747	7,395	7,628	7,886
Public Safety	163,549	152,835	144,219	146,410	145,119	159,708	154,196	146,994	166,832	147,082
Public Works and Highways (c & d)	66,313	59,537	66,768	63,591	54,629	57,549	50,676	64,062	28,482	28,621
Human Services (a & e)	496,863	567,749	554,581	553,866	554,697	591,802	611,136	628,574	657,004	618,062
Parks, Recreation and Culture	69,995	70,964	64,258	64,231	65,212	65,271	64,062	66,806	66,799	66,414
Other	-	-	-	-	-	-	-	-	10,905	3,231
Capital Outlay	48,696	75,123	58,199	66,908	68,446	72,549	80,584	56,994	49,938	33,587
Debt Service:										
Principal Retired	59,514	57,700	69,942	56,761	63,913	61,626	60,202	48,164	38,677	31,063
Interest	20,236	21,663	22,704	50,700	36,993	36,894	38,036	32,215	15,476	15,473
Principal Retired on Refunding	16,055	14,738	-	227,004	-	-	-	-	-	-
Total Expenditures	1,041,025	1,113,147	1,063,362	1,310,823	1,075,713	1,126,277	1,142,332	1,133,379	1,137,703	1,048,633
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(31,259)	(24,549)	(7,120)	(252,464)	12,874	2,544	(27,611)	(33,074)	(15,454)	35,460

COUNTY OF MILWAUKEE, WISCONSIN

Changes in Fund Balances - Governmental Funds Last Ten Years Ended December 31 (In Thousands)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
	(a)			(b)	(c)			(d)		(e)
Other Financing Sources (Uses)										
General Obligation Bonds Issued	\$ 37,799	\$ 49,367	\$ 39,209	\$ 259,248	\$ 20,301	\$ 31,757	\$ 82,985	\$ 90,000	\$ 30,860	\$ 33,625
General Obligation Bonds Issued - Premium	-	-	-	-	3,053	4,176	-	-	-	-
Refunding Bonds Issued	15,490	-	-	-	-	-	-	-	-	-
Premium/(Discount) on Debt Issued	1,574	1,570	1,106	839	-	-	-	(80)	31	-
Refunding Bonds Issued	-	-	-	-	-	-	-	-	3,252	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	(23,145)	(35,756)	-	-	-	-
Payment on Current Refunded Bonds	-	-	-	-	-	-	-	(9,214)	-	-
Pension Liability Bonds Issued	-	-	-	-	-	-	-	400,000	-	-
Contribution to Employee Retirement System	-	-	-	-	-	-	-	(426,692)	-	-
Proceeds from Legal Settlement	-	-	-	-	-	-	-	29,000	-	-
Proceeds from Sale of Capital Assets	2,141	-	12,696	36,315	-	-	-	-	-	-
Proceeds from Capital Leases	-	93	324	1,383	-	-	-	-	-	-
Insurance Recoveries	-	-	2,046	13,000	-	-	-	-	-	-
Transfers In	168,511	140,941	111,970	113,594	128,310	104,061	212,816	89,852	54,950	137,797
Transfers Out	(190,478)	(160,816)	(136,162)	(145,398)	(136,411)	(119,131)	(228,265)	(102,501)	(73,048)	(190,547)
Total Other Financing Sources (Uses)	35,037	31,155	31,189	278,981	(7,892)	(14,893)	67,536	70,365	16,045	(19,125)
Special Items										
Separation of Family Care	(24,722)	-	-	-	-	-	-	-	-	-
Payment on Guaranteed Loan	(11,410)	-	-	-	-	-	-	-	-	-
Total Special Items	(36,132)	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	\$ (32,354)	\$ 6,606	\$ 24,069	\$ 26,517	\$ 4,982	\$ (12,349)	\$ 39,925	\$ 37,291	\$ 591	\$ 16,335
Debt Services as a Percentage of Noncapital Expenditures	9.65 %	9.07 %	9.22 %	26.89 %	10.02 %	9.35 %	9.25 %	7.47 %	4.98 %	4.58 %

Notes:

- (a) In 2016, Wisconsin Act 55 required Family Care to become organized as a non-governmental entity (IHA). Family Care separated from Milwaukee County in September 2016.
- (b) In 2013, Wisconsin Act 203 created the Mental Health Board. BHD surplus is now restricted. A new capital reserve was also created.
- (c) In 2012, the County began reporting the activities of its Public Works - Professional Services Divisions as part of the General Fund. Prior to 2012, it had been reported as part of the Internal Service Funds.
- (d) In 2009, the County began reporting the activities of its Fleet and Facilities Divisions as part of the General Fund. Prior to 2009, it had been reported as part of the Internal Service Funds.
- (e) In 2007, the County began reporting the activities of BHD as part of the General Fund. Prior to 2007, it had been reported as a separate Proprietary Fund.

COUNTY OF MILWAUKEE, WISCONSIN

Property Tax Levies and Collections
Last Ten Years Ended December 31
(In Thousands)

Tax Levy Year	Tax Budget Year	Total Tax Levy	Collections in Budget Year	Percent of Tax Collections in Budget Year	Collections in Subsequent Years	Total Collections to Date	Percent of Tax Collections to Date	Total Delinquent Taxes
2016	2017	\$ 291,878	Info not available at print time					
2015	2016	287,795	\$ 279,265	97.04 %	\$ 3,278	\$ 282,543	98.18 %	\$ 5,253
2014	2015	283,799	274,868	96.85 %	6,286	281,154	99.07 %	2,644
2013	2014	280,130	270,472	96.55 %	7,913	278,385	99.38 %	1,743
2012	2013	280,134	267,487	95.49 %	10,673	278,160	99.30 %	1,961
2011	2012	276,194	261,959	94.85 %	12,720	274,679	99.45 %	1,496
2010	2011	270,386	256,180	94.75 %	13,796	269,976	99.85 %	381
2009	2010	264,102	248,351	94.04 %	15,451	263,802	99.89 %	290
2008	2009	258,479	243,129	94.06 %	15,099	258,228	99.90 %	236
2007	2008	250,733	237,137	94.58 %	13,529	250,666	99.97 %	66

Note:

In December, taxes are levied to the municipalities in Milwaukee County for the subsequent budget year. The municipalities collect and forward payments to Milwaukee County beginning in January. In August, the outstanding tax balances (which are now considered delinquent) are transferred from all municipalities (except the City of Milwaukee - which processes their own) to Milwaukee County for collection.

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						
2016	2017	\$36,885,566	\$20,136,822	\$1,519,121	\$32,044	\$1,719,007	\$60,292,560	\$(3,018,194)	\$57,274,366	5.10	\$58,636,179
2015	2016	36,320,315	19,071,770	1,483,307	31,800	1,645,987	58,553,179	(2,491,590)	56,061,589	5.14	57,193,142
2014	2015	36,173,659	18,648,195	1,460,158	31,809	1,940,102	58,253,923	(2,600,473)	55,653,450	5.10	57,051,144
2013	2014	35,671,139	18,154,823	1,478,209	32,814	1,790,540	57,127,525	(2,518,176)	54,609,349	5.13	57,209,236
2012	2013	36,872,973	17,678,403	1,493,276	32,712	1,704,938	57,782,302	(2,252,219)	55,530,083	5.05	58,280,360
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
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
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
2008	2009	44,933,692	19,653,568	1,551,601	31,031	2,054,176	68,224,068	(2,952,150)	65,271,918	3.96	64,224,181
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

Notes:

(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 are sent to the State of Wisconsin on the Statement of Assessment form.

Sources:

Wisconsin Department of Revenue - Reports - Equalized Value - Statement of Changes in Equalized Value.

Wisconsin Department of Revenue - Reports - Equalized Value - Report Used for Apportionment of County Levy.

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)

Tax Levy Year	Tax Budget Year	Equalized Value	Less: Tax Incremental District	Taxable Equalized Value	Property Taxes Operating Levy	Property Taxes Debt Levy	Property Taxes Total Levy	Property Taxes Operating Rate	Property Taxes Debt Rate	Property Taxes Total Direct Rate
		(1)	(2)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
2016	2017	\$ 60,292,560	\$ (3,018,194)	\$ 57,274,366	\$ 258,262	\$ 33,616	\$ 291,878	\$ 4.51	\$ 0.59	\$ 5.10
2015	2016	58,553,179	(2,491,590)	56,061,589	258,346	29,450	287,795	4.61	0.53	5.14
2014	2015	58,253,923	(2,600,473)	55,653,450	249,844	33,957	283,799	4.49	0.61	5.10
2013	2014	57,127,525	(2,518,176)	54,609,349	237,940	42,190	280,130	4.36	0.77	5.13
2012	2013	57,782,302	(2,252,219)	55,530,083	228,571	51,563	280,134	4.12	0.93	5.05
2011	2012	61,099,029	(2,547,465)	58,551,564	219,641	56,553	276,194	3.75	0.97	4.72
2010	2011	63,403,510	(2,673,043)	60,730,467	217,126	53,260	270,386	3.58	0.88	4.46
2009	2010	66,836,154	(3,156,683)	63,679,471	203,821	60,281	264,102	3.20	0.95	4.15
2008	2009	68,224,068	(2,952,150)	65,271,918	198,712	59,767	258,479	3.04	0.92	3.96
2007	2008	67,119,283	(2,637,236)	64,482,047	197,303	53,432	250,733	3.06	0.83	3.89

Notes:

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 as well as Southeastern Wisconsin Regional Planning Commission (SEWPC) charges. These rates are based on the Taxable Equalized Value which excludes TIFs. The rates do not include State Forestry charges, which are based on the Taxable Equalized Value which includes TIFs. The Property Taxes Total Levy amount will vary slightly from the actual tax levy amount billed in December of the tax levy year.

Sources:

- (1) Wisconsin Department of Revenue - Reports - Equalized Value - Statement of Changes in Equalized Value.
- (2) Wisconsin Department of Revenue - determines the full value of Tax Increment Finance (TIF) Districts.
- (3) Wisconsin Department of Revenue - Reports - Property Tax - Rates - County Property Tax Rates.

COUNTY OF MILWAUKEE, WISCONSIN

Property Tax Rates by Municipality - per \$1,000 of Assessed Value
Last Ten Years Ended December 31

Tax Levy Year Tax Budget Year	Taxable Equalized Value (a)	Taxable Equalized Value % (a)	Gross Rates (b)									
	2016	2016	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
	2017	2017	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Milwaukee County	\$ 57,274,366	100.00 %	\$ 26.13	\$ 28.64	\$ 28.53	\$ 29.64	\$ 29.15	\$ 27.31	\$ 26.20	\$ 24.76	\$ 23.50	\$ 22.55
<u>Villages</u>												
Bayside (1)	606,013	1.06 %	25.56	28.27	28.40	29.59	28.89	26.84	26.31	25.07	24.07	23.69
Brown Deer	871,821	1.52 %	29.81	33.35	31.70	33.00	31.86	29.67	28.23	26.91	25.69	24.16
Fox Point (1)	1,107,761	1.93 %	25.05	27.87	27.74	29.16	28.46	26.64	26.22	24.72	23.51	23.02
Greendale	1,271,454	2.22 %	25.18	27.51	27.77	29.64	28.45	28.15	27.17	25.48	24.35	24.55
Hales Corners	657,294	1.15 %	24.48	26.33	27.04	27.23	27.00	25.30	25.67	23.91	22.58	22.24
River Hills (1)	495,682	0.87 %	24.34	26.98	27.31	28.21	27.21	25.03	24.49	23.42	22.20	22.03
Shorewood	1,449,243	2.53 %	27.74	29.97	30.07	31.02	32.08	29.13	28.40	26.24	25.72	25.21
West Milwaukee	287,204	0.50 %	30.65	32.32	31.07	32.22	32.15	31.80	30.57	28.59	27.34	26.75
Whitefish Bay	2,125,526	3.71 %	21.99	24.24	24.34	25.80	25.56	24.51	24.14	22.32	21.47	21.73
Total Villages	\$ 8,871,998	15.49 %	\$ 25.45	\$ 27.92	\$ 27.88	\$ 29.15	\$ 28.74	\$ 27.15	\$ 26.52	\$ 24.86	\$ 23.85	\$ 23.54
<u>Cities</u>												
Cudahy	904,789	1.58 %	28.21	30.33	27.44	28.99	27.66	26.77	27.09	25.40	25.17	24.59
Franklin (2)	3,629,056	6.34 %	23.31	25.86	25.77	27.38	26.44	24.89	25.45	23.58	22.45	22.72
Glendale (1)	1,709,085	2.98 %	25.94	27.89	27.87	28.43	28.65	26.14	24.12	23.28	22.78	22.64
Greenfield (1)	2,783,224	4.86 %	25.95	27.97	27.76	28.52	28.80	26.41	26.33	24.72	22.82	22.18
Milwaukee	25,530,194	44.58 %	27.57	30.71	30.59	31.27	30.59	28.67	26.96	25.64	24.15	22.63
Oak Creek	3,014,976	5.26 %	22.24	24.84	24.08	25.14	25.12	23.32	23.07	21.99	20.86	20.75
St. Francis	544,264	0.95 %	30.10	29.42	30.47	31.26	29.39	27.82	26.99	24.52	23.86	23.24
South Milwaukee	1,127,175	1.97 %	25.28	28.65	28.12	30.31	29.32	27.32	26.03	24.14	23.55	22.35
Wauwatosa	5,519,699	9.64 %	22.98	23.98	24.34	26.67	26.44	24.18	23.43	22.20	21.31	20.20
West Allis	3,639,906	6.36 %	27.42	28.88	28.89	30.10	30.12	28.96	27.50	25.62	24.05	23.73
Total Cities	\$ 48,402,368	84.51 %	\$ 26.25	\$ 28.77	\$ 28.64	\$ 29.72	\$ 29.22	\$ 27.33	\$ 26.14	\$ 24.75	\$ 23.44	\$ 22.39

Notes:

- (1) Municipalities have multiple property tax rates depending upon which school district the property is located within.
(2) Municipality has multiple property tax rates depending upon which school district the property is located within and/or if sewer is included.

Sources:

- (a) Wisconsin Department of Revenue - Governments - County Officials - Report Used for Apportionment of County Levy
(b) Wisconsin Department of Revenue - Reports - Property Tax - Rates - Town, Village and City Taxes

COUNTY OF MILWAUKEE, WISCONSIN

Weighted Average of Property Taxes to Taxable Equalized Value
For the Year Ended December 31, 2016
(In Thousands)

	2016 Taxable Equalized Value	2016 Property Tax after State Credit	2016 Weighted Average
<u>Villages:</u>			
Bayside (1)	\$ 606,013	\$ 15,488	0.00027042
Brown Deer	871,821	27,206	0.00047501
Fox Point (1)	1,107,761	27,752	0.00048454
Greendale	1,271,454	34,158	0.00059639
Hales Corners	657,294	16,161	0.00028217
River Hills (1)	495,682	12,066	0.00021067
Shorewood	1,449,243	43,493	0.00075938
West Milwaukee	287,204	11,004	0.00019213
Whitefish Bay	2,125,526	47,512	0.00082955
Total Villages	8,871,998	234,840	0.00410026
<u>Cities:</u>			
Cudahy	904,789	30,732	0.00053658
Franklin (2)	3,629,056	86,927	0.00151773
Glendale (1)	1,709,085	54,715	0.00095531
Greenfield (1)	2,783,224	72,669	0.00126879
Milwaukee	25,530,194	745,260	0.01301210
Oak Creek	3,014,976	69,147	0.00120729
St. Francis	544,264	17,448	0.00030464
South Milwaukee	1,127,175	30,031	0.00052434
Wauwatosa	5,519,699	130,987	0.00228701
West Allis	3,639,906	102,414	0.00178813
Total Cities	48,402,368	1,340,330	0.00234019
Milwaukee County	\$ 57,274,366	\$ 1,575,170	0.02750218

Notes:

(1) Municipalities have multiple property tax rates depending upon which school district the property is located within.

(2) Municipality has multiple property tax rates depending upon which school district the property is located within and/or if sewer is included.

Source:

Wisconsin Department of Revenue - Reports - Property Tax - Rates - Town, Village and City Taxes

COUNTY OF MILWAUKEE, WISCONSIN

Top Fifteen Principal Property Tax Payers
Current Year and Nine Years Ago
(In Thousands)

Company	Type of Business	2016			2007		
		Rank	Full Market Value	Percent of Total Equalized Value	Rank	Full Market Value	Percent of Total Equalized Value
Mayfair Mall LLC	Shopping Mall	1	\$ 460,216	0.76 %	2	\$ 293,130	0.44 %
Northwestern Mutual Life Insurance Co.	Insurance	2	437,037	0.72 %	3	287,144	0.43 %
Bayshore Town Center LLC	Shopping Mall	3	329,958	0.55 %	1	307,466	0.46 %
US Bank Corp	Banking	4	256,266	0.43 %	4	282,364	0.42 %
Mandel Group	Real Estate	5	190,254	0.32 %			
Wal-Mart / Sam's Club	Retailer	6	161,185	0.27 %			
Southridge Mall & Plaza	Shopping Mall	7	158,075	0.26 %	7	126,253	0.19 %
Metropolitan Associates	Real Estate	8	132,677	0.22 %	5	150,332	0.22 %
Juneau Village / Prospect Tower / Katz	Real Estate	9	130,440	0.22 %			
Marcus Corp / Milw City Center / Pfister	Theaters, Convention Ctr, Hotels	10	119,011	0.20 %	6	138,360	0.21 %
Forest County Potawatomi Community	Hotel, Parking Structure	11	115,370	0.19 %			
Aurora Health	Health Care	12	106,277	0.18 %			
411 East Wisconsin LLC	Real Estate	13	91,100	0.15 %	12	100,548	0.15 %
Jackson Street Holdings	Holdings	14	87,318	0.14 %			
Gormon & Co.	Real Estate	15	83,502	0.14 %			
Harley-Davidson	Manufacturer				8	123,663	0.18 %
Wheaton Franciscan	Health Care				9	116,900	0.17 %
Marshall & Ilsley Bank	Banking				10	110,635	0.16 %
Towne Realty Inc.	Real Estate				11	105,468	0.16 %
GE Medical System	Health Care				13	81,482	0.12 %
Geneva Exchange Fund	Real Estate				14	79,621	0.12 %
JP Morgan Chase Bank	Banking				15	79,210	0.12 %
Total Milwaukee County Equalized Value			\$ 60,292,560	100.00 %		\$67,119,283	100.00 %

Source:

Wisconsin Department of Revenue

COUNTY OF MILWAUKEE, WISCONSIN

Outstanding Debt by Type
Last Ten Years Ended December 31
(In Thousands)

Year	Governmental Activities		Business-type Activities			Total Primary Government	Total Personal Income	Percentage of Personal Income	Population	Debt Per Capita
	General Obligation Bonds	Capital Leases	General Obligation Bonds	Revenue Bonds	Capital Leases					
2016	\$ 615,916	\$ 3,151	\$ 37,580	\$ 194,679	\$ 935	\$ 852,261	(1) Info not available	at print time	949	\$ 0.90
2015	639,952	4,262	27,488	207,986	694	880,382	41,201,661	2.14 %	950	0.93
2014	665,313	5,282	25,001	221,036	436	917,068	39,697,233	2.31 %	950	0.97
2013*	699,153	6,053	28,558	230,481	245	964,490	39,213,035	2.46 %	950	1.02
2012	720,066	5,856	29,213	190,887	385	946,407	38,808,170	2.44 %	948	1.00
2011	786,394	5,593	32,315	199,884	534	1,024,720	37,496,095	2.73 %	948	1.08
2010	849,805	4,774	35,374	208,588	390	1,098,931	36,453,170	3.01 %	948	1.16
2009	836,667	4,077	29,880	183,630	381	1,054,635	36,219,621	2.91 %	932	1.13
2008	410,818	4,503	26,443	176,815	245	618,824	35,605,736	1.74 %	938	0.66
2007	422,851	-	29,475	184,213	400	636,939	34,610,340	1.84 %	937	0.68

Note:

* GASB 65 was implemented in 2013 which removed the unamortized loss on refunding out of liabilities. Prior to 2013, losses were netted against outstanding obligations.

Source:

(1) U.S. Dept. of Commerce, Bureau of Economic Analysis, Regional Income Division, Local Area Personal Income and Employment, CA04 - Personal Income and Employment Summary Report.

COUNTY OF MILWAUKEE, WISCONSIN

Ratio of Net General Obligation Bonded Debt to Equalized Value
and Net General Obligation Bonded Debt per Capita
Last Ten Years Ended December 31
(In Thousands)

<u>Year</u>	<u>Population</u> (1)	<u>Equalized Value</u> (2)	<u>Governmental General Obligation Bonded Debt</u>	<u>Business-type General Obligation Bonded Debt</u>	<u>Total General Obligation ("GO") Bonded Debt</u>	<u>Less: Restricted for Debt Service</u>	<u>Net General Obligation ("GO") Bonded Debt</u>	<u>Percent of Net Bonded GO Debt to Equalized Value</u>	<u>Net Bonded GO Debt Per Capita</u>
2016	949	\$ 60,292,560	\$ 615,916	\$ 37,580	\$ 653,496	\$ (44,481)	\$ 609,015	1.01%	\$ 0.64
2015	950	58,553,179	639,952	27,488	667,440	(47,176)	620,264	1.06%	0.65
2014	950	58,253,923	665,313	25,001	690,314	(40,238)	650,076	1.12%	0.68
2013	950	57,127,525	699,153	28,558	727,711	(34,964)	692,747	1.21%	0.73
2012	948	57,782,302	720,066	29,213	749,279	(27,063)	722,216	1.25%	0.76
2011	948	61,099,029	786,394	32,315	818,709	(11,577)	807,132	1.32%	0.85
2010	948	63,403,510	849,805	35,374	885,179	(7,332)	877,847	1.38%	0.93
2009	932	66,836,154	836,667	29,880	866,547	(6,220)	860,327	1.29%	0.92
2008	938	68,224,068	410,818	26,443	437,261	(10,757)	426,504	0.63%	0.45
2007	937	67,119,283	422,851	29,475	452,326	(6,071)	446,255	0.66%	0.48

Sources:

- (1) State of Wisconsin - Dept. of Administration - Intergovernmental Relations - Per County Final Population Preliminary Estimates.
- (2) Wisconsin Department of Revenue - Reports - Equalized Value - Statement of Changes in Equalized Value.

COUNTY OF MILWAUKEE, WISCONSIN

Computation of Legal Debt Margin
For the Years Ended December 31
(In Thousands)

	2016	2015	2014	2013	2012
Equalized Value of Taxable Property (1)	\$ 60,292,560	\$ 58,553,179	\$ 58,253,923	\$ 57,127,525	\$ 57,782,302
Debt Limit Rate - (statutory limitation) (1)	5 %	5 %	5 %	5 %	5 %
Statutory Debt Limit (1)	<u>3,014,628</u>	<u>2,927,659</u>	<u>2,912,696</u>	<u>2,856,376</u>	<u>2,889,115</u>
Bonds and Notes Outstanding:					
General Obligation Bonds and Notes	653,496	667,440	690,314	727,711	749,279
Less: Amount Available in Debt Service Fund	<u>(44,481)</u>	<u>(47,176)</u>	<u>(40,238)</u>	<u>(34,964)</u>	<u>(27,063)</u>
Total Net Debt Applied to Debt Limit	<u>609,015</u>	<u>620,264</u>	<u>650,076</u>	<u>692,747</u>	<u>722,216</u>
Legal Debt Margin Remaining at 12/31	<u>\$ 2,405,613</u>	<u>\$ 2,307,395</u>	<u>\$ 2,262,620</u>	<u>\$ 2,163,629</u>	<u>\$ 2,166,899</u>
Total Net Debt Applied to Debt Limit as a percentage of the Statutory Debt Limit	<u>20.2 %</u>	<u>21.2 %</u>	<u>22.3 %</u>	<u>24.3 %</u>	<u>25.0 %</u>
	2011	2010	2009	2008	2007
Equalized Value of Taxable Property (1)	\$ 61,099,029	\$ 63,403,510	\$ 66,836,154	\$ 68,224,068	\$ 67,119,283
Debt Limit Rate - (statutory limitation) (1)	5 %	5 %	5 %	5 %	5 %
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>
Legal Debt Margin Remaining at 12/31	<u>\$ 2,247,819</u>	<u>\$ 2,292,329</u>	<u>\$ 2,481,481</u>	<u>\$ 2,984,699</u>	<u>\$ 2,909,709</u>
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>

Source:

(1) Wisconsin Department of Revenue, Reports, Municipal Debt Limit.

COUNTY OF MILWAUKEE, WISCONSIN

Direct and Overlapping Bonded Debt & Capital Leases
For the Year Ended December 31, 2016
(In Thousands)

	<u>Net Debt Outstanding</u>	<u>Percent Applicable to County</u>	<u>Amount Applicable to County</u>
Direct:			
Milwaukee County - Net Debt Outstanding	\$ 615,916	100.00 %	\$ 615,916
Milwaukee County - Net Capital Leases	3,151	100.00 %	3,151
Total Direct Debt - Milwaukee County	\$ 619,067	100.00 %	\$ 619,067

(Governmental-activities only)

	<u>Net Debt *</u> <u>Outstanding</u>	<u>Percent</u> <u>Applicable to</u> <u>County</u>	<u>Amount</u> <u>Applicable to</u> <u>County</u>		<u>Net Debt *</u> <u>Outstanding</u>	<u>Percent</u> <u>Applicable to</u> <u>County</u>	<u>Amount</u> <u>Applicable to</u> <u>County</u>
Overlapping:				Overlapping:			
Villages:				School Districts:			
Bayside	\$ 11,329	95.91 %	\$ 10,866	Brown Deer	\$ 24,371	100.00 %	\$ 24,371
Brown Deer	20,580	100.00 %	20,580	Cudahy	13,697	100.00 %	13,697
Fox Point	10,526	100.00 %	10,526	Fox Point / Bayside	3,690	97.89 %	3,612
Greendale	24,100	100.00 %	24,100	Franklin	29,120	100.00 %	29,120
Hales Corners	6,458	100.00 %	6,458	Glendale - River Hills	3,227	100.00 %	3,227
River Hills	5,386	100.00 %	5,386	Greendale	23,705	100.00 %	23,705
Shorewood	53,790	100.00 %	53,790	Greenfield	55,766	100.00 %	55,766
West Milwaukee	15,037	100.00 %	15,037	Maple Dale / Indian Hill	3,458	100.00 %	3,458
Whitefish Bay	63,974	100.00 %	63,974	Milwaukee Area Technical College	104,295	80.50 %	83,961
				Milwaukee Public	87,505	99.99 %	87,500
Cities:				Nicolet High School	6,450	99.41 %	6,412
Cudahy	30,779	100.00 %	30,779	Oak Creek / Franklin	95,215	100.00 %	95,215
Franklin	32,625	100.00 %	32,625	St. Francis	11,215	100.00 %	11,215
Glendale	33,845	100.00 %	33,845	Shorewood	20,960	100.00 %	20,960
Greenfield	77,045	100.00 %	77,045	South Milwaukee	33,685	100.00 %	33,685
Milwaukee	924,538	100.00 %	924,538	Wauwatosa	-	0.00 %	-
Oak Creek	97,330	100.00 %	97,330	West Allis / West Milwaukee	20,225	93.25 %	18,860
South Milwaukee	16,341	100.00 %	16,341	Whitefish Bay	13,330	100.00 %	13,330
St. Francis	11,316	100.00 %	11,316	Whitnall	610	100.00 %	610
Wauwatosa	109,710	100.00 %	109,710				
West Allis	72,539	100.00 %	72,539	Metropolitan Sewerage District	881,224	99.93 %	880,615
Subtotal Overlapping	1,617,248		1,616,785	Subtotal Overlapping	1,431,748		1,409,319
				Total Overlapping Debt	3,048,996	99.25 %	3,026,104
				Total Debt	\$ 3,668,063	99.38 %	\$ 3,645,171

Note:

The amount of net debt outstanding applicable to the County is a calculation of the percent applicable to the County times the net debt outstanding.

Source:

Milwaukee County Comptrollers Office - February 2016 Survey.

COUNTY OF MILWAUKEE, WISCONSIN

Demographic and Economic Statistics
For the Year Ended December 31

Year	Population	Total Personal Income (in Thousands)	Per Capita Personal Income	Public School Enrollment	Private School Enrollment	Unemployment Rate			Total County Labor Force	Total Workers in County Unemployed
						County	Wisconsin	United States		
	(1)	(2)	(2)	(3)	(3)	(4)	(4)	(4)	(4)	(4)
2016	948,930	info not available at print time		138,460	41,017	5.1%	4.1%	4.9%	\$ 479,090	\$ 24,615
2015	949,795	\$ 41,201,661	\$ 43,020	139,914	41,045	5.8%	4.6%	5.3%	477,696	27,915
2014	949,741	39,697,233	41,507	140,739	38,818	6.9%	5.4%	6.2%	479,375	33,042
2013	950,410	39,213,035	41,017	139,533	40,415	8.4%	6.7%	7.4%	479,770	40,338
2012	948,322	38,808,170	40,628	139,393	39,894	8.6%	7.0%	8.1%	476,646	41,195
2011	948,369	37,496,095	39,390	140,704	39,408	9.3%	7.8%	8.9%	477,600	44,336
2010	947,735	36,453,170	38,437	140,241	39,996	10.0%	8.7%	9.6%	476,449	47,615
2009	931,830	36,219,621	38,422	141,942	39,795	9.4%	8.6%	9.3%	467,652	44,154
2008	938,490	35,605,736	38,091	143,566	39,801	5.7%	4.9%	5.8%	469,227	26,582
2007	937,324	34,610,340	37,157	146,269	38,363	5.8%	4.9%	4.6%	469,736	27,239

Note:

Data for all years displayed is the most current information available as of print date.

Sources:

(1) 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) The U.S. Dept of Commerce, Bureau of Economic Analysis, Regional Income Division, Local Area Personal Income and Employment, CA04 - Personal Income and Employment Summary Report.

(3) The Wisconsin Dept. of Public Instruction - Data - Demographics / Enrollment Reports. Enrollment is a headcount of students who are physically attending schools or receiving homebound instructions as of the third Friday in September.

(4) 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

Principal Private Sector Employers
Current Year and Nine Years Ago

			2016			2007		
			(1)	% of Total County		(2)	% of Total County	
Private Sector Employers	Type of Business or Service	Rank	Number of Employees	Employment	Rank	Number of Employees	Employment	
Aurora Health Care, Inc.	Health Care System	1	25,696	5.65 %	1	25,937	5.52 %	
Ascension Wisconsin (merger of *)	Health Care System	2	15,000	3.13 %				
Froedtert & Community Health	Health Care System	3	10,059	2.10 %	8	4,365	0.93 %	
Kohl's Corp.	Retailer	4	7,500	1.57 %				
Quad Graphics	Printing	5	7,500	1.57 %				
GE Healthcare	Health Care	6	6,000	1.25 %				
The Medical College of Wisconsin	Private Medical College	7	5,290	1.10 %	6	4,700	1.00 %	
Northwestern Mutual	Insurance & Investment Products	8	5,000	1.04 %	5	5,100	1.09 %	
ProHealth Care, Inc.	Health Care System	9	4,772	1.00 %				
Children's Hospital	Health Care System	10	4,512	0.94 %				
* Wheaton Franciscan Health Care	Health Care System				2	9,020	1.92 %	
Roundy's Supermarkets, Inc.	Retail Supermarkets				3	8,480	1.81 %	
Harley-Davidson Motor Company	Manufacturer, Motorcycles				4	5,600	1.19 %	
Wisconsin Energy Corp	Utilities				7	4,700	1.00 %	
* Columbia St. Mary's Health System	Health Care System				9	4,339	0.92 %	
Marshall & Ilsley Corp	Banking/Finance and Data Svcs				10	4,314	0.92 %	
Total Employment within County of Milwaukee (3)			479,090	100.00 %		469,736	100.0 %	

Sources:

(1) The Business Journal of Greater Milwaukee, Book of Lists as of July 22, 2016.

(2) 2007 MMAC Business Resource Guide and The Business Journal, January 6, 2007

(3) 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

County Employees by Function (Actual to Budgeted)
For the Last Ten Years Ended December 31

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actual Number of Employees:										
Legislative, Executive and Staff	350	324	350	374	371	251	254	296	311	343
Courts and Judiciary	410	425	414	431	411	408	427	423	423	433
General Governmental Services	114	110	109	102	87	50	63	56	60	69
Public Safety	1,241	1,259	1,175	1,253	1,265	1,409	1,430	1,507	1,554	1,531
Public Works and Highways	426	434	427	442	427	561	546	578	585	587
Health and Human Services	877	977	1,127	1,239	1,296	1,487	1,647	1,771	1,825	1,799
Parks, Recreation and Culture	628	599	574	551	533	563	643	587	658	660
Total Actual Number of Employees	4,046	4,128	4,176	4,392	4,390	4,729	5,010	5,218	5,416	5,422
 % Increase (Decrease) from Previous Year	 -1.99 %	 -1.15 %	 -4.92 %	 0.05 %	 -7.17 %	 -5.61 %	 -3.99 %	 -3.66 %	 -0.11 %	 -0.71 %
Budgeted Number of Employees:										
Legislative, Executive and Staff:										
County Board (22,23)	31.2	30.0	31.0	56.4	56.9	58.5	60.2	60.2	59.2	58.9
Audit Department (19)	-	-	-	-	-	16.0	18.0	19.0	18.9	20.1
County Executive - General Office	9.3	9.0	9.0	9.5	9.5	9.0	10.0	10.6	10.2	8.1
Office for Persons with Disabilities (25)	-	-	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1
County Executive - Intergovernmental Relations	2.0	2.0	3.0	-	-	-	-	-	-	-
Veterans Service	5.1	5.0	5.5	5.5	6.0	6.0	5.0	6.0	5.7	6.0
Office of Community Development Partners (25)	-	-	8.0	7.7	6.0	6.0	6.0	6.0	6.0	5.0
Civil Service Commission (26)	-	-	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Personnel Review Board (6,26)	12.4	12.2	7.3	7.3	7.3	7.3	6.9	7.4	7.5	7.2
Corporation Counsel	20.4	20.0	19.0	19.0	18.8	19.7	20.0	22.1	21.8	21.7
Department of Labor Relations (1)	-	-	-	3.0	3.5	2.8	3.4	4.4	4.0	3.0
Human Resources (1,2,12,16)	57.0	55.2	54.9	55.8	50.6	14.2	13.5	30.6	31.0	36.9
Risk Management	5.5	5.0	5.0	7.0	5.0	5.1	5.0	5.0	5.3	5.0
Fiscal Affairs (19,25,27)	183.2	169.6	11.5	13.2	19.7	42.7	46.4	46.1	47.0	44.2
Procurement (25)	-	-	6.7	7.5	7.5	5.5	5.8	6.7	7.8	9.0
Information Management Services	44.6	44.9	53.0	58.9	58.0	61.3	62.6	81.3	86.9	93.2
Employee Benefits (2)	-	-	-	-	-	23.0	21.9	19.6	18.8	15.3
Economic and Community Development (4,7,18,25)	-	-	8.0	8.0	9.0	-	-	-	6.2	29.0
Ethics Board (6)	0.8	0.8	0.8	0.8	0.8	0.8	0.6	-	-	-
Facilities Management (17,25)	-	-	176.7	163.9	154.5	-	-	-	-	-
Total Legislative, Executive and Staff	371.5	353.7	408.5	432.6	422.2	287.0	294.4	334.1	345.4	371.7

COUNTY OF MILWAUKEE, WISCONSIN

County Employees by Function (Actual to Budgeted)
For the Last Ten Years Ended December 31

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<u>Budgeted Number of Employees:</u>										
Courts and Judiciary:										
Combined Court Related Operations	306.7	289.2	288.8	284.2	285.8	284.9	280.6	277.4	277.5	275.2
Department of Child Support	148.1	148.8	150.5	140.7	137.8	150.5	133.3	130.5	138.6	190.8
Courts - Pre-Trial Services	2.0	1.0	1.0	1.0	1.0	-	-	-	-	-
Total Courts and Judiciary	456.8	439.0	440.3	425.9	424.6	435.4	413.9	407.9	416.1	466.0
General Governmental Services:										
Election Commission	8.6	8.1	6.5	6.7	7.4	6.5	8.0	6.6	7.7	7.1
County Treasurer	7.6	7.5	7.5	7.5	8.5	8.5	9.5	8.5	8.0	9.0
County Clerk	12.2	12.0	12.0	7.0	7.0	7.1	7.1	6.6	7.6	7.6
Register of Deeds	30.8	30.0	31.9	32.9	34.9	35.7	35.8	42.6	47.6	49.1
Office of the Controller (19,21,23)	58.2	58.7	57.0	43.0	40.4	-	-	-	-	-
Total General Governmental Services	117.4	116.3	114.9	97.1	98.2	57.8	60.4	64.3	70.9	72.8
Public Safety:										
Office of the Sheriff (8,20,27,30)	814.1	769.8	744.1	777.3	1,265.9	1,385.9	1,434.2	952.9	935.2	951.0
House of Correction (8,20,28)	409.9	386.6	452.2	482.7	-	-	-	486.0	512.3	527.4
District Attorney	175.0	160.9	158.6	150.0	148.2	155.1	157.5	164.6	162.9	161.5
Emergency Management (30)	61.9	66.2	-	-	-	-	-	-	-	-
Medical Examiner	32.1	28.8	28.2	28.3	27.6	27.5	27.2	29.4	25.3	25.0
Total Public Safety	1,493.0	1,412.3	1,383.1	1,438.3	1,441.7	1,568.5	1,618.9	1,632.9	1,635.7	1,664.9
Public Works and Highways:										
Airports (9)	-	-	-	-	-	271.7	275.7	269.8	229.0	216.4
Transportation Service (10)	-	-	-	-	-	14.5	11.8	12.1	17.7	17.8
Architectural, Engineering and Environmental Services	-	-	-	-	-	35.2	36.4	37.6	40.2	40.9
Highway Maintenance	-	-	-	-	-	125.1	125.6	135.7	112.1	114.2
Fleet Management (11)	-	-	-	-	-	34.6	38.0	43.3	53.1	57.5
Facilities Management (3)	-	-	-	-	-	85.0	133.1	150.1	159.2	148.9
Director's Office (3,7)	-	-	-	-	-	13.2	13.0	11.3	3.3	3.9
Total Public Works and Highways	-	-	-	-	-	579.3	633.6	659.9	614.6	599.6
Department of Transportation:										
Airports	289.7	284.3	288.3	289.1	290.5	-	-	-	-	-
Highway maintenance	148.4	138.4	135.3	136.6	128.1	-	-	-	-	-
Fleet Management	35.3	35.1	34.1	34.1	35.0	-	-	-	-	-
Director's Office	8.1	7.0	6.0	7.0	7.0	-	-	-	-	-
Total Department of Transportation	481.5	464.8	463.7	466.8	460.6	-	-	-	-	-

COUNTY OF MILWAUKEE, WISCONSIN

County Employees by Function (Actual to Budgeted)
For the Last Ten Years Ended December 31

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<u>Budgeted Number of Employees:</u>										
Health and Human Services:										
Behavioral Health Division (13,24,29)	571.3	607.1	577.1	801.0	837.4	843.7	827.7	858.8	890.9	886.8
County Health Programs (13)	-	-	-	-	-	-	-	34.5	49.2	49.8
Department on Aging (5)	84.4	75.7	76.0	73.0	77.2	77.0	79.6	83.3	89.4	147.8
Department of Family Care (5,31)	72.7	73.2	72.2	64.6	64.4	79.1	90.1	91.4	60.4	-
Department of Health and Human Services (4,7,29,30)	300.9	293.1	448.8	315.6	313.8	663.1	672.1	682.3	745.6	745.4
Total Health and Human Services	1,029.3	1,049.1	1,174.1	1,254.2	1,292.8	1,662.9	1,669.5	1,750.3	1,835.5	1,829.8
Parks, Recreation and Culture:										
Parks Division	381.8	371.3	363.6	391.1	431.3	487.2	509.5	547.5	542.2	485.5
Zoological Department	259.5	254.4	252.7	254.7	254.3	257.5	256.1	251.8	246.3	250.3
University Extension	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Total Parks, Recreation and Culture	642.1	626.5	617.1	646.6	686.4	745.5	766.4	800.1	789.3	736.6
Totals - Budgeted - All Operating Departments										
	4,591.6	4,461.7	4,601.7	4,761.5	4,826.5	5,336.4	5,457.1	5,649.5	5,707.5	5,741.4
% Increase (Decrease) from Previous Year	2.91 %	-3.04 %	-3.36 %	-1.35 %	-9.56 %	-2.21 %	-3.41 %	-1.02 %	-0.59 %	-4.68 %
Actual Employees Under Budgeted Employees										
	545.6	333.7	425.7	369.5	436.5	607.4	447.1	431.5	291.5	319.4

Department Notes:

1. The 2007 Budget transferred the Labor Relations Department from the Human Resources Department.
2. The 2007 Budget transferred the Employee Benefits Department from the Human Resources Department.
3. The 2007 Budget transferred the security responsibilities from the Director's Office department back to the Facilities Management Department.
4. The 2008 Budget transferred the Home / Home Repair Voucher Program to the Housing Division in the Department of Health and Human Services.
5. The 2008 Budget separated the Care Management Organization 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.
6. In 2009 and prior Budgets, all FTE's of the Ethics Board were budgeted in the Personnel Review Board.
7. 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.
8. In 2009, the Sheriff's Office took responsibility for the House of Corrections. This consolidation was reflected beginning in the 2010 Budget.
9. 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.
10. 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.
11. 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 which resulted in positions being abolished, transfers to the Airports, and unfunded positions.
12. The 2010 Budget transferred 14.0 Human Resources field staff to the departments in which they worked.

COUNTY OF MILWAUKEE, WISCONSIN

County Employees by Function (Actual to Budgeted) For the Last Ten Years Ended December 31

Department Notes (cont.):

13. The 2010 Budget merges the County Health Programs into the Behavioral Health Division.
14. The 2010 Budget continued to abolish positions.
15. The 2010 Budget, through a veto, abolished 34.0 FTE as part of the Housekeeping privatization. These are included in the 2011 change due to the manner in which the veto was sustained.
16. The 2012 Budget created the Department of Human Resources and included the former divisions of DAS - Employee Benefits and DAS - Human Resources. In 2010, within the DAS - Human Resources Division, 14.0 FTE Human Resources field staff were transferred to their respective departments. The 2012 Budget reverses the 2010 transfer and moves them back to the Department of Human Resources.
17. The 2012 Budget created the Department of Administrative Services - Facilities Management Division. This Division now includes Facilities Management, Architecture Engineering & Environmental Services and Sustainability that were formerly part of the Department of Transportation.
18. The 2012 Budget transferred Real Estate Services & Economic Development to DAS-Economic Development from the Department of Transportation.
19. During 2012, the Office of the Comptroller was created via Appropriation Transfer from DAS-Fiscal Affairs and Audit Department.
20. The 2013 Budget recreated the House of Correction as a separate entity from the Sheriff's Office.
21. The 2014 Budget transferred positions in various departments to the Office of the Comptroller - Central Payroll.
22. The 2014 Budget reduced positions to comply with 2013 Wisconsin Act 14 which provides a tax levy cap related to structure and duties of the County Board.
23. The 2014 Budget transferred Research Services from County Board to Office of the Comptroller.
24. The 2014 Budget abolished positions in Behavioral Health Division due to closing Center for Independence and Development.
25. The 2015 Budget transferred Office for Persons with Disabilities, Community Development Partners, Procurement, Economic and Community Development, and Facilities Management into Fiscal Affairs. 30.3 FTE positions were either abolished or unfunded across these areas.
26. The 2015 Budget transferred the Civil Service Commission positions to the Personnel Review Board.
27. The 2015 Budget transferred 31.0 FTE security facilities workers from Fiscal Affairs to the Office of the Sheriff.
28. The 2015 Budget abolished 91.9 FTE positions in the House of Corrections, this was offset partially by the creation of 35.0 FTE correctional officer positions..
29. The 2015 Budget transferred 132.7 FTE positions from the Department of Health and Human Services to the Behavioral Health Division. The Behavior Health Division also abolished 98.6 FTE positions as an offset to the transfers.
30. The 2015 Budget created the Department of Emergency Management. Positions were transferred out of IMSD (Radio), Sheriff's Office (Communications), and the Department of Health and Human Services.
31. The 2016 Budget included 72.5 employees for the Department of Family Care. These positions were abolished in September 2016 due to the privatization of Family Care.

Sources:

County of Milwaukee, Wisconsin Payroll System and County of Milwaukee, Adopted Operating Budgets.

COUNTY OF MILWAUKEE, WISCONSIN

Operating Indicators by Function For the Last Ten Years Ended December 31

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<u>LEGISLATIVE, EXECUTIVE AND STAFF</u>										
<u>Procurement:</u>										
Purchase Orders	2,958	1,890	2,008	1,789	1,623	1,404	1,824	1,457	1,541	1,733
Formal bids	89	18	22	17	6	35	33	83	47	63
Informal Bids and Quotes	-	14	24	28	40	32	44	270	159	230
Requests for Proposals	31	23	5	3	6	-	1	3	1	3
General Awards	2,313	1,432	1,499	1,364	1,245	1,340	991	1,101	1,334	1,443
<u>Human Resources:</u>										
Tuition Loans Processed	-	14	29	35	52	46	63	57	65	99
On-Line Applications Processed	19,982	21,581	27,526	18,935	14,982	26,461	26,356	40,000	7,278	-
Job Requisitions Requested	419	542	493	505	475	504	414	405	269	494
Certification Requests										
Processed	439	487	478	450	475	504	414	405	269	494
Current Positions Studied for										
Proper Classification	83	291	1,131	1,493	74	32	32	64	-	44
New Positions Studied for										
Proper Classification	19	75	15	38	52	31	25	9	-	18
<u>COURTS AND JUDICIARY</u>										
<u>Register in Probate:</u>										
Civil Commitments - Adults	1,761	2,474	3,003	3,700	4,659	5,280	5,673	5,419	5,278	5,283
Civil Commitments - Juvenile	687	985	1,008	982	1,157	1,121	972	639	472	-
Guardianship / Conservatorship	8	284	261	308	319	299	278	1,019	265	525
Protective Placement	363	334	324	294	226	326	290	287	342	297
Annual Review of Protective										
Placement	363	1,226	1,259	1,288	1,389	1,499	1,462	1,599	1,529	2,000
Informal Administration	897	964	879	990	931	975	1,092	1,068	1,161	1,374
Formal Administration	80	89	90	111	90	142	147	138	137	-
Trusts	29	68	29	46	30	27	39	36	42	39
Special Administration,										
Summary Proceedings	332	371	333	410	388	386	315	238	233	246
Descent/Life Estate	5	-	-	-	4	5	6	6	6	5
Adult Adoption	21	19	11	25	10	17	8	13	18	15
Wills Deposited for Safekeeping	125	67	85	165	75	83	150	90	94	130
Temporary Guardianships	159	103	82	62	53	69	63	13	20	-
Ancillary Proceedings	10	3	14	4	4	-	3	2	3	-
<u>GENERAL GOVERNMENTAL SERVICES</u>										
<u>Election Commission:</u>										
Elections	4	2	4	2	4	2	4	2	4	2
Special Elections	-	4	2	8	-	7	2	2	-	3
Recount Elections	1	-	-	-	-	1	2	-	-	-
State/County/Municipal / School										
Board Referendums	4	5	13	1	14	4	1	3	12	6
Campaign Finance Statements	144	101	97	150	199	194	182	160	167	102
Nomination Papers Received	36	3	7	8	45	13	11	-	37	6

COUNTY OF MILWAUKEE, WISCONSIN

Operating Indicators by Function For the Last Ten Years Ended December 31

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<u>Election Commission (cont.):</u>										
Election Ballot Set-up / Proofing	4	4	4	8	6	5	6	4	4	7
Challenges to Nomination Papers/Recall Petitions	3	-	-	-	4	-	-	-	2	-
Recall Elections / Petitions / Hearings	-	-	-	-	2	2	-	-	-	1
Elections Requiring Braille Ballots	4	2	6	2	6	4	3	3	4	2
Election Commission Meetings	-	3	20	14	6	3	3	4	1	1
<u>Treasurer:</u>										
Checks Issued	69,752	70,409	73,988	74,648	78,045	77,880	78,045	95,722	97,950	215,285
Lost Checks/Stop Payments	640	270	357	271	373	370	373	567	247	350
Property Tax Receipts Issued	6,611	5,415	6,662	7,143	7,348	6,401	7,348	6,758	5,865	5,128
Delinquent Tax Notices Processed	7,637	11,469	3,762	5,979	3,564	1,556	3,564	11,233	4,950	6,851
Tax Forms Furnished	190,000	331,500	280,200	439,516	901,850	589,724	901,850	726,466	958,872	680,941
<u>Register of Deeds:</u>										
With Transfer Fee	15,855	14,021	12,842	12,806	10,563	9,123	10,134	12,063	12,237	16,817
Without Transfer Fee	9,028	7,643	7,686	8,370	8,491	8,096	7,845	7,968	8,619	8,186
Total Transfer Fees	\$ 10,706,366	\$ 9,584,634	\$ 7,622,493	\$ 7,146,392	\$ 6,743,946	\$ 5,035,715	\$ 5,556,137	\$ 6,455,932	\$ 8,699,611	\$ 12,822,387
Average Real Estate Sale Price	\$ 223,746	\$ 289,880	\$ 211,421	\$ 186,017	\$ 212,817	\$ 183,993	\$ 192,240	\$ 178,393	\$ 236,977	\$ 254,157
Foreclosures (Lis Pendens)	2,415	3,061	3,328	4,086	6,285	6,152	7,167	7,472	6,811	5,927
Wisc Commerce Department										
Stipulations	627	511	732	1,032	1,088	755	757	1,249	865	947
Total Mortgages	26,692	25,817	22,712	30,539	32,604	27,184	30,978	40,667	39,505	56,514
Assignments	6,480	6,891	6,851	10,207	11,656	7,649	8,015	9,781	9,914	12,366
Partial Release	438	686	559	518	562	1,263	780	889	1,150	1,938
Release	30,432	30,528	26,824	36,769	38,128	33,027	35,677	45,564	44,146	55,852
Land Contracts	181	207	172	210	170	185	122	138	134	126
Sheriff Deeds	1,445	1,702	2,257	3,037	3,457	3,168	3,053	2,879	3,086	1,602
Joint Tenancy Survivorship	1,412	1,511	1,528	1,508	1,534	1,452	1,431	1,518	1,557	1,654
Federal Tax Liens	1,536	1,648	1,700	1,697	1,988	2,628	3,225	2,674	3,002	2,899
Financing Statements	868	824	844	799	1,044	920	880	1,153	1,085	1,472
Military Discharge	12	21	14	16	24	18	40	7	20	29
Electronic Recording	73,439	67,957	56,033	66,256	67,107	48,745	43,816	41,938	20,690	16,256
E-Docs % of Total Documents	69.05 %	65.77 %	59.41 %	52.92 %	51.03 %	42.71 %	35.66 %	28.30 %	14.46 %	9.04 %
Total Records	107,410	105,305	98,929	125,206	131,502	114,141	123,084	148,186	143,085	179,818
Births	14,977	14,841	15,094	15,107	15,144	15,209	15,615	16,141	16,578	16,950
Marriages	4,779	4,983	4,880	4,377	4,454	4,641	4,247	4,236	4,388	4,470
Domestic Partnerships	30	7	50	46	55	56	67	201	-	-
Deaths	9,725	9,389	9,294	9,966	9,246	9,817	9,266	9,293	9,527	9,467
Copies Issued - Paid	98,662	95,209	97,047	98,758	94,690	91,399	91,564	86,307	90,382	101,232
Copies issued - Free	193	149	192	170	228	523	207	298	286	201
Subdivision Plats No.	1	1	28	1	2	3	1	2	5	19
Subdivision Plats Lots	12	12	18	6	16	45	7	29	107	462
Condominium Plats No	14	6	12	15	16	14	15	22	26	68
Condominium Plats Units	28	12	53	30	25	21	86	665	484	1,208

COUNTY OF MILWAUKEE, WISCONSIN

Operating Indicators by Function For the Last Ten Years Ended December 31

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<u>Register of Deeds (cont.)</u>										
Copies and Images - Revenue	\$ 356,252	\$ 374,504	\$ 435,251	\$ 463,255	\$ 536,157	\$ 376,957	\$ 406,563	\$ 399,243	\$ 342,147	\$ 338,312
Recorded Documents - Revenue	\$ 1,614,800	\$ 1,592,285	\$ 1,512,955	\$ 1,903,590	\$ 1,996,870	\$ 1,730,490	\$ 1,541,419	\$ 1,535,486	\$ 1,428,209	\$ 2,052,462
Vital Statistics - Revenue	\$ 418,584	\$ 408,345	\$ 405,584	\$ 411,201	\$ 398,096	\$ 387,479	\$ 395,530	\$ 397,965	\$ 405,345	\$ 465,864
County Share Transfer Fees - Revenues	\$ 2,158,641	\$ 1,916,927	\$ 1,611,600	\$ 1,429,278	\$ 1,348,789	\$ 992,767	\$ 1,112,513	\$ 1,291,186	\$ 1,739,976	\$ 2,564,569
<u>County Clerk:</u>										
Marriage Licenses Issued	5,355	5,306	5,295	4,684	4,842	4,618	4,607	4,652	4,752	5,931
Domestic Partnerships Declarations Issued	28	7	43	64	53	55	74	217	-	-
Domestic Partnership Terminations Processed	4	6	3	10	5	5	1	-	-	-
Marriage License/Domestic Partnership Waivers	360	435	643	354	334	276	255	207	179	182
Duplicate Marriage License / Domestic Partnerships	34	49	82	81	89	64	75	76	48	51
Civil Marriage Ceremonies Performed	1,380	1,331	1,490	1,093	1,076	1,000	1,012	954	953	999
County Board Files Maintained	743	795	954	962	1,018	875	472	482	485	950
County Ordinances Published	28	19	18	14	24	21	10	18	17	22
County Board Proceedings Published	12	15	13	15	12	15	1,128	1,084	940	2,732
Contractor Lien Notices / Vendor Tax Levies Processed	7	12	14	29	21	48	56	45	43	37
Contractor Qualification Statements Approved	38	89	107	93	125	127	117	107	130	622
Claims Processed	304	214	233	226	260	281	314	315	346	1,703
Summons and Complaints Processed	171	165	143	182	189	180	184	158	126	1,582
Construction Bid Notices Processed	97	93	94	89	112	84	104	86	52	380
Legal Documents Assigned to Central Files	-	58	14	55	50	111	93	51	33	8,624
Lobbying Registrations Processed	59	49	58	50	52	54	52	46	44	64
Passport Applications Processed	2,044	1,836	1,385	1,247	962	778	778	683	578	940
Passport Photos Taken	1,524	1,182	738	735	570	352	367	314	282	464
Oaths of Office Administered	48	52	67	145	146	67	65	49	48	68
DNR Licenses Sold	195	251	384	387	410	325	222	331	-	-
Documents Notarized	5,850	5,722	5,818	5,256	5,369	5,053	4,876	5,173	4,752	4,933
Milwaukee County Transit System Tickets Sold	2,767	1,746	1,514	2,063	3,419	3,545	3,880	2,512	3,174	1,849
<u>Office of the Comptroller:</u>										
Accounts Reconciled	781	781	744	744	768	723	732	740	743	807

COUNTY OF MILWAUKEE, WISCONSIN

Operating Indicators by Function
For the Last Ten Years Ended December 31

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<u>PUBLIC SAFETY</u>										
<u>Medical Examiner:</u>										
Autopsies	1,399	1,348	1,318	1,294	1,280	1,158	1,056	1,050	948	1,048
Death Certificates	1,813	1,703	1,656	1,635	1,639	1,526	1,623	1,644	1,736	1,703
Cremation Permits	4,679	4,364	4,219	4,035	3,834	3,457	3,591	3,393	3,390	3,212
Autopsy Referrals	348	360	367	305	312	172	67	-	-	-
Death Investigated	6,675	6,266	6,089	5,975	5,098	5,389	5,380	5,181	5,242	5,094
<u>District Attorney:</u>										
Felony Cases Filed	5,532	5,514	5,550	5,695	6,140	6,109	6,194	5,845	6,437	6,270
Misdemeanor Cases Filed	4,078	4,489	5,179	5,510	6,713	762	7,590	6,646	7,648	9,027
Criminal Traffic Cases Filed	2,460	2,490	2,577	2,724	2,792	2,796	3,446	5,534	6,397	6,275
CHIPS Cases Filed	1,035	1,132	1,266	1,343	1,127	1,597	1,500	1,533	1,820	1,717
Juvenile Delinquency Cases Filed	1,282	1,253	1,343	1,476	1,725	1,632	1,555	1,818	2,188	2,467
Termination of Parental Rights Cases Filed	380	359	266	346	278	312	281	346	395	285
<u>Sheriff:</u>										
Traffic Citations	28,178	21,738	21,353	27,752	35,597	37,710	33,064	35,725	34,737	41,791
Auto Accidents Reported and Investigated	4,796	4,898	4,516	4,740	3,970	4,602	4,275	3,965	6,197	4,632
Background Checks (Criminal Investigations Division)	504	456	436	385	698	493	287	469	388	284
Criminal Complaints Issued	3,659	1,133	977	1,190	1,626	3,017	4,032	3,944	1,379	378
Writs of Restitution (Evictions)	3,733	3,674	3,773	3,174	3,261	3,078	2,821	2,807	2,783	3,340
Writs of Assistance (Foreclosures)	373	509	706	899	947	792	736	806	1,119	490
Temporary Restraining Orders Received	4,613	4,580	4,402	4,557	4,649	5,216	5,651	5,536	4,791	368
911 Phone Calls	179,024	105,716	111,221	215,283	323,903	378,196	551,280	539,509	3,174	1,849
Bookings	31,221	33,500	32,302	34,541	37,225	42,617	39,887	38,426	3,482	46,527
Number of Bailiff Posts	90	74	78	81	84	79	79	78	79	76
Open Records Requests	3,185	2,912	5,717	5,544	7,052	7,333	3,347	4,333	4,928	5,829
Civil Process Papers Served	13,848	14,264	18,278	20,107	21,437	21,592	22,418	22,851	19,952	17,270
<u>House of Correction:</u>										
Avg Daily Population - Milwaukee County Jail										
Overflow	434	455	461	575	409	401	696	889	618	608
Huber/Work Release Inmates	190	198	203	794	202	177	172	504	596	644
Probation and Parolees	72	67	103	269	129	98	118	132	306	250
Municipal Commitments (Ave Daily Number)	42	41	38	208	26	40	64	67	66	72
Sentenced Inmates	778	884	876	984	1,102	964	1,004	579	592	599
County Correctional Facility										
Central	965	945	935	881	817	874	909	898	896	886
Total Inmate Population	2,293	2,352	2,274	2,505	2,516	2,554	2,963	3,069	3,074	3,059
Electronic Surveillance	122	135	177	208	26	185	198	223	171	248

COUNTY OF MILWAUKEE, WISCONSIN

Operating Indicators by Function
For the Last Ten Years Ended December 31

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<u>PUBLIC WORKS AND HIGHWAYS</u>										
County Trunk Highways Maintained (Lane Miles)	399	403	403	343	343	343	343	343	343	343
State Trunk Highways Maintained (Lane Miles)	785	785	779	772	639	639	635	664	634	634
Expressways Maintained (Lane Miles)	1,126	1,112	1,109	1,104	1,116	1,116	1,150	1,141	1,141	1,135
<u>HEALTH AND HUMAN SERVICES</u>										
<u>Emergency Medical System:</u>										
Dispatches	78,936	75,585	65,105	62,291	54,478	52,087	49,491	45,920	45,353	43,554
Doctor Calls	1,420	1,380	1,364	1,656	1,325	1,235	1,398	1,320	1,426	1,468
Medical Transports	26,753	28,053	27,080	26,310	25,344	22,743	21,073	20,577	21,737	21,346
Reports	45,806	46,167	43,041	41,012	39,788	33,720	31,814	30,756	31,233	30,641
<u>Aging Programs and Services:</u>										
<u>Senior Meals Program:</u>										
Congregate	256,384	252,274	264,536	281,763	289,059	264,144	325,354	346,811	373,022	374,707
Home Delivered	356,529	344,956	308,288	313,243	308,070	251,254	248,838	259,151	246,650	272,883
Volunteer Hours	49,520	50,469	54,180	60,303	66,270	65,958	74,409	74,631	82,272	-
Specialized Transportation Services One-Way Rides	103,462	110,204	-	122,765	120,379	119,378	123,222	125,297	105,308	117,686
Participants - Senior Centers / Senior Home Delivery	6,045	6,493	6,695	8,960	9,103	8,449	6,610	6,740	6,696	7,009
Participants - Wellness Works Program	572	1,676	2,471	2,916	2,467	2,836	2,124	1,274	1,144	1,148
Benefit Specialist / Legal Services (In Hours)	10,945	9,295	10,461	9,385	13,695	13,389	13,058	14,256	11,679	13,848
Employment Training and Placement Svcs (Hours)	2,790	2,147	125	135	88	95	85	95	59	2,160
Information and Assistance Contact Calls 24 Hours	707	588	882	781	757	615	520	622	517	343
Information Inquiries	29,209	30,962	26,150	24,163	22,925	24,825	26,605	47,399	58,743	37,387
Long Term Care Referrals / Applications Processed	2,367	7,789	6,754	6,494	5,571	5,536	5,872	10,120	6,198	6,238
Functional Screens Performed	3,148	3,242	3,580	3,368	3,161	2,812	3,178	3,188	3,056	3,146
<u>Care and Management Organization (CMO):</u>										
Family Care New Enrollees	1,320	1,691	1,780	1,812	1,447	1,510	1,895	1,616	1,198	1,392
Family Care Continual Enrollees	7,396	6,958	6,478	6,666	6,459	6,375	5,864	5,657	5,400	5,053
Family Care Dis-enrolled Clients	1,168	1,725	1,564	1,553	1,482	1,329	1,368	1,239	1,227	1,092
<u>Economic Support Division:</u>										
Interim Disability Assistance Program	1,675	1,241	947	1,083	1,165	1,237	1,187	1,417	1,495	930
Home Energy Assistance - Total households applied	68,057	63,472	64,562	62,191	61,363	64,103	63,843	54,374	48,635	48,947

COUNTY OF MILWAUKEE, WISCONSIN

Operating Indicators by Function
For the Last Ten Years Ended December 31

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<u>Economic Support Division</u>										
<u>(cont.):</u>										
Crisis Assistance - Total households applied	-	-	discontinued	21,440	20,836	17,482	22,137	19,564	13,550	29,568
Crisis Assistance - Total households estimated	12,524	21,580	21,951	-	-	-	-	-	-	-
<u>Delinquency and Court Services Division:</u>										
<u>Detention Center:</u>										
Staffed Capacity of Juvenile Delinquents	109	109	109	109	109	109	109	109	109	109
Average Daily Population	110	85	91	96	89	88	87	95	106	100
Detention Admissions (Annual)	1,876	1,879	2,158	2,518	2,855	2,773	2,753	2,912	3,143	3,356
Health Assessments/MH Screens in Detention	4,932	4,852	4,126	4,849	4,397	4,040	4,024	4,576	4,810	-
<u>Court Intake and Probation Supervision:</u>										
Annual Delinquency / JIPS Referrals	1,975	1,862	1,981	2,175	2,485	2,514	24,730	2,741	3,425	3,771
Average Monthly Intake / Probation / Diversion Cases	1,210	1,315	1,345	1,428	1,581	1,678	1,823	2,265	3,059	3,114
POSIT / Drug / Alcohol Screens	608	704	3,920	-	2,573	2,530	2,680	2,634	1,819	2,053
AODA Assessments	110	95	-	199	209	229	304	363	374	419
Victim Notifications	2,266	1,943	156	2,042	2,224	2,380	2,245	2,714	3,318	2,880
Diversion Restitution Payments Processed	9	19	2,011	19	29	24	36	23	12	30
Administrative Review Panels	-	990	19	12	70	88	189	206	254	247
Warrants Issued	728	185	66	751	839	686	681	721	776	791
Probation Orientation	-	-	805	183	618	610	548	650	741	494
Avg Monthly Youth - Delinquency and Courts Svcs	1,210	1,315	1,345	1,482	1,581	1,678	1,823	2,265	3,059	3,114
<u>Juveniles Served by Dept. of Corrections:</u>										
Juvenile Commitments (Annual)	70	110	139	130	150	166	153	206	213	253
Average Daily Youth under Dept. of Corrections	80	132	148	140	160	151	186	235	272	265
Juveniles Served in Community Programs:										
Temporary Shelter Care	466	453	619	784	862	780	749	780	888	982
Level II Monitoring	1,091	957	854	868	910	820	775	878	1,006	997

COUNTY OF MILWAUKEE, WISCONSIN

Operating Indicators by Function For the Last Ten Years Ended December 31

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Juveniles Served by Dept. of										
Corrections (cont.):										
First Time Juvenile Offenders Program	232	118	158	187	243	251	276	376	394	395
Probation Network Services	373	359	540	533	365	357	387	485	516	519
Sex Offender Program	-	-	45	45	42	41	47	73	83	79
Day Treatment Program	89	76	140	138	187	174	169	168	159	192
Foster Care	2	2	2	1	2	3	3	2	3	7
Group Home Care	6	28	60	77	69	73	96	106	94	90
RADS	-	-	-	-	-	1	15	15	-	-
Wraparound	524	570	577	630	627	682	719	706	705	670
Serious Chronic Offender Program	225	128	241	272	140	118	106	102	91	89
Firearm Project Program	-	44	-	-	58	91	108	108	105	130
Sibling/Graduate Engagement	97	55	88	89	91	101	109	99	73	-
Focus Program	66	72	69	59	72	71	76	83	80	77
ACE - Alternatives to Corrections through Education	-	60	-	-	-	-	1	1	-	-
Milwaukee County Accountability Program	67	39	36	28	13	-	-	-	-	-
Reentry Coordination and Services	116	80	87	68	63	55	27	-	-	-
<u>Disabilities Services Division:</u>										
Adults Served by Service Bureau	702	771	890	306	285	348	2,039	2,518	2,511	2,590
Children Served by Service Bureau	11,885	15,061	7,744	9,692	9,831	10,603	5,223	4,798	4,374	4,213
Resource Center Services	30,282	30,118	35,573	35,186	33,866	20,839	24,487	15,156	17,456	14,155
Court Related Services	1,062	684	771	719	802	813	730	1,550	1,736	1,471
Special Needs - Safe Haven (Persons / Year)	85	82	64	78	81	66	63	64	54	55
Special Needs - Shelter Plus Care (Persons/Year)	603	543	454	484	538	558	553	537	520	499
HOME / Home Repair - Number of New Loans	33	22	28	33	11	35	43	75	58	68
<u>Behavioral Health Division:</u>										
<u>Inpatient Services Branch:</u>										
<u>Acute Adult Inpatient:</u>										
Average Daily Census	46	47	47	59	67	80	84	89	98	99
Patients Served	545	731	882	1,009	1,124	1,361	1,696	1,734	1,880	2,002
Admissions	683	961	1,093	1,456	1,650	1,846	2,254	2,336	2,528	2,729
Patient Days	16,688	17,209	16,991	21,363	24,586	29,098	30,805	32,573	35,917	36,069
Average Length of Stay	23	18	16	15	16	15	15	15	14	13

COUNTY OF MILWAUKEE, WISCONSIN

Operating Indicators by Function For the Last Ten Years Ended December 31

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Behavioral Health Division										
(cont.):										
CAIS Inpatient:										
Average Daily Census	8	10	9	8	6	8	10	9	11	11
Patients Served	453	611	683	606	798	950	1,241	1,103	1,171	1,147
Admissions	617	919	953	829	1,152	1,343	1,601	1,551	1,584	1,557
Patient Days	2,984	3,601	3,305	2,930	2,311	3,077	3,781	3,440	3,851	4,120
Average Length of Stay	5	4	3	4	2	2	2	2	3	3
Nursing Home Services -										
Rehabilitation Centers:										
Average Daily Census	discontinued	15	36	111	130	131	132	131	139	133
Patients Served	discontinued	15	100	110	157	165	150	153	163	164
Admissions	discontinued	-	1	3	23	31	16	16	30	32
Patient Days	discontinued	3,044	26,037	40,350	47,489	47,719	48,098	47,894	48,587	48,545
Community Services:										
Community Support										
Program:										
Patients Served	1,447	1,290	1,090	1,353	333	356	361	372	391	415
Admissions	251	224	137	133	14	35	29	10	22	30
Contacts (Visits)	329,985	294,753	157,031	345,159	46,957	47,453	46,657	48,515	49,810	49,203
Targeted Case										
Management:										
Patients Served	1,862	1,738	1,509	1,439	159	219	276	293	295	333
Admissions	548	364	344	364	-	11	42	61	52	54
Contacts (Visits)	149,977	129,158	88,407	165,105	623	8,299	8,965	9,429	9,477	11,612
Adult Day Treatment:										
Average Daily Census	10	12	10	11	17	14	13	25	18	19
Patients Served	42	56	39	63	64	62	67	80	100	119
Admissions	31	36	40	42	44	46	46	64	80	97
Appointments (hrs.)	6,480	9,567	13,274	-	14,576	13,008	12,031	16,061	17,133	18,321
Visits	2,442	2,558	2,926	10,328	4,497	3,582	3,479	4,468	4,623	4,972
Crisis Services:										
Psychiatric Crisis Services -										
Admissions	8,286	10,153	10,633	11,464	12,644	13,169	13,438	12,894	12,509	12,568
Access Clinic:										
Patients Served	617	579	1,489	6,310	2,406	1,652	1,680	1,785	1,973	2,164
Admissions	606	549	1,199	1,412	2,325	1,426	1,479	1,530	1,842	1,924
Appointments	1,182	1,249	4,064	6,310	6,674	5,573	5,233	5,681	6,498	7,023
Crisis Response (Mobile):										
Patients Served	1,875	1,902	2,090	1,716	1,403	1,371	1,287	1,158	1,211	1,371
Admissions	2,762	2,498	2,090	382	1,716	1,570	1,472	1,274	1,370	1,510
Appointments	2,467	2,362	2,010	2,211	1,517	1,405	1,473	1,392	1,405	1,645
Crisis Respite:										
Patients Served	242	241	329	1,716	1,403	1,371	1,287	1,158	1,211	1,371
Admissions	296	309	386	382	1,716	1,570	1,472	1,274	1,370	1,510

COUNTY OF MILWAUKEE, WISCONSIN

Operating Indicators by Function For the Last Ten Years Ended December 31

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Behavioral Health Division										
(cont.):										
Alcohol and Other Drug Abuse Services:										
Methadone Detox	-	discontinued	159	232	143	148	74	183	199	199
Inpatient Care (Detox)	6,316	5,409	5,556	1,918	3,162	2,813	3,360	3,542	3,477	3,517
Intake Assessments	4,760	6,256	4,443	3,973	6,334	4,860	5,153	4,727	4,235	5,712
Outpatient	853	836	2,084	2,574	3,734	3,331	3,171	3,112	2,717	3,268
Day Treatment	78	68	243	458	557	688	683	903	729	785
Day Treatment - Residential	716	673	591	490	656	711	708	727	774	701
Community Living Support Services	1,053	2,276	2,526	-	6,604	6,069	6,341	5,709	4,407	2,478
Recovery House Plus OP/PT	76	89	169	162	360	321	334	197	144	32
Wraparound Milwaukee:										
Average Census	1,227	1,179	967	1,212	1,059	945	942	905	841	679
Patients Served	3,495	3,458	3,347	2,627	3,246	3,400	3,521	3,492	2,904	3,240
Admissions	869	945	1,029	993	1,171	874	898	829	874	692
Patient Contacts	13,649	12,124	10,895	9,975	9,490	9,239	9,115	7,395	6,171	6,791
Hospital Diversions	2,189	1,364	809	754	961	1,404	1,511	1,236	1,244	800
<u>PARKS, RECREATION, AND CULTURE</u>										
<u>Zoo:</u>										
Zoo Attendance - Adults	346,759	369,036	380,478	372,548	387,308	367,234	379,418	383,982	434,754	419,486
Zoo Attendance - Junior	150,688	171,087	163,298	173,960	159,736	168,637	185,729	186,930	206,743	209,847
Zoo Attendance - Free	831,914	838,881	723,580	686,391	785,351	697,348	701,168	720,330	672,786	668,508
Zoo Attendance - Total	1,329,361	1,379,004	1,267,356	1,232,899	1,332,395	1,233,219	1,266,315	1,291,242	1,314,283	1,297,841
<u>Parks:</u>										
<u>Facilities Rentals:</u>										
Picnic with/without Shelters	2,583	2,548	3,217	3,202	3,178	3,029	2,960	3,089	2,910	3,551
Buildings	2,287	2,283	2,109	2,204	1,872	1,744	2,085	1,998	2,033	2,264
Lodges	65	67	92	90	83	53	45	27	102	115
Pools Rentals	56	44	70	56	40	39	49	41	61	65
Marina Slip Rentals	620	649	641	638	635	664	659	644	677	683
Special Event Permits	949	873	634	571	360	339	272	267	259	243
Rounds of Golf	283,275	297,475	273,443	278,353	314,715	288,953	315,455	302,262	302,067	333,142
Pool Attendance	264,846	219,062	206,336	261,371	352,134	321,749	348,547	251,447	204,199	265,770
<u>BUSINESS-TYPE ACTIVITIES</u>										
<u>Transit / Para Transit:</u>										
Buses Assigned	401	401	405	396	415	416	415	483	483	483
Buses Operated	337	343	331	333	333	341	333	394	392	431
Bus Miles Traveled	18,579,208	18,437,783	17,457,798	17,244,868	17,369,735	17,107,116	17,369,735	17,958,867	18,098,521	18,494,513
Bus Hours Driven	1,407,840	1,396,012	1,345,689	1,328,033	1,331,216	1,298,644	1,331,216	1,346,998	1,345,685	1,376,762
Revenue - Passengers	\$ 18,901,527	\$ 22,887,923	\$ 33,222,519	\$ 36,451,283	\$ 37,372,333	\$ 38,075,651	\$ 37,372,333	\$ 39,405,363	\$ 43,165,472	\$ 42,531,691
Transit Plus Ridership	530,989	523,406	557,272	544,357	572,146	876,494	572,146	1,170,456	1,121,848	1,091,823

COUNTY OF MILWAUKEE, WISCONSIN

Operating Indicators by Function For the Last Ten Years Ended December 31

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<u>Airports:</u>										
Passengers Served	6,757,357	6,549,353	6,554,152	6,521,027	7,515,070	9,522,456	9,848,377	7,946,562	7,956,968	7,713,144
Carriers - Commercial	8	8	7	8	8	9	10	12	12	12
Runways	5	5	5	5	5	5	5	5	5	5
Acreage	2,386	2,386	2,386	2,386	2,386	2,386	2,386	2,386	2,386	2,386
Daily Departures/Arrivals	270	265	269	282	320	431	479	422	451	486
Aircraft Operations	113,530	111,501	113,248	119,549	133,366	173,017	191,553	169,693	183,278	244,836
Revenue Landing Weight (in 1,000 lbs.)	\$ 4,629,896	\$ 4,429,448	\$ 4,389,521	\$ 4,522,926	\$ 5,024,172	\$ 6,237,622	\$ 6,550,879	\$ 5,552,988	\$ 5,871,753	\$ 5,728,235
Air Freight (in 1,000 lbs.)	158,859	146,993	143,884	148,876	156,582	165,583	171,123	147,390	183,478	187,352

COUNTY OF MILWAUKEE, WISCONSIN

Capital Asset Statistics by Function
For the Last Ten Years Ended December 31

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<u>LEGISLATIVE, EXECUTIVE AND STAFF</u>										
<u>County Board:</u>										
Vehicles - Cars, Vans, SUVs, Pickup Trucks	-	-	-	1	1	-	-	-	-	-
<u>Office for Persons with Disabilities:</u>										
Vehicles - Cars, Vans, SUVs, Pickup Trucks	-	1	1	1	1	1	1	1	1	1
<u>Information Management Services:</u>										
Vehicles - Cars, Vans, SUVs, Pickup Trucks	2	2	2	2	2	3	3	3	3	3
<u>General (1):</u>										
Buildings (11)	-	4	4	4	4	4	4	4	4	4
Correctional Services Buildings (11)	1	-	-	-	-	-	-	-	-	-
County Services Buildings (11)	2	-	-	-	-	-	-	-	-	-
<u>Facilities Management (2):</u>										
Buildings (12)	-	7	6	6	6	-	-	-	-	-
Electrical Substation (12)	-	2	2	2	2	-	-	-	-	-
Electrical Distribution (12)	2	-	-	-	-	-	-	-	-	-
Guard Station (13)	1	-	-	-	-	-	-	-	-	-
Maintenance Buildings (12)	4	-	-	-	-	-	-	-	-	-
Loaders and Attachments	1	3	3	2	3	-	-	-	-	-
Mowers and Attachments	16	16	13	9	7	-	-	-	-	-
Pump House (12)	-	1	1	1	1	-	-	-	-	-
Snow Plows and Attachments	10	11	10	11	12	-	-	-	-	-
Spreaders and Attachments	5	5	5	5	5	-	-	-	-	-
Storage Buildings (13)	3	-	-	-	-	-	-	-	-	-
Sweepers, Cleaners and Attachments	3	3	3	3	3	-	-	-	-	-
Tractors	1	1	1	1	2	-	-	-	-	-
Trucks - over 13,000 lb. gross vehicle weight	2	2	2	2	2	-	-	-	-	-
Vehicles - Cars, Vans, SUVs, Pickup Trucks	35	39	34	34	34	-	-	-	-	-
Water Supply Storage Tanks (12)	5	-	-	-	-	-	-	-	-	-
Water Towers and Reservoirs (12)	-	6	6	5	5	-	-	-	-	-
<u>PUBLIC SAFETY</u>										
<u>Medical Examiner:</u>										
Vehicles - Cars, Vans, SUVs, Pickup Trucks	3	3	3	3	3	3	5	5	5	5
County Services Buildings (11)	1	-	-	-	-	-	-	-	-	-
<u>District Attorney:</u>										
Vehicles - Cars, Vans, SUVs, Pickup Trucks	18	19	17	12	11	16	19	19	19	18
<u>Office of Emergency Management (10):</u>										
Ambulances	1	2	-	-	-	-	-	-	-	-
Vehicles - Cars, Vans, SUVs, Pickup Trucks	4	4	-	-	-	-	-	-	-	-
Trailer	1	-	-	-	-	-	-	-	-	-
<u>Sheriff (10):</u>										
Ambulances	2	-	3	2	2	2	1	1	1	1
Animal Holding Building (14)	1	-	-	-	-	-	-	-	-	-
Bomb Trucks	2	2	2	1	1	1	1	1	1	1
Generator	-	-	1	1	1	1	1	1	1	1
Hangar (14)	1	-	-	-	-	-	-	-	-	-
Jet Skis	2	-	-	-	-	-	-	-	-	-
Sheriff Service Building (14)	1	-	-	-	-	-	-	-	-	-
Squad Cars	72	72	77	86	84	93	80	71	69	62
Vehicles - Cars, Vans, SUVs, Pickup Trucks	91	92	92	91	99	99	98	99	103	103

COUNTY OF MILWAUKEE, WISCONSIN

Capital Asset Statistics by Function For the Last Ten Years Ended December 31

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>House of Corrections:</u>										
Barn - (note silos below) (6)	-	-	-	-	1	1	1	1	1	1
Buildings (15)	-	7	10	11	12	12	12	12	12	12
Chicken Coop (6)	-	-	-	-	1	1	1	1	1	1
Correctional Dormitory Buildings (15)	3	-	-	-	-	-	-	-	-	-
Correctional Services Buildings (15)	3	-	-	-	-	-	-	-	-	-
Creamery (6)	-	-	-	-	1	1	1	1	1	1
Fuel Storage Tanks (15)	-	2	2	2	2	2	2	2	2	2
Garages (15)	-	1	1	1	2	2	2	2	2	2
Greenhouses	-	-	-	-	1	1	1	1	1	1
Guard Station (15)	1	-	-	-	-	-	-	-	-	-
Kennels (6)	-	-	-	-	1	1	1	1	1	1
Loaders and Attachments	3	2	2	2	2	2	2	2	2	2
Maintenance Buildings (15)	2	-	-	-	-	-	-	-	-	-
Miscellaneous Equipment	4	5	5	3	3	3	3	3	3	3
Mowers and Attachments	3	3	3	3	3	3	3	3	3	3
Pump Houses (15)	-	1	2	2	2	2	2	2	2	2
Silos - (attached to Barn listed above) (6)	-	-	-	-	4	4	4	4	4	4
Snow Plows	3	-	-	-	-	-	-	-	-	-
Spreaders	1	-	1	1	1	1	1	1	1	1
Storage Buildings (15)	4	-	-	-	-	-	-	-	-	-
Tanks (15)	2	-	-	-	-	-	-	-	-	-
Toll Booths and Sheriff Check-In (13)	-	1	2	2	2	2	2	2	2	2
Tractors	4	5	5	6	6	6	6	6	6	6
Trailers	-	-	-	1	1	1	1	1	1	1
Vehicles - Cars, Vans, SUVs, Pickup Trucks	39	39	39	36	35	40	40	43	44	44
Warehouses, Storage Bldgs, & Sheds (15)	-	3	4	4	12	12	12	12	12	12
Water Towers (9)	-	-	1	1	1	1	1	1	1	1
<u>PUBLIC WORKS AND HIGHWAYS (2)</u>										
Aerial Lifts and Buckets	8	7	6	8	7	9	6	6	6	6
Air Compressors	12	12	12	11	11	11	11	11	11	11
Asphalting Equipment	16	14	14	13	13	16	16	15	16	16
Brine Making Machine	1	-	-	-	-	-	-	-	-	-
Buildings (16)	-	1	1	1	1	9	9	9	9	9
Cranes and Attachments	9	9	9	6	6	5	5	5	5	5
Fleet Services Building (16)	1	-	-	-	-	-	-	-	-	-
Fork Lifts and Attachments	9	9	9	9	9	8	8	8	9	9
Garages (16)	-	7	7	7	7	7	7	7	7	7
Liquid Calcium Applicators	37	37	40	41	49	54	63	64	49	43
Loaders and Attachments	13	12	12	12	11	17	20	24	24	21
Maintenance Buildings (16)	3	-	-	-	-	-	-	-	-	-
Mowers and Attachments	33	30	27	27	27	40	39	41	39	39
Other Miscellaneous Road Working Equipment	41	40	41	41	17	16	16	16	13	13
Scooters	1	1	-	-	-	-	-	-	-	-
Snow Plows and Attachments	180	179	174	175	187	186	213	193	204	187
Spreaders and Attachments	72	73	74	76	91	99	133	113	115	109
Storage Buildings (16,18)	17	-	-	-	-	-	-	-	-	-
Sweepers, Cleaners and Attachments	17	16	15	15	16	21	20	21	23	23
Tractors	12	12	13	13	12	18	17	18	21	21
Trailers	14	11	10	10	-	-	-	-	-	-
Trucks - over 13,000 lb. gross vehicle weight	105	97	93	93	100	119	113	125	102	96
Vehicles - Cars, Vans, SUVs, Pickup Trucks	52	36	29	35	29	72	140	86	81	71
Water Pumps and Tanks	7	7	6	7	8	8	8	8	9	9
Warehouses, Storage Buildings and Sheds (17)	-	15	14	14	14	14	14	14	14	14

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	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>HEALTH & HUMAN SERVICES:</u>										
Buildings (4,19))	-	12	12	13	13	8	8	8	7	7
Community Services Buildings (19)	8	-	-	-	-	-	-	-	-	-
Correctional Services Building (19)	1	-	-	-	-	-	-	-	-	-
County Services Buildings (19)	7	-	-	-	-	-	-	-	-	-
Medical - Hospital (19)	1	-	-	-	-	-	-	-	-	-
Not in Use Buildings (19)	4	-	-	-	-	-	-	-	-	-
Recreational Centers (19)	-	2	2	2	2	2	2	2	2	2
Senior Centers (19)	-	6	5	6	6	6	6	6	6	6
Sheds (13,19)	-	4	3	3	3	3	3	3	3	3
Storage Buildings (19)	2	-	-	-	-	-	-	-	-	-
Vehicles - Cars, Vans, SUVs, Pickup Trucks	18	13	19	22	24	29	33	34	34	34
Wading Pools	1	1	1	1	1	1	1	1	1	1
Wheelchair Accessible Vans	-	-	-	-	-	1	1	1	1	1
<u>PARKS, RECREATION AND CULTURE</u>										
<u>Parks:</u>										
Air Compressors	4	4	2	1	-	-	-	-	-	-
Asphalting Equipment	2	2	2	3	-	-	-	-	-	-
Band Shells and Amphitheater (20)	-	4	4	3	3	3	3	3	3	3
Barns (6,20)	-	1	1	1	-	-	-	-	-	-
Barns and Silos (6,20)	-	6	6	6	5	5	5	5	5	5
Bathhouse / Pavilions (20)	-	28	29	29	27	27	27	27	27	27
Bathhouses (20)	-	15	15	15	15	15	15	15	16	14
Boat Launches (22)	4	1	1	1	1	3	3	3	3	3
Boathouses (20)	-	3	3	3	3	4	3	3	3	3
Booths (20)	-	14	14	14	14	14	14	14	14	14
Buildings (8,20))	-	119	134	133	132	131	131	128	128	128
Chicken Coop (6)	-	-	1	1	-	-	-	-	-	-
Comfort Stations (20)	-	28	28	28	27	27	27	27	27	27
Community Centers (20)	-	3	3	2	3	3	3	3	3	2
Concession Buildings (20)	11	-	-	-	-	-	-	-	-	-
Concession Stands (20)	-	7	7	7	4	4	4	4	4	5
Creamery (6,20)	-	1	1	1	-	-	-	-	-	-
Dam and Dam Dugouts (20)	-	2	2	2	2	2	2	2	2	2
Fork Lifts and Attachments	1	1	-	-	-	-	-	-	-	-
Gazebos (20)	-	4	4	4	3	3	3	3	2	2
Golf Clubhouses (20)	-	13	13	13	14	15	15	15	15	15
Golf Courses	15	15	15	15	15	15	15	15	15	15
Golf Dome (20)	-	1	1	1	1	1	1	1	1	1
Greenhouses (20)	-	1	1	1	1	-	-	-	-	-
Harvesters	8	8	8	8	8	7	7	7	7	7
Hoppers (21)	-	5	5	5	5	5	5	5	5	5
Houses and Lodges (20)	-	11	11	11	11	11	11	11	11	13
Indoor Baseball Facilities (20)	-	1	1	1	1	1	1	1	1	1
Jet Ski	1	-	-	-	-	-	-	-	-	-
Kennels (6,20)	-	1	1	1	-	-	-	-	-	-
Lighthouse (20)	-	1	1	1	1	1	1	1	1	1
Loaders and Attachments	18	15	15	20	21	24	25	27	27	27
Maintenance Buildings (20)	45	-	-	-	-	-	-	-	-	-
Miscellaneous Equipment	38	37	41	38	41	51	54	54	56	55
Mowers and Attachments (7)	457	452	450	134	107	72	78	58	61	27
Museum / Art Centers (20)	19	-	-	-	-	-	-	-	-	-
Nature Preserves and Gardens (20)	-	4	4	4	4	4	4	4	4	4
Park Services Buildings (20)	5	-	-	-	-	-	-	-	-	-
Parking Structures (20)	1	-	-	-	-	-	-	-	-	-
Parking Structures & Garages (20)	-	7	9	8	8	8	8	8	8	8
Parks and Parkways (3)	158	157	156	157	156	147	147	147	147	147

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	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<u>Parks (cont.)</u>										
Pavilions (20)	-	33	32	32	30	30	30	30	30	30
Public Shelters (20)	37	-	-	-	-	-	-	-	-	-
Pump Houses (20)	-	13	13	12	11	11	11	11	9	9
Recreation Buildings (20)	134	4	4	4	4	4	4	4	4	4
Restroom / Concession Buildings (20)	3	-	-	-	-	-	-	-	-	-
Restroom / Maintenance Buildings (20)	5	-	-	-	-	-	-	-	-	-
Restroom / Public Shelters (20)	17	-	-	-	-	-	-	-	-	-
Restroom Buildings (20)	35	-	-	-	-	-	-	-	-	-
Scooters	10	12	14	14	14	17	17	20	20	20
Self Dumping cart (20)	6	-	-	-	-	-	-	-	-	-
Shelters (20)	-	34	34	34	32	32	32	32	32	35
Show Stages (20)	5	-	-	-	-	-	-	-	-	-
Ski Chalet (20)	-	1	1	1	1	1	1	1	1	1
Snow Plows, Equipment and Attachments	119	118	118	131	130	129	113	109	118	118
Splash Pads (20)	5	-	-	-	-	-	-	-	-	-
Spreaders and Attachments	66	66	65	65	67	67	58	50	50	50
Storage Buildings (20)	148	-	-	-	-	-	-	-	-	-
Storage Containers (20)	-	5	5	5	5	5	5	5	5	5
Storage Sheds (20)	-	105	105	103	106	107	107	107	107	101
Sweepers	5	5	5	6	6	6	6	6	7	7
Swimming Pools (20)	13	13	14	14	15	15	15	15	18	18
Ticket Booths (20)	5	-	-	-	-	-	-	-	-	-
Tractors	4	4	3	3	4	18	16	18	16	14
Trailers	8	10	10	10	10	8	8	8	8	8
Trucks - over 13,000 lb. gross vehicle weight	25	27	29	28	29	29	24	28	32	31
Vehicles - Cars, Vans, SUVs, Pickup Trucks	140	133	135	136	136	138	147	142	149	150
Wading Pools (20)	33	35	36	36	36	36	36	36	38	36
Walkway Bridge (22)	167	1	1	1	1	1	1	1	1	1
Warehouses (6,20))	-	1	1	1	-	-	-	-	-	-
Water Playgrounds & Splash Pads (20)	-	5	5	5	5	5	5	5	5	5
Weed Sprayers and Attachments	23	23	24	24	24	24	24	24	23	23
<u>Zoo</u>										
Animal Dens (23)	-	4	4	4	4	4	4	4	4	4
Animal Exhibits (23)	-	7	6	6	6	6	6	6	6	5
Animal Exhibits Buildings (23)	19	-	-	-	-	-	-	-	-	-
Animal Exhibits Yards (23)	2	-	-	-	-	-	-	-	-	-
Animal Holding Buildings (23)	23	-	-	-	-	-	-	-	-	-
Animal Islands (23)	-	1	1	1	1	1	1	1	1	1
Animal Medical Hospital (23)	1	-	-	-	-	-	-	-	-	-
Animal Overlooks (23)	-	2	2	2	2	2	2	2	2	2
Animal Petting Rings (23)	1	1	1	1	1	1	1	1	1	1
Aviaries and Pheasantries (23)	-	5	5	5	5	5	5	5	5	5
Barns (23)	-	12	12	12	12	12	12	12	12	10
Bleachers (23)	3	-	-	-	-	-	-	-	-	-
Boat Landings (23)	-	1	1	1	1	1	1	1	1	1
Booths (23)	-	16	16	16	16	16	16	16	16	16
Buildings (23)	-	36	35	36	36	36	36	36	36	32
Carousels	1	1	1	1	1	1	1	1	1	1
Catch Basin Cleaner	1	1	1	1	1	1	1	1	1	1
Chick Hatchery (24)	-	1	1	1	1	1	1	1	1	1
Clubhouse (23)	-	1	1	1	1	1	1	1	1	1
Comfort / Concession Stations (23)	-	8	8	8	8	8	8	8	8	8
Concession Buildings (23)	7	-	-	-	-	-	-	-	-	-
Electrical Distribution (23)	1	1	1	1	1	1	1	1	1	1
Entrance Kiosks (24)	-	3	3	3	3	3	3	3	3	3
Exterior Animal Pools	1	1	1	1	1	1	1	1	1	2
Farm Entry Structures (23)	-	1	1	1	1	1	1	1	1	1

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	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Zoo (cont.)</u>										
Garages (23)	-	1	1	1	1	1	1	1	1	1
Gazebos (23)	-	3	3	3	3	3	3	3	3	3
Loaders and Attachments	2	3	3	2	2	4	3	3	3	3
Maintenance Buildings (23)	3	-	-	-	-	-	-	-	-	-
Mowers and Attachments	6	4	2	-	-	-	-	-	-	-
Observation Decks	3	2	2	2	2	2	2	2	2	1
Parking Lot	1	1	1	1	1	1	1	1	1	1
Photovoltaic Solar Systems (24)	-	1	1	2	2	2	2	2	2	2
Pools (23)	-	1	1	1	1	1	1	1	1	2
Public Shelters (23)	6	-	-	-	-	-	-	-	-	-
Pump Houses (23)	-	2	2	2	2	2	2	2	2	1
Restroom / Concession Building (23)	6	-	-	-	-	-	-	-	-	-
Roadway Sweeper	1	1	1	1	1	1	1	1	1	1
Sheds (23)	-	7	7	7	7	7	7	7	7	8
Shelters (23)	-	4	4	4	4	4	4	4	4	4
Snow Plows	9	9	10	7	7	8	8	6	5	5
Spreaders and Attachments	3	3	3	3	3	3	3	3	4	4
Stages (23)	4	2	2	2	2	2	2	2	2	2
Standalone Bleachers (23)	-	2	2	2	2	2	2	2	2	2
Storage Buildings (23)	22	-	-	-	-	-	-	-	-	-
Storage Containers (23)	-	7	7	7	7	7	7	7	7	7
Theaters with Bleachers (23)	-	2	2	2	2	2	2	2	2	2
Ticket Booths (23)	17	-	-	-	-	-	-	-	-	-
Train Depot and Crossing Shacks (23)	5	4	4	4	4	4	4	4	4	4
Train Locomotive Engines	4	4	4	4	4	4	4	4	4	4
Trucks - over 13,000 lb. gross vehicle weight	2	2	2	2	2	2	2	3	3	3
Vehicles - Cars, Vans, SUVs, Pickup Trucks	24	22	22	21	22	18	22	28	29	29
Wishing Well (24)	-	1	1	1	1	1	1	1	1	1
Zoo Services Buildings (23)	13	-	-	-	-	-	-	-	-	-

BUSINESS - TYPE ACTIVITIES

Transit / Para Transit:

Buildings (25)	-	16	16	16	16	16	16	16	16	16
Bus Waiting Stations (25)	1	3	3	3	3	3	3	4	4	4
Maintenance Buildings (25)	7	-	-	-	-	-	-	-	-	-
Restroom Buildings (25)	2	-	-	-	-	-	-	-	-	-
Sheds (26)	-	1	1	1	1	1	1	1	1	1
Shelters (26)	-	2	11	-	2	2	2	2	2	2
Storage Buildings (25)	5	-	-	-	-	-	-	-	-	-
Transit Services Building (25)	4	-	-	-	-	-	-	-	-	-

Airports:

Air Traffic Control Towers (27)	-	2	2	2	2	2	2	2	2	2
Airport Services Building (27)	34	-	-	-	-	-	-	-	-	-
Buildings - (5,27)	-	73	73	72	73	73	46	46	45	46
Bus / Lot Shelters (27)	-	8	8	8	8	8	8	8	8	6
Cargo Carriers (27)	-	3	3	3	3	3	3	3	3	2
Combo Units	12	12	12	12	12	12	12	12	2	-
Crash and Rescue Facility (27)	-	1	1	1	1	1	1	1	1	1
Electrical Distribution (27)	5	-	-	-	-	-	-	-	-	-
Entrance / Exit Helix (27)	-	2	2	2	2	2	2	2	2	2
Fire Trucks	5	5	5	5	5	5	5	5	6	4
Fuel Distribution (27)	1	1	1	1	1	1	1	1	1	1
Ground Run-up Enclosures	-	-	-	-	-	-	2	2	2	2
Guard Shack and Check Station	-	-	-	-	-	-	2	2	2	2
Guard Stations (27)	4	-	-	-	-	-	-	-	-	-

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	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Airports (cont.)</u>										
Hangars (27)	26	16	16	12	16	16	25	25	25	25
Kennels (28)	-	1	1	1	1	1	2	2	2	2
Liquid Calcium Applicators	4	4	4	4	4	4	4	4	4	4
Loaders and Attachments	21	21	21	21	21	22	22	22	24	20
Maintenance Buildings (27)	28	-	-	-	-	-	-	-	-	-
Miscellaneous Equipment	33	34	34	32	33	20	15	11	9	9
Mowers and Attachments	35	33	33	32	28	26	26	25	24	21
Parking Structure	1	1	1	1	1	1	1	1	1	1
Public Shelters (27)	11	-	-	-	-	-	-	-	-	-
Pump Houses (27)	-	2	2	4	2	2	2	2	2	2
Remote Transmitter (27)	-	1	1	1	1	1	1	1	1	1
Restroom Buildings (29)	1	-	-	-	-	-	-	-	-	-
Runway Brooms, Sweepers and Attachments	16	14	15	14	13	11	10	10	11	11
Snow Plows and Attachments	50	52	53	53	51	52	54	50	44	43
Spreaders, Deicers, Salters and Attachments	18	18	18	18	18	18	19	19	19	18
Storage Buildings (27)	39	-	-	-	-	-	-	-	-	-
Surface Friction Tester	1	1	1	1	1	1	1	1	1	1
Taxi Stop Boxes (27)	-	1	1	1	1	1	1	1	1	1
Teller Boxes (27)	-	3	3	3	3	3	3	3	3	3
Terminals - Passengers (27)	5	5	5	5	5	5	5	5	5	5
Ticket Booths (27)	15	-	-	-	-	-	-	-	-	-
Toll Booths (27)	-	12	12	12	12	12	12	12	12	12
Tractors	8	7	7	7	7	7	7	8	9	9
Trailers	3	3	3	4	4	2	1	1	1	1
Trucks - over 13,000 lb. gross vehicle weight	36	35	36	36	36	32	32	34	32	31
Vehicles - Cars, Vans, SUVs, Pickup Trucks	76	76	77	71	69	70	63	50	47	46
Warehouses, Storage Bldgs & Sheds (5,27))	-	53	53	52	52	52	19	19	19	19

Notes:

- (1) Inventory shows these items under Public Safety, however, these buildings are owned and operated under Facilities Management. They are highlighted separately to maintain inventory tracking.
- (2) Facilities Management transferred from the Department of Transportation to the Department of Administrative Services in 2012. Facilities management's 2012 balances are being shown as per the appropriate documents; however, 2006-2011 data is being presented as per previous statistical sections in Public Works. The actual inventory numbers still reside in Public Works data.
- (3) Parks & Parkways --- increase in 2012 due to updated data from Department.
- (4) Reclass of CATC Buildings from 1 to 6 separate buildings and reclass of City Campus from 1 to 4 buildings and recognition that Gamex buildings were sold to UWM.
- (5) Increase in 2011 due to buildings available for use from the 440th Air Force Reserve Station. Acquisition made in 2010
- (6) Reclass of farm items from House of Correction to Parks.
- (7) Mowers and Attachments increased for Parks due to new purchases from bonds issuance.
- (8) All Landscape Services buildings and Grant Park Life Station are destroyed.
- (9) Water Tower was destroyed.
- (10) Office of Emergency Management became a separate department. Previously, EMS was a part of Human Services and Sheriff departments.
- (11) 2016 - Reclassified within the department and 1 transferred to Public Safety - Medical Examiner.
- (12) 2016 - Reclassified within the department and 5 sold.
- (13) 2016 - 2 new and 2 transferred from DHHS.
- (14) 2016 - 1 new, 1 transferred from Airport and 1 previously excluded.
- (15) 2016 - Reclassified within the department.
- (16) 2016 - Reclassified within the department, 1 transferred to Airport and 1 demolished.
- (17) 2016 - 15 demolished.
- (18) 2016 - Reclassified within the department, 7 transferred from Airport, and 8 new.
- (19) 2016 - Reclassified within the department, 2 transferred to Facilities Management, and 1 transferred from Parks.
- (20) 2016 - Reclassified within the department, 6 demolished, 1 sold, and 3 previously excluded.

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Notes (cont.):

- (21) 2016 - 5 previously excluded.
- (22) 2016 - Reclassified within the department.
- (23) 2016 - Reclassified within the department, 17 new and 22 demolished.
- (24) 2016 - All buildings were demolished.
- (25) 2016 - Reclassified within the department.
- (26) 2016 - All buildings were demolished.
- (27) 2016 - Reclassified within the department.
- (28) 2016 - 1 demolished.
- (29) 2016 - 1 new.