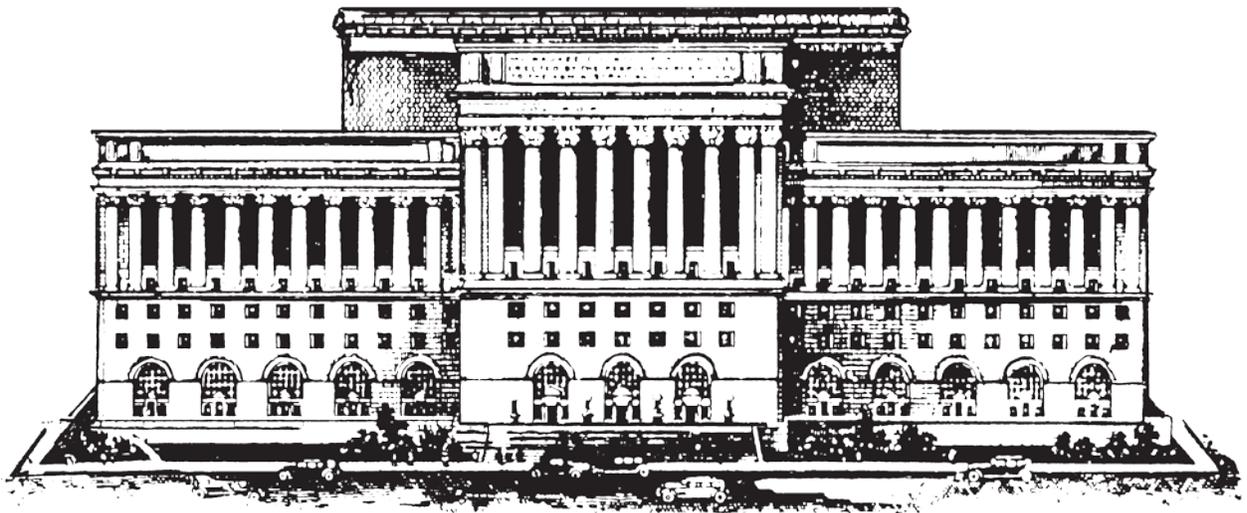


**COUNTY OF
MILWAUKEE, WISCONSIN**



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2013

COMPREHENSIVE ANNUAL FINANCIAL REPORT

County of Milwaukee
Milwaukee, Wisconsin

As of and For the Year Ended
December 31, 2013

Prepared by:
Office of the Comptroller
Central Accounting

COUNTY OF MILWAUKEE, WISCONSIN

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Office of the Comptroller

Milwaukee County

Scott B. Manske • Comptroller

July 31, 2014

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

A) COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR):

CAFR Overview

The Comprehensive Annual Financial Report (“CAFR”) of Milwaukee County, Wisconsin (the “County”) for the year ended December 31, 2013 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.

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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 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 Marcus Center for the Performing Arts, the Milwaukee County Research Park Corporation, the Milwaukee County War Memorial, Inc. and the Milwaukee Public Museum, Inc.

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

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

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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, the County Supervisors and the Comptroller are elected to nonpartisan four-year terms. 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 eight 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, Personnel and Audit
- 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 four 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.

On June 2, 2013, Wisconsin Act 14 (“Act 14”) relating to the County became effective. Act 14, among other things, changes the compensation structure of a member (a “supervisor”) of the County Board, changes the length of the term of a supervisor from four years to two years, affects the right of an annuitant under the Milwaukee County Employee’s Retirement System if rehired by the County, limits the authority of the County to enter into certain intergovernmental agreements, revises the approval process for public contracts, removes and clarifies some authority of the Board, increases and clarifies the authority of the County Executive of the County, and requires a referendum regarding the compensation of the Supervisors.

Pursuant to Act 14, a local referendum was held in Milwaukee County on April 1, 2014 that if approved would place limitations on the annual salaries of the County Board chairperson and supervisors. The referendum was approved by a vote of 47,588 (70.2%) to 20,182 (20.8%).

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 him in carrying out the executive functions:

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

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

- Child Support Services
- Department of Family Care
- House of Correction
- UW - Extension
- Zoological Gardens
- Department on Aging
- Government Affairs
- Medical Examiner
- Veterans Service Office

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 Administrative Services - 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 Administrative Services - 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 assures strict adherence to Civil Service Rules, State and Federal Laws and County ordinances, regulations and policies related to human resources and affirmative action.

In 2012, DHR was transferred from the Department of Administrative services umbrella and became its own independent department encompassing the Compensation, Training & Employee Relations, Employment & Staffing, Health Benefits and the Employment Retirement System functions. In 2013, the Department of Labor Relations was transferred to DHR to negotiate and administer all collective bargaining agreements, establish labor relations training programs for supervisory staff and conduct all procedures ordered by the Wisconsin Employment Relations Commission, U.S. Department of Labor, or the Wisconsin Department of Workforce Development.

The **Office of Corporation Counsel** ensures that Milwaukee County, its officers, employees, and agents adhere to all applicable legal requirements and works to minimize personal and fiscal liability for the aforementioned group.

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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 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 and local Statutes and ordinances.

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

The **County Treasurer** acts as the County's banker, receiving and disbursing all funds as provided by state law and county ordinances; providing for daily cash requirements of Milwaukee County, and investing public funds not used for daily operations. The Treasurer's Office also collects delinquent property or real estate taxes for Milwaukee County's 18 suburban municipalities as required by State Statutes. The City of Milwaukee collects its own delinquent taxes. The County Treasurer also maintains property tax data that is accessible to the public at the Courthouse office. The Treasurer also acts under authority vested in the office by the Wisconsin Statutes.

The **County Clerk** records the proceedings of the County Board of Supervisors, maintains all legislative files, updates existing ordinances and publishes new ordinances on-line. The County Clerk staffs all County Board meetings and County Board committee meetings. The County 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. The County Clerk also issues marriage licenses and domestic partnership declarations, registers all lobbyists, lobbying principals and reports to the public on lobbying activity. Other duties include accepting applications for passports, selling bus tickets, and Wisconsin Department of Natural Resources (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. The County Clerk receives any claims filed against Milwaukee County. The County Clerk also acts under authority vested in the office by the Wisconsin Statutes.

In 2014, Wisconsin State Statutes were amended so that the County Clerk also serves as the executive director of the Milwaukee County Election Commission. As executive director, the County Clerk is responsible for performing whatever duties are assigned by the commission.

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

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real estate transfer tax; and performs such other functions as provided by law. The Register of Deeds also acts under authority vested in the office by the Wisconsin Statutes.

The **Office of the Comptroller (OOC)** was created through State Statute in November 2011, and in April of 2012, the County elected the first County Comptroller. 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 or County Executive. The Comptroller also acts under authority vested in the office by the Wisconsin Statutes. The OOC consists of Administration, Central Accounting, Accounts Payable, Central Payroll, Capital and Debt Monitoring, and Audit Services.

In 2013, the County Board of Supervisors, pursuant to State Statutes, created a four-employee research division within the Office of the Comptroller. This division provides independent and nonpartisan research services for the board and the county executive.

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

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, which constitutes the First Judicial Administrative District of the state system. The district currently has 47 judges and 22.5 full-time equivalent court commissioners. The Department of Combined Court Related Operations includes the Chief Judge and is made up of three divisions which were formerly three separate departments.

The **Family Court Commissioner Division** conducts hearings for family matters of separation, divorce, domestic abuse, and harassment cases; conducts paternity hearings and monitors the job search task for those individuals liable for child support; and provides mediation services and custody studies for the Family Courts as mandated by Section 767.11 of the Wisconsin Statutes.

The **Register in Probate** maintains all records and files of probate proceedings and assists the courts in adjudicating matters involving probate, trusts, guardianships of persons and estates, conservatorships, protective placements, involuntary commitments, temporary restraining orders and injunctions in individuals at risk cases.

The **County-funded State Court Services** consists of two sections: the Chief Judge and the Clerk of Circuit Court. The Chief Judge is responsible for the oversight of administration of judicial activities in the 47 circuit courts within the First Judicial Administrative District. The Clerk of Circuit Court includes the following divisions: *Administration, Criminal, Civil, and Children's*. The Clerk of Circuit Court maintains the records, books and files of the Circuit Courts, Civil, Family, Criminal and Children's Divisions; prepares the daily court calendar; and processes all cases. Eligible jurors are also summoned by the Clerk of Circuit Court.

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The **Pretrial Services Division** provides screening, intervention and supervision services for pretrial defendants. This division is managed by the Chief Judge of the Milwaukee 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 Department'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 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 Office of the Sheriff is organized into the following divisions: Administration Bureau, Detention Services Bureau, and Police Services Bureau.

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. In addition, the Police Services Bureau serves state-mandated civil writs such as temporary restraining orders, commitments to mental health, body attachments, writs of restitution/assistance, executions and evictions.

In 2009, management of the House of Correction (HOC) was transferred to the Office of the Sheriff. The HOC operates the Adult Correctional Center, which maintains custody of all sentenced prisoners in the County committed by authorized courts for periods not exceeding one

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year and from other jurisdictions as authorized by County ordinance; provides rehabilitation, education, work, recreation and training; provides medical, dental and other necessary services in conjunction with the Office of the Sheriff - Detention Bureau; processes and considers applications for parole; and releases prisoners upon expiration of sentence, parole, or upon orders of the courts or other recognized authorities. Subsequently, the 2013 Adopted Budget required that the management of the HOC be transitioned from the Office of the Sheriff back to the Executive Branch of County government, under an appointed Superintendent, effective April 1, 2013. In December of 2012, Sheriff Clarke filed a lawsuit against Milwaukee County related to the management of the HOC. Branch 9 of the Circuit Court of Milwaukee County issued an order on May 1, 2013 dismissing the lawsuit. Subsequently, the Superintendent took control of the facility on May 7, 2013.

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 branch 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, but does not require, this institution to receive and maintain custody of pretrial inmates at the request of the Milwaukee County Sheriff. The Department also operates a program of home detention using electronic surveillance equipment and other systems of control. The Department also includes the funding for the Day Reporting Center where sentenced inmates can obtain job training and AODA services.

The **Milwaukee County District Attorney's Office**, pursuant to Section 978.05 of the Wisconsin Statutes, has jurisdiction for criminal and juvenile cases in the circuit courts of Milwaukee County. 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. District attorneys and assistant district attorneys present evidence, argue motions, negotiate cases and conduct jury and court trials.

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, which seeks to ensure that witnesses who are threatened or intimidated are able to safely appear and testify in court, 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 **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

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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. This division is discussed in greater detail below under "Business-type Functions".

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 57 centerline miles of freeways, 100 centerline miles of state trunk highways and approximately 87 centerline miles of 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. Transportation functions include highway engineering, construction management, bridge engineering and traffic engineering.

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 also 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 life-sustaining, life-saving and life-enhancing services to children and adults through age 60. Programs focus on providing services for delinquent children, dysfunctional families, developmentally disabled persons, physically disable persons, mentally ill persons, homeless persons, and those in need of financial assistance. Many DHHS services are mandated by State Statute and/or provided through a contract between the state and the County. DHHS consists of

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five service areas including the divisions of Delinquency and Court Services, Disabilities Services, Housing, Director's Office & Management Services and Behavioral Health.

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. Juvenile justice programs and services provided to alleged and adjudicated delinquent youth include pre-dispositional secure and non-secure out-of-home placements and monitoring, court diversion supervision and services, post-dispositional placements and services and probation supervision and programs that are designed as alternatives to placement in state correctional facilities.

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. A wide variety of services are provided or purchased, including case management for long-term support, work employment services, community support, and service access and prevention. The division also provides services through the Disabilities Resource Center such as information and assistance, service access and prevention, disability benefits counseling and Family Care entitlement benefits through access to publicly funded long-term care. DSD also manages the Interim Disability Assistance Program and the General Assistance burials programs. The division coordinates transition services from the school system to the adult system and investigates abuse and neglect incidences on behalf of adults at risk.

The *Housing Division* consolidates several housing programs in order to better integrate housing programs with the social services provided by DHHS. The division focuses on prioritizing the use of County housing resources to address the needs of persons with mental illness or other special needs. The division administers the following Housing and Urban Development funded programs: Shelter Plus Care, which links housing subsidies with case management for persons with mental illness; Safe Haven, which provides transitional housing for formerly homeless persons with mental illness; Housing Choice Voucher, which assists clients with locating affordable housing and provides rent subsidies; HOME/Home Repair, which provides low- or no-interest loans to low-income persons for home repairs and improvements. 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 to all DHHS program areas. This division also oversees the Home Energy Program and 211 Impact, which is a referral service for individuals in need of social services.

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. The range of services provided by the BHD encompasses inpatient care (both short term and extended), outpatient care and day treatment. Acute hospital

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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.

The *Emergency Medical Services (“EMS”)* program within the Behavioral Health Division supports the provision of paramedic services in the County through a variety of initiatives. The Communication Center is staffed with emergency medical communicators to coordinate on-line medical control and hospital notification for local and regional emergency calls. The EMS program also operates the Education/Training Center for members of the paramedic transport units serving Milwaukee County and the American Heart Association Community Training Center, which provides public education for cardiopulmonary resuscitation, automatic external defibrillator, advanced life support and pediatric advanced life support courses. Medical direction and control for the EMS program is provided through a professional services contract with the Medical College of Wisconsin.

The **Department on Aging** was created in 1991 to administer aging programs and to serve as the County’s designated area agency on aging. The Department on Aging plans for and services the growing needs of the County’s large and diverse older adult population. 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 Department on Aging contains three major program areas: Administration, Area Agency Services and the Aging Resource Center.

Administration provides administrative guidance, accounting support, and contract oversight to all Aging program areas.

Area Agency Services provides a network of support services to the aging population including the Senior Meal Program and the five senior centers in the County and provides a range of grants to community based agencies to provide specialized programming for elderly adults. This division also provides staff support to the Milwaukee County Commission on Aging, which serves as the area’s planning committee.

The *Aging Resource Center* serves as an information clearinghouse, provides eligibility assessments for persons seeking assistance in any departmental 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”)** was originally created in 2000 as the Milwaukee County Department on Aging – Care Management Organization to operate a Family Care Program for people age 60 and older. Under Milwaukee County’s existing contract with the State Department of Health Services (“DHS”), DFC must operate separately from both the Aging Resource Center and the Disability Resource Center. Since it is the responsibility of the Resource Centers to objectively inform persons in need of long-term care about the options available to

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them, DHS considers the organizational separation of the two functions an essential element in the administration of the Family Care Benefit, resulting in the creation of the Department of Family Care.

The Department, formally established in 2010, 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 each member; 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 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.

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 comprises 15,316 acres of parkland, including 154 parks and parkways. The Parks Department provides a variety of sports and recreation opportunities to County residents and visitors. The Parks Department maintains 15 golf courses, indoor and outdoor aquatic facilities, an indoor ice arena and a sports complex that hosts tournaments, competitions, leagues and tradeshow. The 117-mile Oak Leaf Recreational Trail, along with 84 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.

Roughly 9,100 acres of parkland are managed as natural areas. Additional public educational opportunities are offered through Boerner Botanical Gardens, the Mitchell Park Horticultural Conservatory and Wehr Nature Center. The Department also maintains over 14 miles of lakefront property and operates five beaches along Lake Michigan. Fishing and boating access is provided through five launch sites along the lake, including McKinley Marina and South Shore Park.

The **Zoological Department** operates the Milwaukee County Zoo (the “Zoo”), one of the country’s finest zoological attractions with over 400 species and 3,000 mammals, birds, fish, amphibians and reptiles in specialized habitats spanning over 200 wooded acres and 450,000 square feet of facilities. Some of the 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;

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the Australian Building; the Apes of Africa exhibit; the Education Facility; the Lake Evinrude Deck; the Primate Building; the Aquarium/Reptile Building; and the Special Exhibits Building. Other Zoo facilities include a chairlift, a railroad, a carousel, ropes course, zip line and the Kohl's Cares for Kids Play Area. Zoo attendance in 2013 was 1,232,899 visitors.

The **Marcus Center for the Performing Arts** 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 2013 is \$1.09 million.

The **Milwaukee Public Museum, Inc.** ("MPM") has been operated through a public-private partnership since 1992. The private, not-for-profit organization MPM Inc. operates the museum, and the County owns the buildings and artifacts. The board of directors of MPM includes representatives appointed by the County Board and the County Executive.

MPM hosts international exhibitions annually, and had attendance of 479,309 in 2013. MPM also operates an IMAX theater and the Daniel M. Soref Planetarium to provide additional educational programming. 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 over 2,386 acres. GMIA is the largest and busiest airport in Wisconsin, serving a total of 6,525,187 passengers in 2013. It is the only airport in Wisconsin with service from all the major domestic airlines.

Seven airlines provide approximately 125 daily departures to 36 nonstop destinations throughout North America. Connections are available to hundreds of cities throughout the world. GMIA's low fares and parking rates attract travelers from throughout Wisconsin and northern Illinois.

The Lawrence J. Timmerman Airport 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. MCTS has an active bus fleet of 391 buses serving 54 routes. Bus fares are collected on approximately 36.5 million passenger trips annually (an amount that does not include passengers entering a bus using a transfer ticket). Beginning in 2012, a bus replacement program will provide 145 new buses over the next several years.

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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.

The contract with the current transit management services provider is scheduled to conclude at the end of 2014. The 2014 Budget included language stating unless the County Board approves a contract for outside management and operation of the transit system by April 1, 2014, the policy of Milwaukee County is to bring management and operation of transit in-house.

A contract for transit management services was not approved by the April 1, 2014 deadline. Therefore, the Department of Transportation has entered into a contract with a consulting firm to advise on effectuating a transition of management and operation of the transit system that complies with the stated policy direction included in the 2014 Budget.

Milwaukee County is working in conjunction with the current transit management services provider and the Federal Transit Administration to ensure continued uninterrupted transit management services, which may include an extension with the current contract provider, while the County works toward completion of the policy directive included in the 2014 Budget.

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 47th largest in the United States with 950,410 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 596,500 residents to small villages such as Bayside with a population of 4,380.

The County anchors the Greater Milwaukee Metropolitan Area, which has a population of 2,025,900 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 2021.

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. Approximately 900,000 tons of salt, 500,000 tons of cement and cement products, 600,000 tons of coal, and 50,000 tons of specialty products come through the port on an annual basis. The port also serves as the third largest exporter of grain in the Great Lakes. Ocean shipping services, inland barge service and major railroad services are complemented by the Milwaukee County freeway system, which

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allows for direct access to and from the Port, alleviating congestion on local streets as well as contributing to safer transportation of critical commodities. The Port berths the high-speed passenger and auto ferry that connects Milwaukee with Muskegon, Michigan. The Lake Express ferry contributes not only to tourism but adds another form of transportation for Milwaukee County residents. The commercial port supports over 2,000 jobs and nets a profit between \$1 million and \$3 million annually.

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.

The January 1, 2013, population estimate for the County by the State of Wisconsin Department of Administration is 950,410. The five most recent United States Department of Commerce, Bureau of the Census, decennial estimates for the County are presented in the table below.

Population Statistics	
Year	Population
2010	947,735
2000	940,164
1990	959,275
1980	964,988
1970	1,054,249

The Department of Workforce Development provides monthly estimates of the labor force, employment, unemployment, and unemployment rates for the County and the State of Wisconsin. 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)

Year	Labor Force	Employment	Unemployment	Unemployment Rate	
				Milwaukee County	State of Wisconsin
2013	461,269	423,010	38,259	8.3%	6.7%
2012	459,596	420,701	38,895	8.5%	6.9%
2011	462,770	420,882	41,888	9.1%	7.5%
2010	461,545	415,828	45,717	9.9%	8.5%
2009	470,343	425,123	45,220	9.6%	8.7%

Source: Wisconsin Department of Workforce Development

The Bureau of Economic Analysis provides estimates of per capita income data. Available data for the County, State and United States over the past five years are presented in the following table.

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Year	Per Capita Personal Income		
	Milwaukee County	State of Wisconsin	United States
2013		Not Available	
2012	\$40,628	\$42,121	\$43,735
2011	39,390	40,648	42,298
2010	38,437	38,755	40,163
2009	38,422	38,364	39,357
2008	38,091	38,735	40,873

According to the Milwaukee Metropolitan Association of Commerce Business Outlook Survey, First Quarter, 2014, 75 percent of area businesses surveyed expected sales increases in 2014, 65% forecast profit gains and over half expect job growth in the calendar year.

Quarterly employment expectations reached its highest level of optimism since 2012's third quarter. Forty-eight percent of all businesses surveyed predict first-quarter, 2014 job gains for their local operations (vs. 2013's first quarter), up from the 38% of companies which forecast year-over-year gains in 2013's fourth quarter. Companies are over three times more likely to forecast employment gains for 2014's first quarter than declines (13%). Thirty-nine percent see no change. The survey contains responses from 115 Milwaukee area firms, employing more than 42,400 people.

D) FINANCIAL MANAGEMENT

Budgeting. The County has an executive budget process for the preparation of the annual operating and capital budgets. The Fiscal Affairs Division of the Department of Administrative Services provides the technical assistance required by the County Executive to review budget requests submitted by County departments and agencies. The Fiscal Affairs Division compiles these requests, along with principal and interest requirements, capital improvements, contingency requirements and the required tax levy. It reviews areas where changes may be considered and transmits its findings to the County Executive. The County Executive holds public hearings with respect to the requests, meets with departments and submits a recommended budget to the County Board on or before October 1st of each year. Subsequent to the receipt of the budget from the County Executive, the County Board's Committee on Finance, Personnel 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, Personnel 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

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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 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 new 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 publically 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 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 provisions of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and the provisions of the State of Wisconsin State Single Audit Guidelines.

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Capital Planning. The County is continuing the development of an inventory of all County capital assets and a system to monitor the condition of capital assets and establish appropriate replacement or reconstruction schedules for the County's infrastructure. This information will assist County departments in developing comprehensive long-range planning.

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 principal amount of the preceding year's issue. Although this bonding cap policy only applies to corporate purpose bonds that finance the Capital Improvements Program, the Comptroller's Office includes the bond issues that result in a County debt obligation.

The County Board authorized and borrowed significantly more than what would have been allowed under its bonding cap policy during 2009 and 2010 in order to accelerate projects previously scheduled to occur during the four-year period of 2009 through 2012. As a result, the County issued general obligation debt for four years of capital projects during a two-year period (2009 and 2010) and did not issue general obligation debt for capital projects during the next two-year period (2011 and 2012). This allowed the County to maintain its bonding cap policy in aggregate during the four-year time period while accelerating the capital project plan to take advantage of certain provisions of the American Recovery and Reinvestment Act and provide a local economic stimulus.

Wisconsin Statutes limit the County's direct general obligation borrowing to an amount equivalent to five percent of the equalized valuation of taxable property. At December 31, 2013, the County had \$727.7 million of net general obligation debt outstanding, representing 24.3 percent of the \$2.9 billion debt limit. The debt limit is based upon equalized value of County property of \$57.1 billion.

Approximately 72.4 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 2013, total debt of the County, which includes general purpose and Airport revenue bond obligations, was \$958.2 million. As of December 31, 2013, approximately \$230.7 million or 24.1 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+

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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. In 2009, a workgroup made up of administrative, departmental and County Board staff, along with external experts, developed a consensus-based five-year forecasting model to better understand the structural deficit facing the County. The Comptroller monitors the County's five-year forecast and provides an annual update to the County Board and County Executive each spring. 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 initial 2009 model forecasted a structural deficit of \$152.8 million by 2014, assuming no structural changes. The updated 2013 model shows significant improvement for the 2014 forecasted structural deficit, despite the impact of the recession. A comparison of the two forecasts is shown below.

Forecast Year	2009 Model (Millions)	2013 Model (Millions)
2014	\$(153)	\$(15)
2015	(159)	(26)
2016	(179)	(44)
2017	(201)	(63)
2018	N/A	(77)

Because expenditure growth is anticipated to outpace revenue growth for the next five years, the County will continue to have a structural deficit in the forecast period absent any new policy changes. The ongoing drivers of the structural deficit continue to be personnel costs and stagnant revenue. Considering that personnel costs comprise nearly 40 percent of the County's total expenditures, it is reasonable that increases in personnel costs together with minimal revenue growth will continue to create a structural imbalance within the County. However, a significant portion of the improvement in the structural deficit is due to refined assumptions, while substantial changes in personnel and fringe benefits have also played a dominant role.

Since 2006, the County has taken actions to reduce its long-term structural deficit through wage and benefit modifications. The actions taken by the County have included the movement to a self-insured health plan, wage freezes, and changes to healthcare plan design including implementation of a single PPO plan and increased deductibles and co-payments, changes in coordination with Medicare, reduced pension benefits, and enactment of an employee pension contribution. Changes in these areas have significantly reduced the future costs of these benefits in turn reducing the County's structural deficit.

Major changes to healthcare and pension benefits have largely been possible due to 2011 Wisconsin Acts 10 and 32 (Acts 10 and 32). Prior to Acts 10 and 32, the County was required to negotiate any wage or benefit change with represented employees. Due to modifications to collective bargaining in Acts 10 and 32, the County is now only permitted to bargain over base wages (limited to the rate of inflation) with the unions that are not related to public safety. The County is still required to bargain over most wage and benefit issues with the Milwaukee County Firefighters Association and the Milwaukee Deputy Sheriffs' Association with the exception of healthcare plan design (deductibles, copays, etc.) which is no longer subject to collective bargaining. Acts 10 and 32 also require that employees, except members of public

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safety unions, contribute one-half of the actuarial determined annual required contribution (ARC). Similar employee pension contributions have been negotiated with public safety worker unions.

The County has successfully implemented a new healthcare plan design that shares more costs with its employees and retirees due to Acts 10 and 32. In addition, the County has largely been able to implement all of these changes for its public safety workers, with the exception of the contribution to health plan premiums, which is still considered a negotiable item for public safety unions. Major changes include a shift from multiple plan designs to a single PPO plan design. Employees and retirees are required to pay annual deductibles, copays and coinsurance. In addition, the County has implemented a Medicare carve-out coverage plan and an Employer Group Waiver Plan (“EGWP”) for prescription drug coverage for retirees and eliminated the Medicare Part B premium reimbursement for all employees not yet retired.

The County has also been able to reduce its pension liability, in part due to changes that resulted from Acts 10 and 32. Almost all employees are required to contribute one-half of the ARC to the Employees’ Retirement System (“ERS”). The member contribution requirement is determined annually by the County’s actuary and is collected through an employee payroll deduction. Although this issue remains a negotiable item for public safety unions, as of this date, all public safety unions have agreed to a pension contribution of one-half the ARC. Other changes to the pension benefits include an increase in the normal retirement age from age 60 to age 64, a reduction in the pension multiplier from 2.0 percent to 1.6 percent for most employees and a modification to the backdrop pension benefit.

As a result of Acts 10 and 32, and the subsequent changes to healthcare and pension provisions for Milwaukee County employees, legal challenges have been brought against both the State and the County. The lower courts have both issued opinions as to the legality of Acts 10 and 32, and the parties have appealed the decisions to Federal Appeals Court and to State Appeals Court. The Federal Appeals Court has ruled in favor of the State, while the Wisconsin Supreme Court has yet to issue a ruling.

Legal challenges have been brought against the County regarding the healthcare plan design changes imposed on retirees, the elimination of the Medicare Part B premium reimbursement for future retirees, the reduction in the pension multiplier from 2.0 percent to 1.6 percent for most employees and the modification of the backdrop pension benefit. The U.S. Court of Appeals has issued a final ruling in favor of the County with respect to issues regarding healthcare plan design changes imposed on retirees. The Wisconsin Court of Appeals has ruled in favor of the County on the elimination of the reimbursement of Medicare Part B premiums for future retirees, but it is now under review by the Wisconsin Supreme Court. The Wisconsin Court of Appeals has ruled against the County with respect to the change in the pension multiplier for employees in active service at the time of the change. The County has requested review of this decision by the Wisconsin Supreme Court, but has not yet received a decision whether the Supreme Court will accept review. If the County loses the appeals, there will be a financial impact; however, these impacts have not yet been determined. The case related to the backdrop benefit was just recently filed and no decision has been rendered as it is awaiting the outcome of the pending appeals.

Property Tax Rate 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.

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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%.

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. 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:

- (a) 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.
- (b) 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.
- (c) 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 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.

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The audit was performed to provide reasonable assurance that the financial statements are free of material misstatement. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended December 31, 2013 are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditors' report is presented as the first component of the financial section of the CAFR.

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

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2012. This was the thirty-fourth (December 31, 1979 through December 31, 2012) consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR). This report must satisfy both Generally Accepted Accounting Principles (GASB) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report (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**

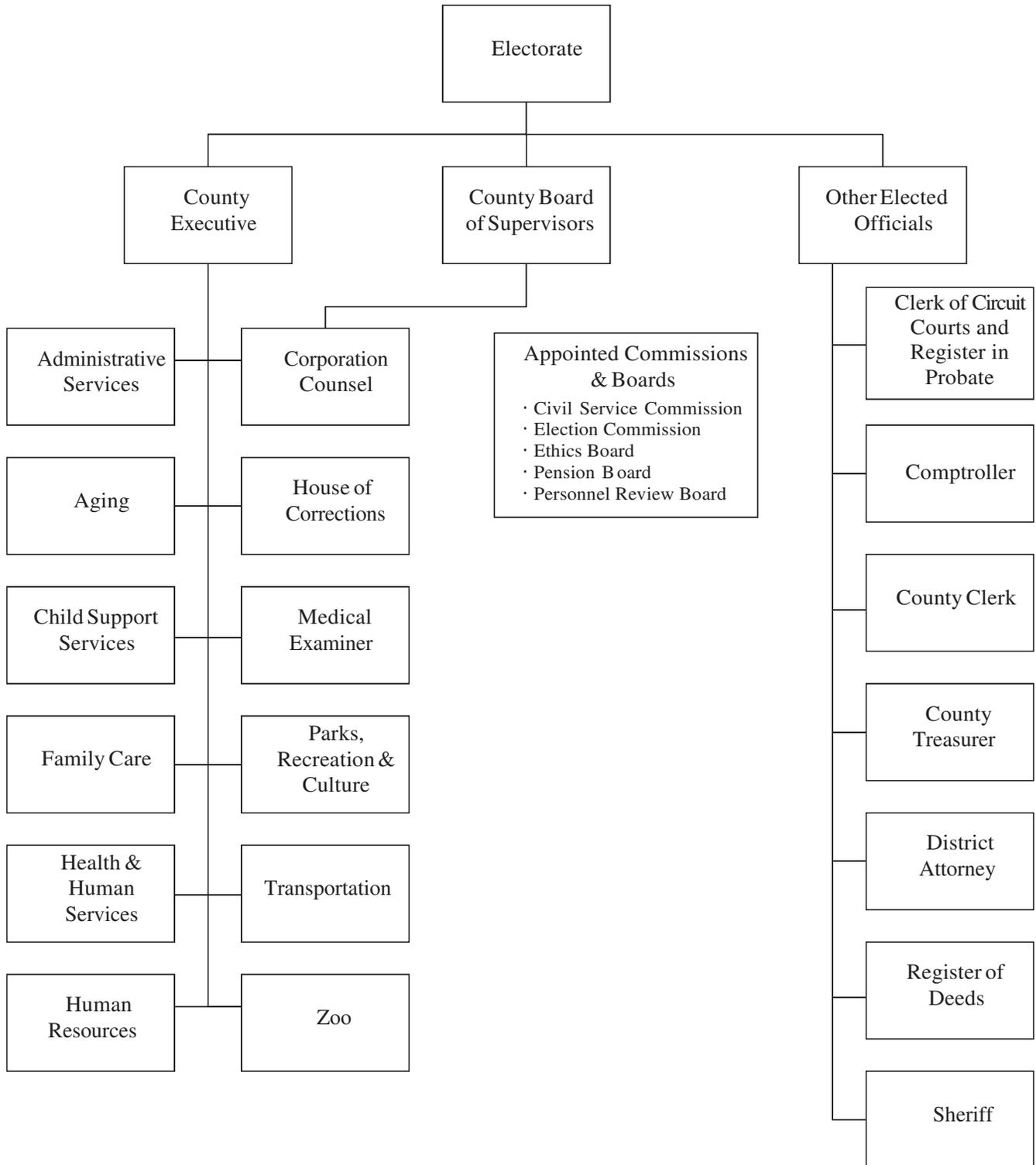
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

COUNTY OF MILWAUKEE, WISCONSIN

Organizational Chart



COUNTY OF MILWAUKEE, WISCONSIN

List of Principal Officials and Committees December 31, 2013

ELECTED

County Executive.....Chris Abele
Clerk of Circuit Court/Register in ProbateJohn Barrett
ComptrollerScott Manske
County Clerk.....Joseph Czarnezki
County TreasurerDaniel J. Diliberti
District AttorneyJohn T. Chisholm
Register of Deeds.....John La Fave
SheriffDavid A. Clarke, Jr.

APPOINTED

<u>Department</u>	<u>Title</u>	<u>Name</u>
Administrative Services	Director	Don Tyler
Aging	Director	Stephanie Sue Stein
Airport.....	Director	C. Barry Bateman
Audit	Director	Jerome J. Heer
Behavioral Health Division.....	Administrator.....	Paula Lucey
Child Support Services	Director	James Sullivan
Circuit Courts.....	Chief Judge	Jeffrey A. Kremers
Corporation Counsel	Corporation Counsel.....	Paul Bargren
Economic Development.....	Director	Brian Taffora
Family Care.....	Director	Maria Ledger
Family Court Commissioner.....	Commissioner	Sandra Grady
Health and Human Services.....	Director	Hector Colon
Human Resources	Director	Kerry Mitchell
IMSD	Director	Chris Lindberg
Medical Examiner.....	Medical Examiner.....	Brian L. Peterson, MD
Parks, Recreation, and Culture.....	Interim Director	James Keegan
Transportation and Public Works	Interim Director	Brian Dranzik
Veterans Services.....	Director	James Duff
Zoological Department	Director	Charles Wikenhauser

COUNTY OF MILWAUKEE, WISCONSIN

List of Principal Officials and Committees December 31, 2013

ELECTED

COUNTY BOARD OF SUPERVISORS - (By District Number)

1- Theodore A. Lipscomb, Sr.	10- David Bowen
2- Nikiya Q. Harris	11- Mark Borkowski
3- Gerry P. Broderick	12- Peggy Romo West
4- Marina Dimitrijevic – (Chair)	13- Willie Johnson, Jr.
5- Russell W. Stamper II	14- Jason Haas
6- James Schmitt	15- David Cullen
7- Michael Mayo, Sr.	16- John F. Weishan, Jr.
8- Patricia Jursik	17- Joe Sanfelippo
9- Steve F. Taylor	18- Deanna Alexander

COUNTY BOARD STANDING COMMITTEES

The Board Chairperson appoints the chair and members of the seven standing committees of the Milwaukee County Board. Each Committee is comprised of a Committee Chair or Co-Chairs, 6 - 7 members and 2 staff.

- The **Economic and Community Development Committee** oversees the administration of federal, state and local housing programs in the County, including the Urban Community Development Block Grant Program. This Committee decides matters pertaining to economic development of Milwaukee County, including the best disposition of County properties. It also makes decisions on the Research Park and the Airport Business Park.
- The **Finance, Personnel 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. This committee also includes 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 **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), Family Care, 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.

COUNTY OF MILWAUKEE, WISCONSIN

List of Principal Officials and Committees December 31, 2013

- 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, County Correctional Facility - South, Department of Child Support Enforcement, Corporation Counsel and Emergency Management.
- The **Parks, Energy and Environment Committee** is responsible for all matters concerning County parks and parkways. Members set policy for the Parks Department, organized recreation, cultural activities, 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 **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)**
- **Basic Financial Statements**
- **Notes to the Basic Financial Statements**
- **Required Supplementary Information**
- **Supplementary Information – Combining and Individual Fund Statements and 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, 2013, 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, 51 percent and 44 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, 2013 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 Matters

As discussed in Note 1.E, the County of Milwaukee adopted the provisions of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an Amendment of GASB Statements No. 14 and No. 34*, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* and GASB Statement No. 66, *Technical Corrections-2012*, effective January 1, 2013. Our opinions are not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of funding progress and the schedules of employer contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, 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, 2013 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Milwaukee's basic financial statements. The combining and individual fund financial statements and schedules and other supplementary information for the year ended December 31, 2013 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, 2013, 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 combining and individual fund financial statements and schedules and other supplementary information are fairly stated in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2013.

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, 2012 (not presented herein), and have issued our report thereon dated July 29, 2013, 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 combining and individual fund financial statements and schedules and other supplementary information for the year ended December 31, 2012 is 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 2012 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2012 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 combining and individual fund financial statements and schedules and other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2012.

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, 2014 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 Vinchow Krause, LLP

Milwaukee, Wisconsin
July 31, 2014

COUNTY OF MILWAUKEE, WISCONSIN

Management's Discussion and Analysis As of and For the Year Ended December 31, 2013 (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, 2013. 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 exceeded its liabilities and deferred inflow of resources by \$595,086 on a government-wide basis as of December 31, 2013. The unrestricted net position of the County was a negative (\$321,131).
- For the fiscal year, program and general revenues of the County's governmental activities totaled \$1,106,281. Expenses totaled \$1,034,481 including transfers out of \$26,842.
- For 2013, revenues of the County's business-type activities were \$287,388 including transfers in of \$26,842. Expenses totaled \$253,564.

Highlights for Fund Financial Statements

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

- As of December 31, 2013, the County's governmental funds reported combined ending fund balances of \$213,235 as compared to \$186,718 for the year ended December 31, 2012.
- The County's enterprise funds had combined net position of \$334,408 as of December 31, 2013, compared to \$300,584 as of December 31, 2012.
- In February 2013, the County issued Taxable General Obligation Pension Promissory Notes in the amount of \$138,730, to extend the financing of \$135,000 of 2009 Taxable pension notes that were to mature on December 1, 2013.
- In June 2013, the County issued \$99,300 in Taxable General Obligation Pension Refunding Bonds for tendering Bonds issued in 2009 that were held by an investor.
- In August 2013, the County issued \$26,935 of General Obligation Corporate Purpose Bonds to finance capital needs pursuant to the County's 2013 Adopted Capital Improvement Budget.
- In August 2013, the County issued \$50,425 of Airport Revenue Bonds to finance general capital improvements at the airport and to refund certain outstanding general airport revenue bonds.

COUNTY OF MILWAUKEE, WISCONSIN

Management's Discussion and Analysis As of and For the Year Ended December 31, 2013 (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 kinds of statements each with a different view of the County's finances. The government-wide financial statements provide both long- and short-term information about the County's overall financial status. The fund statements focus on major aspects of the County's operations, reporting those operations in more detail than the government-wide statements. The basic financial statements also include notes to explain information in the financial statements and provide more detailed data.

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

Government-wide Financial Statements

The **government-wide financial statements**, which consist of 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 2013. 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"). 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.

COUNTY OF MILWAUKEE, WISCONSIN

Management's Discussion and Analysis As of and For the Year Ended December 31, 2013 (Unaudited)

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

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. Together, the primary government and its discretely presented component units are referred to as the reporting entity. The Milwaukee Public Museum, Inc., the Milwaukee County Research Park Corporation, the Milwaukee County War Memorial, Inc., and the Marcus Center for the Performing Arts are the County's discretely presented component units. 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 53-56 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.

The County maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, and the capital projects fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation 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.

COUNTY OF MILWAUKEE, WISCONSIN

Management's Discussion and Analysis As of and For the Year Ended December 31, 2013 (Unaudited)

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

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 57-61 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 have been included within governmental activities in the government-wide financial statements.

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

The proprietary fund financial statements can be found on pages 62-66 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.

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

COUNTY OF MILWAUKEE, WISCONSIN

Management's Discussion and Analysis As of and For the Year Ended December 31, 2013 (Unaudited)

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

The fiduciary fund financial statements can be found on pages 67-68 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 71-161 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 162-167 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 168-185 of this report.

Other Supplementary Information

Separate financial statements – Balance Sheets, Statements of Revenues, Expenses and Changes in Net Position, and Statements of Cash Flows – are presented for the Milwaukee County Family Care program.

The other supplementary information can be found on pages 186-189 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 2013, assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$595,086 at the close of the fiscal year. The County's net position increased by \$105,624 during the fiscal year.

COUNTY OF MILWAUKEE, WISCONSIN

Management's Discussion and Analysis As of and For the Year Ended December 31, 2013 (Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)

County of Milwaukee, Wisconsin Net Position (In Thousands)

	Governmental Activities		Business-type Activities		Primary Government Total	
	2013	2012*	2013	2012*	2013	2012*
Current and Other Assets	\$ 680,288	\$ 634,968	\$ 178,427	\$ 135,566	\$ 858,715	\$ 770,534
Long-Term Assets	433,822	426,785	1,955	2,273	435,777	429,058
Capital Assets	650,978	637,213	479,457	452,161	1,130,435	1,089,374
Total Assets	<u>1,765,088</u>	<u>1,698,966</u>	<u>659,839</u>	<u>590,000</u>	<u>2,424,927</u>	<u>2,288,966</u>
Deferred Outflow of Resources	18,087	3,560	130	168	18,217	3,728
Total Assets and Deferred Outflows of Resources	<u>\$ 1,783,175</u>	<u>\$ 1,702,526</u>	<u>\$ 659,969</u>	<u>\$ 590,168</u>	<u>\$ 2,443,144</u>	<u>\$ 2,292,694</u>
Current Liabilities	\$ 257,670	\$ 242,755	\$ 55,398	\$ 58,927	\$ 313,068	\$ 301,682
Long-Term Liabilities	974,252	980,843	270,163	230,657	1,244,415	1,211,500
Total Liabilities	<u>1,231,922</u>	<u>1,223,598</u>	<u>325,561</u>	<u>289,584</u>	<u>1,557,483</u>	<u>1,513,182</u>
Deferred Inflow of Resources	290,575	290,050	-	-	290,575	290,050
Net Position:						
Net Investment in Capital Assets	372,792	322,247	299,463	270,351	672,255	592,598
Restricted	209,509	182,706	34,453	29,357	243,962	212,063
Unrestricted	(321,623)	(316,075)	492	876	(321,131)	(315,199)
Total Net Position	<u>260,678</u>	<u>188,878</u>	<u>334,408</u>	<u>300,584</u>	<u>595,086</u>	<u>489,462</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 1,783,175</u>	<u>\$ 1,702,526</u>	<u>\$ 659,969</u>	<u>\$ 590,168</u>	<u>\$ 2,443,144</u>	<u>\$ 2,292,694</u>

*Fiscal Year 2012 amounts restated due to the implementation of GASB statement 65.

The largest portion of the County's net position reflects its investment in capital assets (e.g. land, land improvements, buildings, vehicles, equipment and infrastructure, net of depreciation and amortization), plus any unspent capital bond funds less the outstanding debt that was used to acquire those assets. As of December 31, 2013, the net investment in capital assets was \$672,255, an increase of \$79,657 from the previous 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, 2013 totaled \$243,962. 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.

COUNTY OF MILWAUKEE, WISCONSIN

Management's Discussion and Analysis As of and For the Year Ended December 31, 2013 (Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)

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, 2013 the unrestricted net position balance is (\$321,131). Unrestricted net position decreased by \$5,932 in 2013.

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, 2013 and 2012:

County of Milwaukee, Wisconsin						
Summary of Changes in Net Position						
(In Thousands)						
	Governmental Activities		Business-type Activities		Primary Government Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program Revenues:						
Charges for Services	\$ 444,537	\$ 424,864	\$ 134,387	\$ 133,827	\$ 578,924	\$ 558,691
Operating Grants and Contributions	191,048	192,099	88,342	92,355	279,390	284,454
Capital Grants and Contributions	3,979	-	37,362	47,487	41,341	47,487
General Revenues:						
Property Taxes	283,631	279,179	-	-	283,631	279,179
Sales Taxes	65,488	64,740	-	-	65,488	64,740
Intergovernmental Revenues not Related to Specific Programs	34,443	44,402	-	-	34,443	44,402
Investment Income	478	6,186	332	219	810	6,405
Gain on Sale of Capital Assets	36,315	-	123	-	36,438	-
Other Revenue	46,362	66,356	-	-	46,362	66,356
Total Revenues	1,106,281	1,077,826	260,546	273,888	1,366,827	1,351,714
Expenses:						
Legislative, Executive, and Staff	49,832	56,232	-	-	49,832	56,232
Courts and Judiciary	50,502	56,516	-	-	50,502	56,516
General Governmental Services	12,165	10,969	-	-	12,165	10,969
Public Safety	147,637	156,162	-	-	147,637	156,162
Public Works and Highways	79,849	90,974	-	-	79,849	90,974
Human Services	556,149	563,378	-	-	556,149	563,378
Parks, Recreation, and Culture	76,960	80,553	-	-	76,960	80,553
Interest	34,545	35,503	-	-	34,545	35,503
Airport	-	-	89,720	87,901	89,720	87,901
Transit	-	-	163,844	169,061	163,844	169,061
Total Expenses	1,007,639	1,050,287	253,564	256,962	1,261,203	1,307,249
Change in Net Position Before Transfers	98,642	27,539	6,982	16,926	105,624	44,465
Transfers	(26,842)	(12,370)	26,842	12,370	-	-
Change in Net Position	71,800	15,169	33,824	29,296	105,624	44,465
Net Position - Beginning of the Year	188,878	173,709	300,584	271,288	489,462	444,997
Net Position - End of the Year	\$ 260,678	\$ 188,878	\$ 334,408	\$ 300,584	\$ 595,086	\$ 489,462

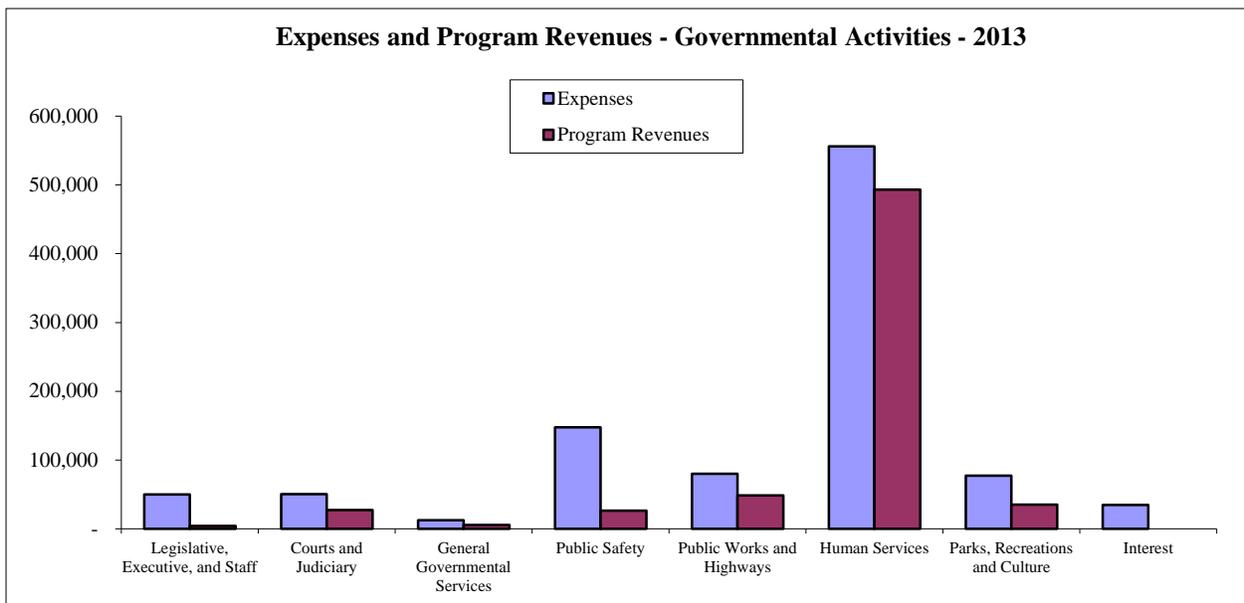
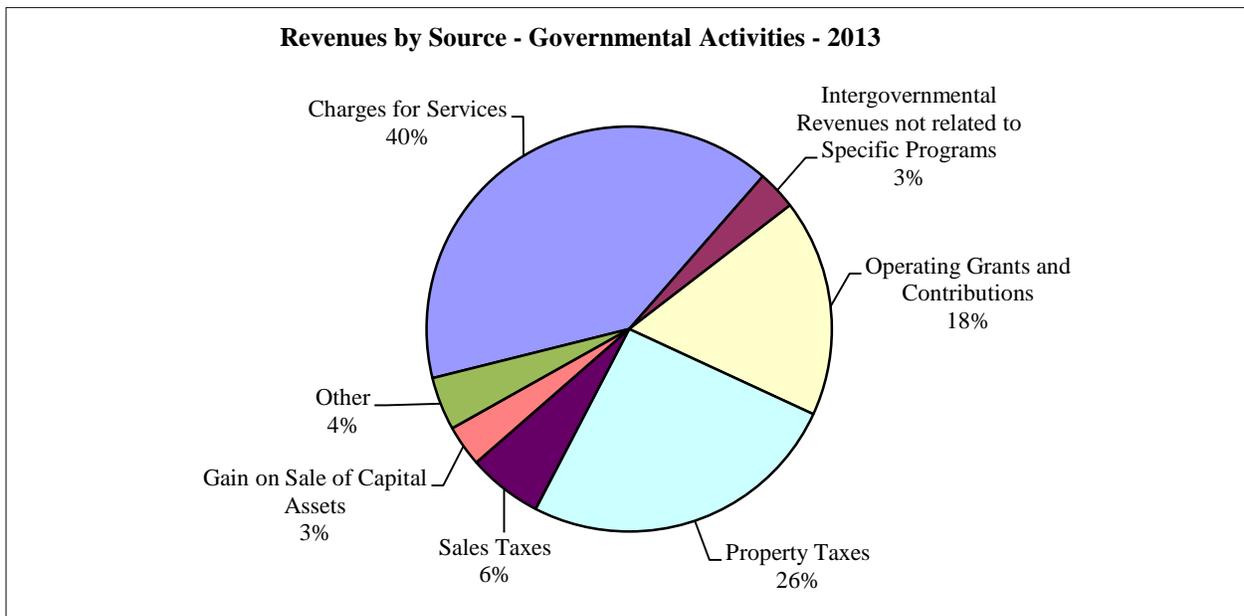
COUNTY OF MILWAUKEE, WISCONSIN

Management's Discussion and Analysis As of and For the Year Ended December 31, 2013 (Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)

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. The first graph indicates the revenue sources; the second graph compares the expenses and program revenues for the fiscal year ended December 31, 2013.



COUNTY OF MILWAUKEE, WISCONSIN

Management's Discussion and Analysis As of and For the Year Ended December 31, 2013 (Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)

2013 Actual Revenues compared to 2012 Actual Revenues

Actual Revenues for the County's governmental activities were \$1,106,281 for the fiscal year 2013, representing an increase of \$28,455, or 2.6%, from fiscal year 2012. The various sources of revenue for fiscal year 2013 are stated as a percentage of total revenues in the pie graph on the previous page.

Charges for services constitute the largest source of County revenues, amounting to \$444,537, an increase of \$19,673 from 2012. Charges for services represent collections from those who directly benefit from County services. The largest increase is in the area of Human Services.

Operating grants and contributions revenue of \$191,048 decreased by \$1,051 from 2012. Operating grants and contributions generally represent federal and state grants revenue with the majority supporting health and human service programs.

Capital grants and contributions increased from a zero balance in 2012, to \$3,979 in 2013. Both Parks and Highways had projects that were funded with capital grants.

Property tax revenue of \$283,631 increased by \$4,452 from 2012; however, property tax revenue as a percent of total governmental activity revenues decreased by 0.3% from the prior year. Caps on increases in levy rates have limited the increase each year.

Sales tax revenue increased from \$64,740 to \$65,488 in 2013 as a result of a slightly stronger consumer spending than in 2012.

Intergovernmental revenues not related to specific programs decreased by \$9,959 in 2013 to \$34,443.

Investment income decreased by \$5,708, primarily due to weak rates of return on investments. In addition, 2012 numbers included rental income which has been reclassified in 2013 to charges for services.

In 2013, there was a gain on the sale of capital assets of \$36,315 related to the sale of land, including a warehouse and greenhouse, to the State as part of the I94/I45 Zoo Interchange reconstruction project.

Other revenue decreased in 2013 by \$19,994 to \$46,362. The decrease was primarily the result of a change in the way employee pension and healthcare contributions are presented. In 2012, contributions were included in other revenue. In 2013, to more accurately reflect the costs to the individual agencies, \$17,608 in revenue was offset against agency healthcare costs. In addition, a technical change in the way certain Behavioral Health wraparound revenues were recorded resulted in a decrease of \$8,032 in 2013.

2013 Actual Expenses compared to 2012 Actual Expenses

Actual total expenses for all of the County's governmental activities for the fiscal year 2013 were \$1,007,639 representing a decrease of \$42,648 or 4.1% from 2012. Total expenses compared to program revenues by activity are shown in the bar graph.

COUNTY OF MILWAUKEE, WISCONSIN

Management's Discussion and Analysis As of and For the Year Ended December 31, 2013 (Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)

The net decrease in total expenses is mainly due to a reduction in program expenses for grant programs, plus instituting additional cost saving measures across departments. Every other major departmental area shows decreased expenses from 2012 to 2013, with the exception of general governmental services, which has increased expenses of \$1,196. In addition, in 2012, Health Care contributions were included in other revenue. In 2013, to more accurately reflect the costs to the individual agencies, \$17,608 in revenue was offset against agency healthcare costs, thus creating reduction in expenses from 2012 reported expenditures.

Current economic conditions have required the County to continue cost savings measures that have been implemented over the last several years. The following are some of the measures continued in 2013 to control costs:

- Elimination of departmental positions due to downsizing and privatization of services
- Changes to departmental policies so as to limit overtime usage and holding positions vacant in order to achieve departmental cost savings
- Elimination of certain wage step increases
- Increase in employee contributions to healthcare plans for certain union members and non-represented positions
- Increase in employee co-pays and deductibles to reduce County health costs for both active and retired employees
- Employee contributions to pension costs for certain union and non-represented positions
- Capping the amount of sick time that can be accrued to 960 hours for certain union and non-represented employees
- Elimination of the payout and/or health care credit at retirement for any sick time accrued after June 24, 2012 for certain union and non-represented employees
- Departmental review of outside services and suppliers to achieve more cost effective pricing
- Upgrading or replacing, when possible, systems that are outdated or not energy efficient

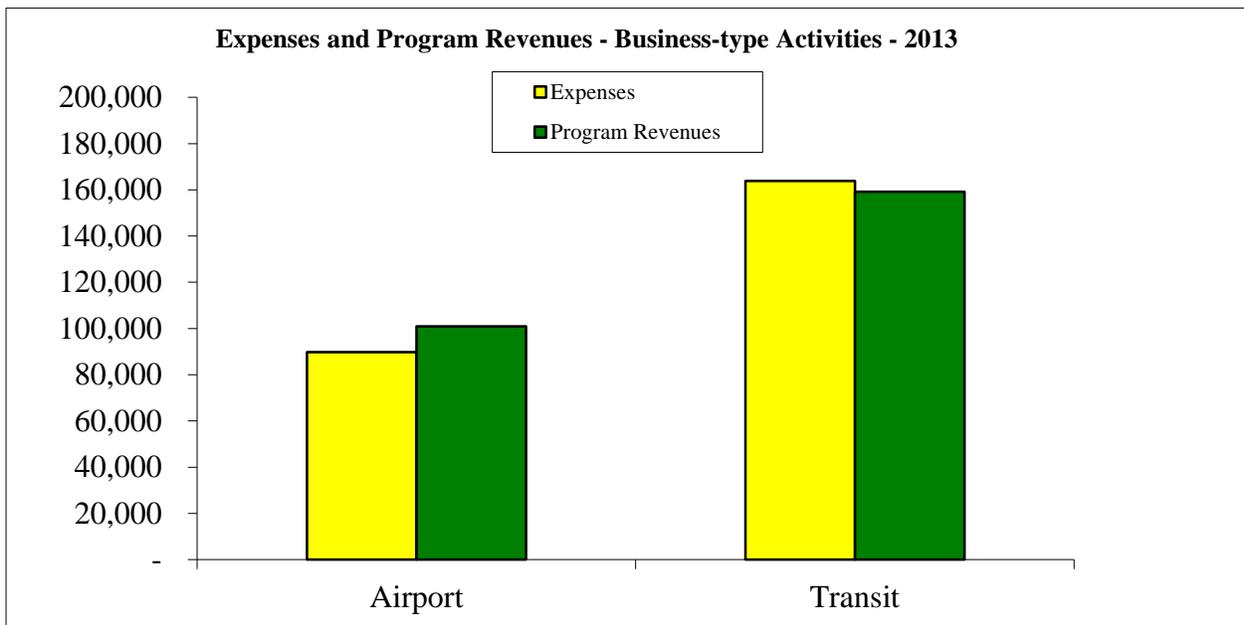
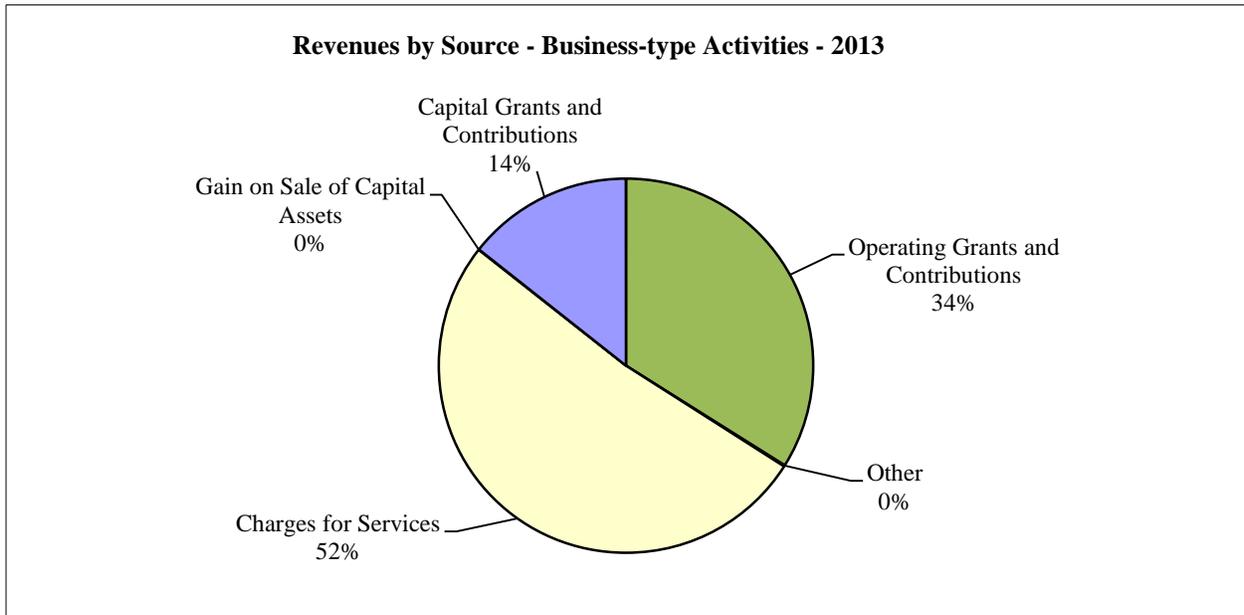
COUNTY OF MILWAUKEE, WISCONSIN

Management's Discussion and Analysis As of and For the Year Ended December 31, 2013 (Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)

Business-type Activities

Business-type activities consist of the Airports and Transit / Para-Transit System. The first graph indicates the revenue source for the fiscal year ended December 31, 2013. The second graph compares the expenses and program revenues for the Airports and Transit System.



COUNTY OF MILWAUKEE, WISCONSIN

Management's Discussion and Analysis As of and For the Year Ended December 31, 2013 (Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)

In 2013, 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 \$5,238. Charges for Services revenue from the Airport increased by \$2,214 (or 2.7%) and operating expenses increased by \$1,447 (or 1.8%) over the prior year. New airport concession contracts accounted for some of the additional revenue for the airport in 2013. Total Passengers at General Mitchell International Airport declined 13.3% from 7.5 million passengers in 2012 to 6.5 million passengers in 2013. Operating grants and contributions are negligible for the Airports.

The Transit System requires operating assistance from the State, Federal and County government to balance its revenues and expenses. Total County operating support, reflected as operating transfers, for the Transit System was \$27,883 for fiscal year 2013, which was an increase of \$11,800 (or 73.4%) from the prior year. Total state and federal grants for the Transit System were \$88,107 for 2013, which was a decrease of \$3,669 or 4.0% from 2012. Direct support from users of the Transit System was \$44,884 (27.6% of total operating expenses) for 2013, which was a decrease of \$1,480 from 2012. The operator of the Transit System has also instituted cost savings measures to reduce operating costs. The Transit System has continued its purchase of more fuel-efficient buses to reduce fuel and maintenance costs, limited the number of bus routes, and has required employees to contribute more for health and pension costs.

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.

As of December 31, 2013, the County's governmental funds reported combined ending fund balances of \$213,235. The restricted fund balance consists of \$5,000 for 2015 appropriations, \$5,000 for 2014 appropriations, \$34,964 for debt service, \$58,457 for commitments (including construction), \$35,357 for Milwaukee County Family Care, \$14,797 for delinquent property taxes, \$835 for Housing, \$26,352 for the Airport, \$7,016 for Administrative Services, \$950 for the Zoo, \$1,240 for the Parks, \$101 for the Persons with Disabilities Division, \$9,082 for the Behavioral Health Division and \$10,192 for the Fleet and Facilities Divisions. The remainder of the Fund Balance consists of \$1,196 of committed funds for economic development and \$2,696 of non-spendable funds for inventories.

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 increased 8.5% from \$69,211 to \$75,062 in 2013. This change is mainly due to an increase in the Milwaukee County Family Care from \$27,754 in 2012 to \$35,357 in 2013.

COUNTY OF MILWAUKEE, WISCONSIN

Management's Discussion and Analysis As of and For the Year Ended December 31, 2013 (Unaudited)

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

The debt service fund has a total fund balance of \$34,964 all of which is restricted for the payment of debt service. In 2013, the debt service reserve increased by \$7,901 or 29.2%, primarily as a result of a transfer in of a portion of the County's 2013 net excess of revenues over expenditures.

The capital projects fund balance is \$48,276 all of which is restricted for commitments made on capital projects in progress. The net increase in the capital projects fund during the current year was \$16,539. The increase in the fund balance is associated with the issuance of additional bonds and sale of capital assets that provided funding which remained unspent at the end of 2013.

Proprietary funds

At the end of 2013, the unrestricted net position of the two major funds, Airports and the Transit System, totaled \$492. The total net position of these same two major funds was \$334,408 at the end of 2013, compared to \$300,584 at the end of 2012. The total net position for the Airports increased by \$11,960 while the total net position for the Transit System increased by \$21,864. 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 \$4,448 in the General Fund for the year ended December 31, 2013. This table is based on a budgetary basis presentation. The budgetary basis of actual revenues and expenditures presented on the prior page differs from the statement of revenues, expenditures, and changes in fund balance due to the inclusion of encumbrances of \$10,265 in expenditures, pension and other expenditures of \$33 and transfers to component units of (\$8,222).

County of Milwaukee, Wisconsin
Statement of Revenues, Expenditures and Changes in Net Position - Budgetary Basis
General Fund
For the Year Ending December 31, 2013
(In Thousands)

	Original Budget	Final Budget	Actual	Variance
<u>Revenues and Other Sources</u>				
Intergovernmental Revenue	\$ 222,331	\$ 227,061	\$ 227,681	\$ 620
Taxes	343,511	344,512	343,719	(793)
Charges for Services	414,467	411,459	409,178	(2,281)
Other	36,613	39,146	33,123	(6,023)
Total	1,016,922	1,022,178	1,013,701	(8,477)
<u>Expenditures and Other Uses</u>				
Expenditures	905,982	921,812	892,912	28,900
Transfers	116,479	115,189	125,237	(10,048)
Total	1,022,461	1,037,001	1,018,149	18,852
Change in Fund Balance	\$ (5,539)	\$ (14,823)	\$ (4,448)	\$ 10,375

COUNTY OF MILWAUKEE, WISCONSIN

Management's Discussion and Analysis As of and For the Year Ended December 31, 2013 (Unaudited)

GENERAL FUND BUDGETARY HIGHLIGHTS (cont.)

2013 Actual Revenues compared to 2013 Final Budget

- Actual General Fund revenues were \$8,477, or 0.8%, below the final budgeted.
- Property taxes were \$911, or 0.3%, above the final budgeted amount while sales taxes were \$1,704, or 2.8%, below the final budgeted amount.
- Charges for services were \$1,225, or 0.3%, below the final budgeted amount; fines and forfeits were \$1,065, or 32.9%, below the final budgeted amount; and licenses and permits were \$9, or 1.4% above the final budgeted amount.
- Investment income and rents were \$2,071, or 17.3% below the final budget amount.
- Other revenues were \$3,952, or 14.6% below the final budget amount.

2013 Actual Expenditures compared to 2013 Final Budget

Actual General Fund expenditures (before transfers), were \$28,900 or 3.1%, below the final budgeted amount for fiscal year 2013. This is primarily due to:

- Reductions in inmate population, due to the success of court diversion programs that are designed to reduce the number of incarcerated low risk offenders.
- Expenditure surplus due to unfilled positions, fewer payments for unemployment compensation, wages, overtime, fringe benefits, services and commodities.
- Lower than anticipated employee medical costs.
- Department review of outside services and suppliers to achieve more cost effective pricing.

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.

COUNTY OF MILWAUKEE, WISCONSIN

Management's Discussion and Analysis As of and For the Year Ended December 31, 2013 (Unaudited)

GENERAL FUND BUDGETARY HIGHLIGHTS (cont.)

The difference between original budget revenue of \$1,016,922 and final budget revenue of \$1,022,178 is an increase of \$5,256. The difference between original budget expenses of \$905,982 and final budget expenses of \$921,812 is an increase of \$15,830. The major budget transfers of \$1,000 or greater during 2013 are listed below:

- General Government Services

- A net increase of \$2,837 in revenue and expenditures to the County Appropriations for Contingencies account resulting from settlement with the State for County-owned land needed for the Zoo Freeway interchange reconstruction.
- A decrease of \$4,096 in expenditures to the County Appropriations for Contingencies account, which is providing financing for projects related to the July 2013 fire at the County Courthouse. Reimbursement will be made from the anticipated receipt of insurance proceeds.

- Public Safety

An increase of \$2,000 to expenditures for the House of Correction to fund an emergency contract for provision of inmate medical services as mandated by the Court. Funding comes from capital project funds initially intended for development of inmate medical tracking, which was no longer necessary since the contract provides for these services.

- Health and Human Services

- A decrease of \$2,532 to revenue and a decrease of \$5,448 to expenditures to the Department of Family Care. This is a result of an increase in the 2013 capitation rates and updated enrollment projections based on the most recent historical experience for Milwaukee County.
- A decrease of \$5,641 to revenue and expenditures to the Department of Family Care resulting from a decrease in enrollment projections, based on historical experience, for Racine and Kenosha Counties.
- A net increase of \$6,330 in revenue and expenditures to the Department of Health and Human Services-Behavioral Health Division. This is due to increased enrollments and the removal of an enrollment cap for the Wraparound Milwaukee Program, which provides services to children with severe emotional and mental health needs and their families.

- Parks, Recreation & Culture

An increase of \$2,354 to expenditures to the Milwaukee Public Museum as a result of a new Lease and Management Agreement between the Museum and Milwaukee County; funds are derived from the Debt Service Reserve.

COUNTY OF MILWAUKEE, WISCONSIN

Management's Discussion and Analysis As of and For the Year Ended December 31, 2013 (Unaudited)

GENERAL FUND BUDGETARY HIGHLIGHTS (cont.)

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 2013 actual net contribution made by the General Fund to other funds was \$125,237.

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 Department of Family Care.

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, 2013 was \$1,130,435 (cost of \$2,238,272 less accumulated depreciation of \$1,107,837). The County's total investment in capital assets increased overall by 3.8% - governmental activities increased by 2.2% and business-type activities increased by 6.0%. The investments in capital assets includes land, construction in progress, land improvements, buildings and improvements, machinery, vehicles and equipment, and infrastructure and leased equipment. All infrastructure assets of the County are included in this report.

Major Adopted Capital Project assets appropriated for 2013 included the following:

- \$46,022 for General Mitchell International Airport (GMIA) baggage claim building renovation and expansion.
- \$14,110 for GMIA Phase II residential sound insulation program.
- \$12,900 for GMIA runway 7R deicing pad and \$1,000 for GMIA airfield pavement rehabilitation.
- \$2,359 for Transportation and Public Works highway construction from N. 107th St. and Brown Deer to North County Line.
- \$2,714 for Fleet general equipment and \$1,786 for Fleet parks equipment.
- \$1,000 for steam to natural gas conversion for Fleet, Parks and Children's Court Center.
- \$3,440 for windows migration and \$1,842 for building out ten sites to digital.
- \$2,000 for Behavioral Health/Sheriff Electronic medical records system.
- \$1,125 for Health and Human Services (HHS) EMS Cardiac Monitor/Defibrillator Z Series.
- \$1,219 for HHS County Grounds reservoir rehabilitation.
- \$4,200 for Parks, Recreation and Culture Estabrook Dam Impoundment Sediment Remediation.
- \$2,614 for Marcus Center HVAC upgrade and \$2,000 for War Memorial renovations.

COUNTY OF MILWAUKEE, WISCONSIN

Management's Discussion and Analysis As of and For the Year Ended December 31, 2013 (Unaudited)

CAPITAL ASSETS AND DEBT ADMINISTRATION (cont.)

County of Milwaukee, Wisconsin
Capital Assets (Net)
(In Thousands)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Primary Government Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land	\$ 59,311	\$ 59,303	\$ 21,367	\$ 21,367	\$ 80,678	\$ 80,670
Construction in Progress	67,679	45,622	67,919	66,089	135,598	111,711
Land Improvements	96,130	94,867	107,388	86,032	203,518	180,899
Building and Improvements	258,096	263,883	191,079	199,310	449,175	463,193
Infrastructure	104,121	107,302	-	-	104,121	107,302
Machinery, Vehicles & Equipment	65,641	66,236	91,704	79,363	157,345	145,599
Total	<u>\$ 650,978</u>	<u>\$ 637,213</u>	<u>\$ 479,457</u>	<u>\$ 452,161</u>	<u>\$ 1,130,435</u>	<u>\$ 1,089,374</u>

Additional information on the County's capital assets can be found in Note 5 on pages 106-120 of this report.

Long-Term Debt

As of December 31, 2013, the County had total debt outstanding of \$958,192. Of this amount, \$727,711 comprised of general obligation bonds and \$230,481 of airport revenue bonds.

County of Milwaukee, Wisconsin
Outstanding Debt
General Obligation and Revenues Bonds
(In Thousands)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Primary Government Total</u>	
	<u>2013</u>	<u>2012*</u>	<u>2013</u>	<u>2012*</u>	<u>2013</u>	<u>2012*</u>
General Obligation Bonds	\$ 699,153	\$ 723,626	\$ 28,558	\$ 29,381	\$ 727,711	\$ 753,007
Revenue Bonds	-	-	230,481	190,887	230,481	190,887
Totals	<u>\$ 699,153</u>	<u>\$ 723,626</u>	<u>\$ 259,039</u>	<u>\$ 220,268</u>	<u>\$ 958,192</u>	<u>\$ 943,894</u>

*Fiscal Year 2012 amounts restated due to the implementation of GASB statement 65.

The County's total debt increased by \$14,298 during the year ended December 31, 2013.

COUNTY OF MILWAUKEE, WISCONSIN

Management's Discussion and Analysis As of and For the Year Ended December 31, 2013 (Unaudited)

CAPITAL ASSETS AND DEBT ADMINISTRATION (cont.)

New debt issued by the County during 2013:

- Taxable General Obligation Pension Promissory Notes, Series 2013 were issued by Milwaukee County on February 12, 2013 in the amount of \$138,730. These Notes were issued pursuant to Chapter 67 of the Wisconsin Statutes and were planned to extend the financing of \$135,000 of 2009 Taxable pension notes series 2009B that were to mature on December 1, 2013.
- Taxable General Obligation Pension Refunding Bonds Series 2013B were issued by Milwaukee County on June 27, 2013, in the amount of \$99,300. These Notes were issued pursuant to Chapter 67 of the Wisconsin Statutes. The Notes were issued for tendering \$95,000 of Series 2009A Bonds, dated April 2, 2009, that were held by an investor.
- On August 14, 2013, the County issued \$26,935 of General Obligation Corporate Purpose Bonds, Series 2013A. Total proceeds 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 2013 Adopted Capital Improvement Budget.
- On August 14, 2013, the County issued \$47,095 of Airport Revenue Bonds, Series 2013A and \$3,330 of Airport Revenue Refunding Bonds, Series 2013B. These bonds were issued pursuant to the Constitution and laws of the State of Wisconsin and resolutions adopted by the Board of Supervisors of the County. The Series 2013A Bonds were issued to finance general capital improvements and the Series 2013B Bonds were issued to refund certain outstanding general airport revenue bonds of the County, 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 123-132 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- Milwaukee County annualized unemployment rate for 2013 was 8.3%, a slight decrease from the 2012 rate of 8.5%. The unemployment rate for the month of April 2014 was 7.0%.
- The median price for homes sold in Milwaukee County in 2013 was \$115 thousand compared to \$100 thousand in 2012, (a 15.0% increase). The annual median price for homes sold in Milwaukee County through April 2014 was \$108 thousand, an increase of 14.1% from 2013. Data as reported by the Wisconsin Realtors Association, Housing Statistics Report.

During the 2013 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 2015 Appropriations and will be added to the revenue of the 2015 budget.

COUNTY OF MILWAUKEE, WISCONSIN

Management's Discussion and Analysis As of and For the Year Ended December 31, 2013 (Unaudited)

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, 2013
(In Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current Assets:				
Cash and Investments	\$ 211,501	\$ 70,743	\$ 282,244	\$ 10,107
Cash and Investments - Restricted	71,494	79,160	150,654	-
Receivables:				
Accounts (Net of Allowances for Doubtful Accounts)	32,002	4,245	36,247	1,590
Property Taxes:				
Current Levy	280,130	-	280,130	-
Delinquent	12,428	-	12,428	-
Accrued Interest and Dividends	9,474	-	9,474	-
Other	14,446	5,862	20,308	194
Due From Other Governments	42,418	13,735	56,153	-
Inventories	2,693	4,165	6,858	76
Prepaid Items	259	456	715	263
Other Assets	-	61	61	-
Insurance Deposits	3,443	-	3,443	-
Total Current Assets	<u>680,288</u>	<u>178,427</u>	<u>858,715</u>	<u>12,230</u>
Noncurrent Assets:				
Receivables:				
Contributions	-	-	-	2,938
Delinquent Property Taxes	8,037	-	8,037	-
Cash and Investments - Restricted	-	-	-	1,035
Net Pension Asset	425,785	-	425,785	-
Other Post Employment Benefit	-	1,955	1,955	-
Other Assets	-	-	-	961
Capital Assets (Net)				
Land	59,311	21,367	80,678	-
Construction in Progress	67,679	67,919	135,598	47
Land Improvements	253,354	187,681	441,035	-
Buildings and Improvements	687,370	323,654	1,011,024	43,680
Infrastructure	192,188	-	192,188	-
Machinery, Vehicles and Equipment	181,523	196,226	377,749	12,708
Less: Accumulated Depreciation	(790,447)	(317,390)	(1,107,837)	(31,801)
Total Capital Assets (Net)	<u>650,978</u>	<u>479,457</u>	<u>1,130,435</u>	<u>24,634</u>
Total Noncurrent Assets	<u>1,084,800</u>	<u>481,412</u>	<u>1,566,212</u>	<u>36,712</u>
Total Assets	<u>1,765,088</u>	<u>659,839</u>	<u>2,424,927</u>	<u>48,942</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Loss on Refunding of Debt	<u>18,087</u>	<u>130</u>	<u>18,217</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>18,087</u>	<u>130</u>	<u>18,217</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 1,783,175</u>	<u>\$ 659,969</u>	<u>\$ 2,443,144</u>	<u>\$ 48,942</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, 2013
(In Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 78,975	\$ 8,422	\$ 87,397	\$ 453
Accrued Liabilities	35,219	4,277	39,496	875
Accrued Interest Payable	4,506	1,207	5,713	18
Accrued Pension Payable	22,553	-	22,553	-
Due to Other Governments	7,310	-	7,310	-
Unearned Revenues	1,285	11,524	12,809	1,957
Bonds and Notes Payable - General Obligation	72,483	3,473	75,956	58
Bonds and Notes Payable - Revenue	-	8,765	8,765	-
Unfunded Claims and Judgments	2,000	-	2,000	-
Pollution Remediation Costs	1,303	-	1,303	-
Landfill Postclosure Costs	110	-	110	-
Compensated Absences Payable	22,343	6,372	28,715	-
Risk Claims	8,300	9,026	17,326	-
Capital Leases	1,230	159	1,389	107
Other Current Liabilities	53	2,173	2,226	1,013
Total Current Liabilities	<u>257,670</u>	<u>55,398</u>	<u>313,068</u>	<u>4,481</u>
Noncurrent Liabilities:				
Bonds and Notes Payable - General Obligation	626,670	25,085	651,755	1,657
Bonds and Notes Payable - Revenue	-	221,716	221,716	-
Unfunded Claims and Judgments	2,000	-	2,000	-
Landfill Postclosure Costs	5,404	-	5,404	-
Pollution Remediation Costs	11,452	-	11,452	-
Compensated Absences Payable	16,837	4,807	21,644	-
Risk Claims	9,648	5,849	15,497	-
Other Post Employment Benefits	297,418	12,620	310,038	-
Capital Leases	4,823	86	4,909	-
Other Noncurrent Liabilities	-	-	-	725
Accrued Pension and Postretirement Benefits	-	-	-	5,815
Total Noncurrent Liabilities	<u>974,252</u>	<u>270,163</u>	<u>1,244,415</u>	<u>8,197</u>
 Total Liabilities	 <u>1,231,922</u>	 <u>325,561</u>	 <u>1,557,483</u>	 <u>12,678</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Tax Revenue	290,575	-	290,575	-
 Total Deferred Inflows of Resources	 <u>290,575</u>	 <u>-</u>	 <u>290,575</u>	 <u>-</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, 2013
(In Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
NET POSITION				
Net Investment in Capital Assets	\$ 372,792	\$ 299,463	\$ 672,255	\$ 22,862
Restricted for:				
2014 Appropriations	5,000	-	5,000	-
2015 Appropriations	5,000	-	5,000	-
Debt Service	34,964	17,680	52,644	-
Commitments	6,455	2,769	9,224	-
Capital Project Commitments	48,276	-	48,276	-
Department of Family Care - State Restricted	12,208	-	12,208	-
Department of Family Care - Excess Reserves	23,149	-	23,149	-
Delinquent Property Tax	14,797	-	14,797	-
Housing	835	-	835	-
Capital Asset Needs	-	14,004	14,004	-
Airport - Passenger Facilities Charges and Debt	26,352	-	26,352	-
Behavioral Health Division	9,082	-	9,082	-
Fleet and Facilities Divisions	10,192	-	10,192	-
Administrative Services	7,016	-	7,016	-
Zoo	950	-	950	-
Parks	1,240	-	1,240	-
Persons with Disabilities	101	-	101	-
Museum	-	-	-	11,092
Other	3,892	-	3,892	380
Unrestricted (Deficit)	(321,623)	492	(321,131)	1,930
Total Net Position	<u>260,678</u>	<u>334,408</u>	<u>595,086</u>	<u>36,264</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 1,783,175</u>	<u>\$ 659,969</u>	<u>\$ 2,443,144</u>	<u>\$ 48,942</u>

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, 2013
(In Thousands)

Functions / Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary Government:								
Governmental Activities:								
Legislative, Executive and Staff	\$ (49,832)	\$ 3,270	\$ 921	\$ -	\$ (45,641)	\$ -	\$ (45,641)	\$ -
Courts and Judiciary	(50,502)	3,923	23,398	-	(23,181)	-	(23,181)	-
General Governmental Services	(12,165)	5,377	70	-	(6,718)	-	(6,718)	-
Public Safety	(147,637)	11,698	14,325	-	(121,614)	-	(121,614)	-
Public Works and Highways	(79,849)	27,931	18,346	2,157	(31,415)	-	(31,415)	-
Human Services	(556,149)	359,331	133,770	-	(63,048)	-	(63,048)	-
Parks, Recreation and Culture	(76,960)	33,007	218	1,822	(41,913)	-	(41,913)	-
Interest and Other Charges	(34,545)	-	-	-	(34,545)	-	(34,545)	-
Total Governmental Activities	<u>(1,007,639)</u>	<u>444,537</u>	<u>191,048</u>	<u>3,979</u>	<u>(368,075)</u>	<u>-</u>	<u>(368,075)</u>	<u>-</u>
Business-type Activities:								
Airport	(89,720)	85,520	235	15,171	-	11,206	11,206	-
Transit	(163,844)	48,867	88,107	22,191	-	(4,679)	(4,679)	-
Total Business-type Activities	<u>(253,564)</u>	<u>134,387</u>	<u>88,342</u>	<u>37,362</u>	<u>-</u>	<u>6,527</u>	<u>6,527</u>	<u>-</u>
Total Primary Government	<u>\$ (1,261,203)</u>	<u>\$ 578,924</u>	<u>\$ 279,390</u>	<u>\$ 41,341</u>	<u>(368,075)</u>	<u>6,527</u>	<u>(361,548)</u>	<u>-</u>
Component Units:								
Milwaukee Public Museum	\$ (12,693)	\$ 13,311	\$ 6,502	\$ -	-	-	-	7,120
War Memorial	(2,432)	1,380	1,418	-	-	-	-	366
Marcus Center	(10,691)	5,597	1,088	-	-	-	-	(4,006)
Research Park Corporation	(1,539)	79	-	-	-	-	-	(1,460)
Total Component Units	<u>\$ (27,355)</u>	<u>\$ 20,367</u>	<u>\$ 9,008</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,020</u>
General Revenues:								
Property Taxes					283,631	-	283,631	-
Sales Taxes					65,488	-	65,488	-
Intergovernmental Revenues Not Related to Specific Program					34,443	-	34,443	-
Investment Income					478	332	810	5,799
Gain on Sale of Capital Assets					36,315	123	36,438	-
Other Revenue					46,362	-	46,362	2,970
Transfers					(26,842)	26,842	-	-
Total General Revenues and Transfers					<u>439,875</u>	<u>27,297</u>	<u>467,172</u>	<u>8,769</u>
Change in Net Position					71,800	33,824	105,624	10,789
Net Position -- Beginning					188,878	300,584	489,462	25,475
Net Position -- Ending					<u>\$ 260,678</u>	<u>\$ 334,408</u>	<u>\$ 595,086</u>	<u>\$ 36,264</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, 2013
(In Thousands)

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Investments	\$ 93,113	\$ 34,899	\$ 28,072	\$ 28,794	\$ 184,878
Cash and Investments -- Restricted	11,458	-	33,684	26,352	71,494
Receivables:					
Accounts (Net of Allowances for Doubtful Accounts)	17,343	73	12,833	-	30,249
Property Taxes:					
Current Levy	280,130	-	-	-	280,130
Delinquent	20,465	-	-	-	20,465
Accrued Interest	9,474	-	-	-	9,474
Other	14,442	-	-	4	14,446
Due From Other Governments	35,636	-	6,773	-	42,409
Inventories	2,693	-	-	-	2,693
Insurance Deposits	3,443	-	-	-	3,443
Total Assets	<u>\$ 488,197</u>	<u>\$ 34,972</u>	<u>\$ 81,362</u>	<u>\$ 55,150</u>	<u>\$ 659,681</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE					
Liabilities:					
Accounts Payable	\$ 43,477	\$ -	\$ 33,086	\$ 217	\$ 76,780
Accrued Liabilities	39,249	8	-	-	39,257
Accrued Pension Payable	22,553	-	-	-	22,553
Other Liabilities	53	-	-	-	53
Due to Other Governments	7,310	-	-	-	7,310
Unearned Revenues	1,285	-	-	-	1,285
Total Liabilities	<u>113,927</u>	<u>8</u>	<u>33,086</u>	<u>217</u>	<u>147,238</u>
Deferred Inflows of Resources:					
Deferred Tax Revenue	290,575	-	-	-	290,575
Unavailable Revenue	8,633	-	-	-	8,633
Total Deferred Inflows of Resources	<u>299,208</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>299,208</u>
Fund Balance:					
Non-Spendable:					
Inventories	2,696	-	-	-	2,696
Restricted:					
2015 Appropriations	5,000	-	-	-	5,000
2014 Appropriations	5,000	-	-	-	5,000
Debt Service	-	34,964	-	-	34,964
Commitments	10,181	-	48,276	-	58,457
Department of Family Care - State Restricted	12,208	-	-	-	12,208
Department of Family Care - Excess Reserves	23,149	-	-	-	23,149
Delinquent Property Tax	14,797	-	-	-	14,797
Housing	835	-	-	-	835
Airport - Passenger Facilities Charges and Debt	-	-	-	26,352	26,352
Administrative Services	-	-	-	7,016	7,016
Zoo	-	-	-	950	950
Parks	-	-	-	1,240	1,240
Persons with Disabilities	-	-	-	101	101
Behavioral Health Division	-	-	-	9,082	9,082
Fleet and Facilities Divisions	-	-	-	10,192	10,192
Committed:					
Economic Development	1,196	-	-	-	1,196
Total Fund Balance	<u>75,062</u>	<u>34,964</u>	<u>48,276</u>	<u>54,933</u>	<u>213,235</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 488,197</u>	<u>\$ 34,972</u>	<u>\$ 81,362</u>	<u>\$ 55,150</u>	<u>\$ 659,681</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, 2013
(In Thousands)

Total Fund Balances for Governmental Funds as of 12/31/13 \$ 213,235

**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	61,790
Land Improvements	250,206
Buildings and Improvements	680,772
Infrastructure	192,188
Machinery, Vehicles and Equipment	141,995
Less: Accumulated Depreciation	(750,803)

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: (1,693)

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	(679,875)
Deferred Loss on Refunding of Debt	18,064
Capital Leases	(6,053)
Unfunded Claims and Judgments	(4,000)
Landfill Postclosure Costs	(5,514)
Pollution Remediation Costs	(12,755)
Compensated Absences Payable	(33,879)
Other Post Employment Benefits	(292,490)
Other	99

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. 8,633

Contributions to the County's Employee Retirement System resulted in a decrease to fund balance in the Governmental Funds; however, the contributions created an asset in the Governmental Activities to be amortized in future years.
Net Pension Asset 425,785

Interest on long-term debt is not accrued in governmental funds; rather, it is recognized as an expenditure when due. These liabilities are reported in the Statement of Net Position. (4,338)

Total Net Position of Governmental Activities as of 12/31/13 \$ 260,678

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 Balance
 Governmental Funds
 For The Year Ended December 31, 2013
 (In Thousands)

	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Intergovernmental	\$ 227,681	\$ 1,851	\$ 4,164	\$ -	\$ 233,696
Property Taxes	283,632	-	-	-	283,632
Sales Taxes	60,087	-	5,401	-	65,488
Charges for Services	406,364	-	-	14,259	420,623
Fines and Forfeits	2,172	-	-	-	2,172
Licenses and Permits	642	-	-	-	642
Investment Income and Rents	9,916	-	118	226	10,260
Other	23,207	12,652	5,542	445	41,846
Total Revenues	1,013,701	14,503	15,225	14,930	1,058,359
Expenditures:					
Current:					
Legislative, Executive and Staff	20,053	-	-	-	20,053
Courts and Judiciary	50,229	-	-	-	50,229
General Governmental Services	11,070	-	-	-	11,070
Public Safety	146,410	-	-	-	146,410
Public Works and Highways	46,841	-	-	16,750	63,591
Human Services	552,952	-	-	914	553,866
Parks, Recreation and Culture	63,281	-	-	950	64,231
Capital Outlay	-	-	66,908	-	66,908
Debt Service:					
Principal Retired	-	56,761	-	-	56,761
Interest and Other Charges	-	50,700	-	-	50,700
Principal Retired on Current Refunding	-	227,004	-	-	227,004
Total Expenditures	890,836	334,465	66,908	18,614	1,310,823
Excess (Deficiency) of Revenues Over (Under)					
Expenditures	122,865	(319,962)	(51,683)	(3,684)	(252,464)
Other Financing Sources (Uses):					
General Obligation Bonds Issued	-	238,341	20,907	-	259,248
Premium on Debt Issued	-	839	-	-	839
Proceeds from Sale of Capital Assets	-	-	36,315	-	36,315
Proceeds from Capital Leases	1,383	-	-	-	1,383
Insurance Recoveries	-	-	13,000	-	13,000
Transfers In	18,470	88,683	6,431	10	113,594
Transfers Out	(136,867)	-	(8,431)	(100)	(145,398)
Total Other Financing Sources (Uses)	(117,014)	327,863	68,222	(90)	278,981
Net Change in Fund Balances	5,851	7,901	16,539	(3,774)	26,517
Fund Balances - Beginning	69,211	27,063	31,737	58,707	186,718
Fund Balances - Ending	\$ 75,062	\$ 34,964	\$ 48,276	\$ 54,933	\$ 213,235

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, 2013
(In Thousands)

Net Change in Fund Balances for Total Governmental Funds \$ 26,517

**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	66,908
Items reported as capital outlay that were not capitalized	(13,905)
Items reported as capital from operations	3,346
Depreciation reported in the government-wide statements	(45,584)
Net book value of assets retired	(216)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 3,518

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	(259,248)
Premium on debt issued	(839)
Reassignment of long term debt	6,167
Principal repaid	283,765
Capital lease paid	1,185
Capital lease issued	(1,383)

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. (3,387)

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

Accrued Interest Payable	1,048
Amortization of Premiums, Discounts and Deferred Losses on Refunding	1,239
Loss on Current Refunding	15,098
Net Pension Asset	6,198
Landfill Postclosure Costs	(2,466)
Pollution Remediation Costs	5,983
Compensated Absences Payable	1,832
Other Postemployment Benefits	(23,976)

Change in Net Position of Governmental Activities \$ 71,800

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, 2013
(In Thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 222,331	\$ 227,061	\$ 227,681	\$ 620
Property Taxes	282,721	282,721	283,632	911
Sales Taxes	60,790	61,791	60,087	(1,704)
Charges for Services	410,597	407,589	406,364	(1,225)
Fines and Forfeits	3,237	3,237	2,172	(1,065)
Licenses and Permits	633	633	642	9
Investment Income and Rents	11,987	11,987	9,916	(2,071)
Other	24,626	27,159	23,207	(3,952)
Total Revenues	<u>1,016,922</u>	<u>1,022,178</u>	<u>1,013,701</u>	<u>(8,477)</u>
Expenditures:				
Current:				
Legislative, Executive and Staff	21,056	23,845	22,220	1,625
Courts and Judiciary	52,745	52,520	50,958	1,562
General Governmental Services	11,845	12,193	11,306	887
Public Safety	142,182	147,875	147,372	503
Public Works and Highways	51,193	52,699	47,629	5,070
Human Services	559,336	562,943	557,083	5,860
Parks, Recreation and Culture	56,463	58,404	56,221	2,183
Other	11,162	11,333	123	11,210
Total Expenditures	<u>905,982</u>	<u>921,812</u>	<u>892,912</u>	<u>28,900</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>110,940</u>	<u>100,366</u>	<u>120,789</u>	<u>20,423</u>
Other Financing Sources (Uses):				
General Obligation Bonds Issued	9	501	-	(501)
Proceeds from Capital Leases	-	2,193	1,383	(810)
Transfers In	26,195	27,497	76,054	48,557
Transfers Out	(136,819)	(134,807)	(194,452)	(59,645)
Transfers To Component Units	(5,864)	(10,573)	(8,222)	2,351
Total Other Financing Sources (Uses)	<u>(116,479)</u>	<u>(115,189)</u>	<u>(125,237)</u>	<u>(10,048)</u>
Net Change in Fund Balance	(5,539)	(14,823)	(4,448)	10,375
Fund Balances -- Beginning	69,211	69,211	69,211	-
Fund Balances -- Ending	<u>\$ 63,672</u>	<u>\$ 54,388</u>	<u>\$ 64,763</u>	<u>\$ 10,375</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, 2013
 (In Thousands)

	Business-type Activities Enterprise Funds			Governmental Activities
	Airports	Transit System	Total	Internal Service Funds
Assets				
Current Assets:				
Cash and Investments	\$ 49,088	\$ 21,655	\$ 70,743	\$ 26,623
Cash and Investments -- Restricted	79,160	-	79,160	-
Receivables:				
Accounts	4,245	-	4,245	1,752
Other	79	5,783	5,862	-
Due From Other Governments	9,720	4,015	13,735	8
Inventories	-	4,165	4,165	-
Prepaid Items	-	456	456	163
Other Assets	-	61	61	-
Total Current Assets	<u>142,292</u>	<u>36,135</u>	<u>178,427</u>	<u>28,546</u>
Noncurrent Assets:				
Other Post Employment Benefit	-	1,955	1,955	-
Capital Assets:				
Land	18,594	2,773	21,367	-
Construction in Progress	51,042	16,877	67,919	5,889
Land Improvements	181,077	6,604	187,681	3,148
Building and Improvements	258,831	64,823	323,654	6,598
Machinery, Vehicles and Equipment	21,709	174,517	196,226	39,528
Total Capital Assets	<u>531,253</u>	<u>265,594</u>	<u>796,847</u>	<u>55,163</u>
Less: Accumulated Depreciation	<u>(178,511)</u>	<u>(138,879)</u>	<u>(317,390)</u>	<u>(39,644)</u>
Total Capital Assets (Net)	<u>352,742</u>	<u>126,715</u>	<u>479,457</u>	<u>15,519</u>
Total Noncurrent Assets	<u>352,742</u>	<u>128,670</u>	<u>481,412</u>	<u>15,519</u>
 Total Assets	 <u>495,034</u>	 <u>164,805</u>	 <u>659,839</u>	 <u>44,065</u>
Deferred Outflows of Resources:				
Deferred Loss on Refunding of Debt	3	127	130	23
Total Deferred Outflows of Resources	<u>3</u>	<u>127</u>	<u>130</u>	<u>23</u>
 Total Assets and Deferred Outflows of Resources	 <u>\$ 495,037</u>	 <u>\$ 164,932</u>	 <u>\$ 659,969</u>	 <u>\$ 44,088</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, 2013
(In Thousands)

	Business-type Activities Enterprise Funds			Governmental Activities
	Airports	Transit System	Total	Internal Service Funds
<u>Liabilities</u>				
Current Liabilities:				
Accounts Payable	\$ 3,718	\$ 4,704	\$ 8,422	\$ 2,196
Accrued Liabilities	1,830	2,447	4,277	119
Accrued Interest Payable	879	328	1,207	168
Unearned Revenues	7,228	4,296	11,524	-
Bonds and Notes Payable - General Obligation	134	3,339	3,473	2,540
Bonds and Notes Payable - Revenue	8,765	-	8,765	-
Compensated Absences	1,901	4,471	6,372	635
Risk Claims	-	9,026	9,026	8,300
Capital Leases	159	-	159	-
Other Liabilities	15	2,158	2,173	-
Total Current Liabilities	<u>24,629</u>	<u>30,769</u>	<u>55,398</u>	<u>13,958</u>
Long-Term Liabilities:				
Bonds and Notes Payable - General Obligation	109	24,976	25,085	16,738
Bonds and Notes Payable - Revenue	221,716	-	221,716	-
Compensated Absences	986	3,821	4,807	509
Risk Claims	-	5,849	5,849	9,648
Other Post Employment Benefits	12,620	-	12,620	4,928
Capital Leases	86	-	86	-
Total Long-Term Liabilities	<u>235,517</u>	<u>34,646</u>	<u>270,163</u>	<u>31,823</u>
Total Liabilities	<u>260,146</u>	<u>65,415</u>	<u>325,561</u>	<u>45,781</u>
<u>Net Position (Deficit)</u>				
Net Investment in Capital Assets	200,936	98,527	299,463	(3,736)
Restricted for:				
Operations and Debt Service	17,680	-	17,680	-
Capital Asset Needs	14,004	-	14,004	-
Commitments	2,270	499	2,769	1,640
Unrestricted	1	491	492	403
Total Net Position (Deficit)	<u>234,891</u>	<u>99,517</u>	<u>334,408</u>	<u>(1,693)</u>
Total Liabilities and Net Position	<u>\$ 495,037</u>	<u>\$ 164,932</u>	<u>\$ 659,969</u>	<u>\$ 44,088</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, 2013
 (In Thousands)

	Business-type Activities Enterprise Funds			Governmental Activities
	Airports	Transit System	Total	Internal Service Funds
Operating Revenues:				
Rentals and Other Service Fees	\$ 69,108	\$ -	\$ 69,108	\$ 25,007
Admissions and Concessions	16,408	-	16,408	-
Transit Fares	-	44,884	44,884	-
Total Charges for Services	85,516	44,884	130,400	25,007
Other Revenues	4	3,983	3,987	66
Total Operating Revenues	<u>85,520</u>	<u>48,867</u>	<u>134,387</u>	<u>25,073</u>
Operating Expenses:				
Personnel Services	26,225	106,461	132,686	6,841
Contractual Services	17,269	20,410	37,679	9,628
Intra-County Services	10,202	1,476	11,678	845
Commodities	5,157	18,179	23,336	246
Depreciation and Amortization	21,215	13,965	35,180	1,080
Maintenance	197	366	563	40
Other	17	1,817	1,834	-
Insurance and Claims	-	-	-	11,039
Client Payments	-	-	-	1,295
Total Operating Expenses	<u>80,282</u>	<u>162,674</u>	<u>242,956</u>	<u>31,014</u>
Operating Income (Loss)	<u>5,238</u>	<u>(113,807)</u>	<u>(108,569)</u>	<u>(5,941)</u>
Nonoperating Revenues (Expenses):				
Intergovernmental Revenues	235	88,107	88,342	1,391
Gain on Sale of Capital Assets	-	123	123	-
Investment Income	332	-	332	-
Reassignment of Long-term Liabilities	-	-	-	(3,118)
Interest Expense	(9,438)	(1,170)	(10,608)	(681)
Total Nonoperating Revenues (Expenses)	<u>(8,871)</u>	<u>87,060</u>	<u>78,189</u>	<u>(2,408)</u>
Income (Loss) Before Contributions and Transfers	(3,633)	(26,747)	(30,380)	(8,349)
Capital Contributions	15,171	22,191	37,362	-
Transfers In	3,812	27,883	31,695	10,048
Transfers Out	<u>(3,390)</u>	<u>(1,463)</u>	<u>(4,853)</u>	<u>(5,086)</u>
Change in Net Position	11,960	21,864	33,824	(3,387)
Net Position -- Beginning	222,931	77,653	300,584	1,694
Net Position (Deficit) -- Ending	<u>\$ 234,891</u>	<u>\$ 99,517</u>	<u>\$ 334,408</u>	<u>\$ (1,693)</u>

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, 2013
(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 Users	\$ 82,946	\$ 46,005	\$ 128,951	\$ 1,694
Receipts from Interfund Services	-	-	-	25,653
Payments to Suppliers	(21,863)	(37,869)	(59,732)	(22,094)
Payments to Employees	(24,677)	(108,844)	(133,521)	(6,858)
Payments for Interfund Services Used	(10,202)	(1,476)	(11,678)	(845)
Net Cash Flows Provided (Used) by Operating Activities	<u>26,204</u>	<u>(102,184)</u>	<u>(75,980)</u>	<u>(2,450)</u>
Cash Flows Provided (Used) by Noncapital Financing Activities:				
Intergovernmental Revenues	235	89,931	90,166	1,391
Transfers From Other Funds	3,812	27,883	31,695	10,048
Transfers (To) Other Funds	(3,390)	(1,463)	(4,853)	(5,086)
Net Cash Flows Provided (Used) by Noncapital Financing Activities	<u>657</u>	<u>116,351</u>	<u>117,008</u>	<u>6,353</u>
Cash Flows Provided (Used) by Capital and Related Financing Activities:				
Proceeds from Bonds	47,095	-	47,095	5,718
Capital Contributions	15,171	22,191	37,362	-
Premium from Bonds	1,839	-	1,839	-
Discount from Bonds	(205)	-	(205)	-
Reassignment of Long Term Debt	-	2,896	2,896	-
Principal Payment on Bonds	(8,630)	(3,579)	(12,209)	(1,757)
Principal Payment on Refunding Bonds	(3,375)	-	(3,375)	-
Premium on Bonds	-	-	-	160
Interest Paid on Bonds	(9,940)	(1,187)	(11,127)	(666)
Payments on Capital Lease	(230)	-	(230)	-
Sale of Capital Assets	-	123	123	-
Acquisition of Capital Assets	(26,271)	(36,080)	(62,351)	(4,310)
Net Cash Flows Provided (Used) by Capital and Related Financing Activities	<u>18,784</u>	<u>(15,636)</u>	<u>3,148</u>	<u>(855)</u>
Cash Flows Provided (Used) by Investing Activities:				
Investment Income	332	-	332	-
Net Cash Flows Provided (Used) by Investing Activities	<u>332</u>	<u>-</u>	<u>332</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	45,977	(1,469)	44,508	3,048
Cash and Cash Equivalents at Beginning of Year	82,271	23,124	105,395	23,575
Cash and Cash Equivalents at End of Year	<u>\$ 128,248</u>	<u>\$ 21,655</u>	<u>\$ 149,903</u>	<u>\$ 26,623</u>

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, 2013
(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	\$ 90	\$ -	\$ 90	\$ -
Reassignment of Long Term Debt	\$ -	\$ -	\$ -	\$ 3,118
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ 5,238	\$ (113,807)	\$ (108,569)	\$ (5,941)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows Provided (Used) by Operating Activities:				
Depreciation and Amortization	21,215	13,965	35,180	1,080
(Increase) Decrease in Assets:				
Accounts Receivable	2,128	-	2,128	(1,368)
Other Receivables	-	(3,386)	(3,386)	-
Due from Other Governments	384	-	384	1
Inventories	-	711	711	-
Prepaid Items	-	(111)	(111)	388
Other Post Employment Asset	-	318	318	-
Other Assets	-	97	97	-
Increase (Decrease) in Liabilities:				
Accounts Payable	777	1,636	2,413	103
Accrued Liabilities	(250)	139	(111)	119
Unearned Revenues	(5,085)	427	(4,658)	-
Compensated Absences	224	(663)	(439)	51
Risk Claims	-	(2,177)	(2,177)	3,304
Other Post Employment Benefits	1,574	-	1,574	(187)
Other Liabilities	(1)	667	666	-
Total Adjustments	20,966	11,623	32,589	3,491
Net Cash Flows Provided (Used) by Operating Activities	\$ 26,204	\$ (102,184)	\$ (75,980)	\$ (2,450)

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, 2013
(In Thousands)

	<u>Pension Trust</u> <u>Fund</u>	<u>Agency Funds</u>
<u>Assets</u>		
Cash and Investments:		
Domestic Common and Preferred Stocks	\$ 638,670	\$ -
Long / Short Hedge Funds	193,377	-
Fixed Income	368,540	-
International Common and Preferred Stocks	206,675	-
Real Estate Investments Trusts	166,038	-
Infrastructure	134,856	-
Private Equity	48,311	-
Deposits	81,248	15,665
Total Cash and Investments	1,837,715	15,665
Receivables:		
Pension Trust Fund Contribution	22,708	-
Accrued Interest and Dividends	2,063	-
Due from Sale of Investments	18,510	-
Other	602	1,528
Securities Lending	48,678	-
Other Assets	4,981	-
Total Assets	1,935,257	17,193
<u>Liabilities</u>		
Accounts Payable	4,920	204
Agency Deposits	-	16,989
Securities Lending	48,678	-
Other Liabilities	2,429	-
Total Liabilities	56,027	17,193
<u>Net Position</u>		
Held in Trust for Pension Benefits	\$ 1,879,230	\$ -

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, 2013
(In Thousands)

	<u>Total</u>
Additions:	
Contributions:	
County of Milwaukee	\$ 21,998
Plan Participants	8,955
Total Contributions	<u>30,953</u>
Investment Income:	
Net Appreciation (Depreciation) in Fair Value	230,756
Interest and Dividends	20,841
Other Income	9,146
Total Investment Income	<u>260,743</u>
Security Lending Income	68
Security Lending Rebates (and Fees)	24
Net Security Lending Activity	<u>92</u>
Investment Expense	<u>(3,494)</u>
Net Investment Income (Loss)	<u>257,341</u>
Total Additions, Net of Losses	<u>288,294</u>
Deductions:	
Benefits Paid to Retirees and Beneficiaries	(172,584)
Administrative Expenses	(4,470)
Withdrawal of Membership Accounts	(445)
Total Deductions	<u>(177,499)</u>
Change In Plan Net Position	110,795
Plan Net Position Held In Trust for Pension Benefits	
Beginning of Year	1,768,435
End of Year	<u>\$ 1,879,230</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, 2013
(In Thousands)

	Milwaukee			Research Park	
	Public Museum	War Memorial	Marcus Center	Corporation	Total
<u>Assets</u>					
Current Assets:					
Cash and Investments	\$ 2,046	\$ 332	\$ 3,077	\$ 4,652	\$ 10,107
Accounts Receivable	1,302	-	190	98	1,590
Other Receivables	-	-	194	-	194
Inventories	62	-	14	-	76
Prepaid Items	160	-	98	5	263
Total Current Assets	<u>3,570</u>	<u>332</u>	<u>3,573</u>	<u>4,755</u>	<u>12,230</u>
Noncurrent Assets:					
Long-Term Investments	6,545	-	599	-	7,144
Accounts Receivable	2,938	-	-	-	2,938
Cash and Investments -- Restricted	1,000	35	-	-	1,035
Other	-	-	960	1	961
Capital Assets (Net):					
Construction in Progress	47	-	-	-	47
Buildings and Improvements	19,501	-	24,179	-	43,680
Machinery, Vehicles and Equipment	11,210	-	1,498	-	12,708
Less: Accumulated Depreciation	(16,244)	-	(15,557)	-	(31,801)
Total Capital Assets (Net)	<u>14,514</u>	<u>-</u>	<u>10,120</u>	<u>-</u>	<u>24,634</u>
Total Noncurrent Assets	<u>24,997</u>	<u>35</u>	<u>11,679</u>	<u>1</u>	<u>36,712</u>
Total Assets	<u>\$ 28,567</u>	<u>\$ 367</u>	<u>\$ 15,252</u>	<u>\$ 4,756</u>	<u>\$ 48,942</u>
<u>Liabilities</u>					
Current Liabilities:					
Accounts Payable	\$ 409	\$ -	\$ 30	\$ 14	\$ 453
Accrued Liabilities	483	-	383	9	875
Accrued Interest Payable	18	-	-	-	18
Unearned Revenues	1,100	-	796	61	1,957
Bonds and Notes Payable	-	-	8	50	58
Capital Leases	107	-	-	-	107
Other Current Liabilities	375	-	68	-	443
Accrued Pension and Postretirement Benefits	570	-	-	-	570
Total Current Liabilities	<u>3,062</u>	<u>-</u>	<u>1,285</u>	<u>134</u>	<u>4,481</u>
Noncurrent Liabilities:					
Bonds and Notes Payable	1,627	-	30	-	1,657
Other Noncurrent Liabilities	176	-	549	-	725
Accrued Pension and Postretirement Benefits	5,815	-	-	-	5,815
Total Noncurrent Liabilities	<u>7,618</u>	<u>-</u>	<u>579</u>	<u>-</u>	<u>8,197</u>
Total Liabilities	<u>10,680</u>	<u>-</u>	<u>1,864</u>	<u>134</u>	<u>12,678</u>
<u>Net Position</u>					
Net Investment in Capital Assets	12,780	-	10,082	-	22,862
Restricted	11,092	35	9	336	11,472
Unrestricted (Deficit)	(5,985)	332	3,297	4,286	1,930
Total Net Position	<u>17,887</u>	<u>367</u>	<u>13,388</u>	<u>4,622</u>	<u>36,264</u>
Total Liabilities and Net Position	<u>\$ 28,567</u>	<u>\$ 367</u>	<u>\$ 15,252</u>	<u>\$ 4,756</u>	<u>\$ 48,942</u>

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, 2013
(In Thousands)

	Milwaukee Public Museum	War Memorial	Marcus Center	Research Park Corporation	Total
Revenues:					
County Program Support	\$ 6,502	\$ 1,418	\$ 1,088	\$ -	\$ 9,008
Charges for Services:					
Contributions and Memberships	10,223	-	743	56	11,022
Other	3,088	1,380	4,854	23	9,345
Interest on Investments and Rents	883	-	3,682	1,234	5,799
Other	734	-	801	1,435	2,970
Total Revenues	<u>21,430</u>	<u>2,798</u>	<u>11,168</u>	<u>2,748</u>	<u>38,144</u>
Expenses:					
Parks, Recreation and Culture	<u>12,693</u>	<u>2,432</u>	<u>10,691</u>	<u>1,539</u>	<u>27,355</u>
Total Expenses	<u>12,693</u>	<u>2,432</u>	<u>10,691</u>	<u>1,539</u>	<u>27,355</u>
Changes in Net Position	8,737	366	477	1,209	10,789
Net Position -- Beginning	<u>9,150</u>	<u>1</u>	<u>12,911</u>	<u>3,413</u>	<u>25,475</u>
Net Position -- Ending	<u>\$ 17,887</u>	<u>\$ 367</u>	<u>\$ 13,388</u>	<u>\$ 4,622</u>	<u>\$ 36,264</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 Systems and Pension Plans
- 16 - Pending Governmental Accounting Standards

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

Note 1 - Summary of Significant Accounting Policies

The County of Milwaukee, Wisconsin (the "County") incorporated in 1835, is a governmental entity established by laws of the State of Wisconsin and has the power of a body corporate, as defined by s.59.01 of the statutes of the State of Wisconsin.

The 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

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements

As of and For the Year Ended December 31, 2013

(Amounts expressed in thousands, unless otherwise noted)

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

management of the primary government has operational 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, which are described below.

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 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 confirmed by the County Board of Supervisors.

The Marcus Center is reported as a discretely presented component unit within the County’s comprehensive annual financial report 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, the Marcus Center has the ability to impose specific financial burdens on the County. The Marcus Center has a fiscal year ending December 31st.

Milwaukee County Research Park Corporation (“MCRPC”) is 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 are not required for medical or health institution purposes and are 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 governs MCRPC. Five members of the Board are County Board Supervisors and ten members of the Board, including a representative of the City of Wauwatosa and the County Executive’s personal representative, are appointed by the County Executive and confirmed by the County Board of Supervisors.

MCRPC is presented as a discretely presented component unit of the County because the County appoints all of the members of the governing board and therefore has the ability to impose its will on MCRPC. The economic resources held by MCRPC are contributed to MCRPC through land sales and tenant rent, by agreement of the County, for the direct benefit of the County and its constituents. MCRPC has a fiscal year ending December 31st.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements

As of and For the Year Ended December 31, 2013

(Amounts expressed in thousands, unless otherwise noted)

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

Milwaukee County War Memorial, Inc. (“Memorial”) is a non-stock, non-profit corporation based in Wisconsin. The Memorial is operated under the auspices of Milwaukee County. The original purpose of the Memorial is 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 Memorial is to operate the War Memorial Center.

A four member Board of Trustees (“Trustees”) and an eleven member Board of Directors (the “Board”) govern the Memorial. The four Trustees and two members of the Board are appointed by the County Executive and confirmed by the County Board of Supervisors. The War Memorial Center Facility, Milwaukee Art Museum, Inc., Veterans, Marcus Center for the Performing Arts and Charles Allis/Villa Terrace Boards of Directors were advisory boards with the primary function of making recommendations to the Board of Trustees on the operations of their sections of the Memorial, owned by Milwaukee County. In September 2013, the by-laws of the Memorial were amended and these advisory board positions eliminated; County appointments were reduced from eight to two.

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

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 confirmed by the County Board of Supervisors.

MPM is presented 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.

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

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

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

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

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

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

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

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.

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

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

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.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Governmental Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

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

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 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.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

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

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-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.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

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

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

- **Special Revenue Funds** are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The specific purpose of each fund is as follows:
 - **Zoo** - used for the purchase of animals and maintenance of the miniature passenger railroad for the Milwaukee County Zoo.
 - **Parks** - used for the 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 PFC (Passenger Facility Charge) is used for the collection of Federal Aviation Administration (FAA) approved passenger facility charges, which are to be used for capital projects at the Airport. In addition, a 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 Obligation funds for County ERS, under state statute.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

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

- **Public Works** - used for compensated absence payouts and other post-employment benefit costs 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. All cash and investments pooled in common accounts are considered cash equivalents for the purposes of the statements of cash flows. The cash and investment balance in each fund, except for certain Special Revenue, and Agency Funds, and certain cash accounts of the Airports Fund and Transit Fund represent the equity in these pooled resources.

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

Statutes authorize the County to invest in State-authorized financial institution time deposits that mature in not more than three years, bonds or securities issued or guaranteed as to principal and interest by the Federal government, bonds or securities of any municipality of the State, securities that mature not more than ten years from the date on which the security was acquired and which has a rating in one of the two highest categories assigned by a nationally-recognized rating agency, repurchase agreements secured by funds or securities issued or guaranteed as to principal and interest by the Federal government, and local

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

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

government pooled investment funds. In addition, the Pension Board, as administrator of the Pension Trust Fund is authorized to invest in all types of investments deemed appropriate.

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

2. Receivables

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

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, except the City of Milwaukee, to facilitate the collection of taxes. The purchases are a financing arrangement and are reflected as a reservation of fund balance at year-end for amounts considered unavailable. The County’s portion of uncollected property taxes within the boundaries of the City of Milwaukee is sold to the City each year.

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

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.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

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

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.

Milwaukee County has a self-funded health insurance plan through a third party manager. A requirement of the self-funded plan is that the County maintains a deposit, as of December 31, 2013 \$2,433, with this third party manager. Milwaukee County provides an option for employees to set up a Flexible Spending account through a third party manager. The contract specifies that the County must maintain a balance based upon the employee's election; as of December 31, 2013 \$244 is on deposit.

4. Restricted Assets

Certain proceeds of the Deposits & Investments area are considered restricted as explained earlier in (Note 1, section D and item 1). At the end of 2013, these restricted assets consisted of Capital Project reserves of \$33,684; Airport reserves and unspent revenue bond proceeds of \$79,160, restricted Airport Passenger Facility Charge revenues of \$26,352; and Family Care reserves of \$11,458. Restricted assets are not available to the County to finance its operations.

Capital Projects: Bond proceeds of \$33,684 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. The unspent bond proceeds are considered restricted.

Airports: Certain proceeds of the Airports enterprise fund revenue bonds, as well as certain resources set aside for repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. Restricted Assets at the end of 2013 amounted to \$79,160 and consisted of \$21,769 of reserves under Airport Revenue Bond covenant and \$57,391 of 2006, 2009, 2010 and 2013 revenue bond proceeds that were unspent, and for purposes of this report, are considered restricted.

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.

Airport Special Revenue Fund: Restricted Assets for the Airport Special Revenue Fund at the end of 2013 amounted to \$26,352 and consisted of \$20,625 for passenger facility charges allocated and \$5,727 is related to contributed assets discussed below. 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.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements

As of and For the Year Ended December 31, 2013

(Amounts expressed in thousands, unless otherwise noted)

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

In addition, the County has restricted \$5,727 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 \$4,900 of cash provided by the company and the State of Wisconsin. These funds act as a debt reserve, and are included in the Airport special revenue fund. During 2009, the company announced that another company was purchasing it and the County Board of Supervisors approved extensions of the agreement to August 15, 2015. There are no plans for the transfer of the agreements to the third party. However, the third-party continues to honor the agreement and make principal and interest payments in accordance with underlying agreements. The assets continue to be maintained by the third-party, and the third-party has been attempting to sell or lease the assets to pay down the debt.

Family Care: under a contract agreement between the State of Wisconsin Department of Health and Family Services and the County's Department of Family Care, the County is required to restrict cash of \$11,458. Under the contract, this restricted cash is for two reserves: working capital and restricted.

5. Capital Assets

Government-wide Statements

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

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized at cost when purchased or constructed and updated for the cost of additions and retirements during the year.

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

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

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

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

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

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

Fund Financial Statements

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

6. Compensated Absences

County employees are granted sick and annual vacation leave in varying amounts in accordance with administrative policies and union contracts. County employees are requested to use all accumulated vacation time earned each calendar year; however, for the majority of employees, a maximum of 56 vacation hours may be carried over to the next calendar year. In the event of termination or retirement, employees are paid for accumulated vacation, holiday and overtime hours.

Generally, accumulated sick pay is forfeited upon termination other than retirement. In 2012, the County changed the calculation of the sick leave payout at retirement for the majority of employees. Depending on their prior bargaining unit affiliation and sick leave balances, a retiring employee may be entitled to either a full or partial cash payout or partial credit for post-retirement health care costs. Cash payouts to retirees for sick pay benefits were \$1,277 in 2013.

Vacation, sick pay, holiday and overtime amounts earned and vested by active employees have been accrued in the government-wide and proprietary fund financial statements. The short-term portions of compensated absences are classified as current liabilities. For the governmental activities and the business-type activities, the short-term portion is \$22,343 and \$6,372, respectively. The long-term

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

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

portions of compensated absences, primarily for sick leave payable upon retirement, are classified as compensated absences. For the governmental activities and the business-type activities, the long-term portion is \$16,837 and \$4,807, respectively. \$4,157 paid to employees in the governmental fund types within 60 days of year-end has been recorded as a liability and as an expense in the governmental funds.

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.

8. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and 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 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, 2013 (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, 2013 (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 amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the County would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

In the enterprise fund and government-wide financial statements, the portion of net 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 Statutes of the State of Wisconsin require that the surplus/deficit of all departments of the County be determined in accordance with GAAP based on fund financial statements. The amount of any surplus/deficit of the current year is 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 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 Family Care (Family Care), provides an allowance for amounts due from the State in the event a client is not eligible for service reimbursement and for client service co-payments. The County's Department of Health and Human Services (DHHS) provides an allowance for amounts due from recipients of housing loans provided to low-income homeowners. The County's Department of Public Works (DPW) provides an allowance for Private Fire Protection charges that are in dispute.

BHD, Family Care, 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, 2013, the total allowance for BHD, Family Care, DHHS, and DPW was \$20,542. No other allowances for doubtful accounts are maintained since other fund accounts receivable are considered collectable as reported at December 31, 2013. All allowances are netted against receivables for financial statement presentation.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (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 2013, the net amount of capitalized interest was \$1,067.

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, 2013.

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.

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.

16. Capital Contributions

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

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (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 Obligation (Asset)

Pension expenditures of governmental fund types are recognized on the modified accrual basis; which means that the amount of pension expense recognized is equal to the amount contributed to the plan or expected to be liquidated with expendable available financial resources. In the government-wide and proprietary financial statements, pension expense is recognized on the accrual basis, which means that the amount recognized in the current period is equal to annual pension cost. The net pension obligation (asset) represents the difference between the annual required contribution and interest, net of payments. 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 at December 31 to the extent that it has not been expended or encumbered.

The 2013 encumbrance, carryover and commitment balances by fund are:

	<u>Encumbrances</u>	<u>Carryovers</u>	<u>Other</u>	<u>Total</u> <u>Commitments</u>
General Fund	\$ 10,265	\$ (1,489)	\$ 1,405	\$ 10,181
Capital Projects	15,281	32,995	-	48,276
Internal Service Funds	1,640	-	-	1,640
Airports	2,270	-	-	2,270
Transit	499	-	-	499
Totals	<u>\$ 29,955</u>	<u>\$ 31,506</u>	<u>\$ 1,405</u>	<u>\$ 62,866</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.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (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.

E. Governmental Accounting Standards for 2013

In fiscal year 2013, the County implemented the following GASBs:

- **GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*** - an amendment of GASB Statements No. 14 and No. 34 was implemented by the County, effective January 1, 2013. This statement amends its accounting and financial reporting standards for including, presenting, and disclosing information about governmental component units, including equity interests. It is designed to result in governmental financial statements that include all appropriate entities that a government is accountable for or financially intertwined with.
- **GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities***, was implemented by the County, effective January 1, 2013. This statement clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting.
- **GASB Statement No. 66, *Technical Corrections-2012***, an amendment of GASB Statements No. 10 and No. 62 was implemented by the County, effective January 1, 2013. This statement enhances the usefulness of financial reports by resolving conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting.

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.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements

As of and For the Year Ended December 31, 2013

(Amounts expressed in thousands, unless otherwise noted)

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

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 2013 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. 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 2013 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 obligation 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>
GAAP Basis	\$ 1,013,701	\$ 890,836	\$ (117,014)
Encumbrances	-	10,265	-
Pension/Other	-	33	(1)
Transfers to Component Units	-	(8,222)	(8,222)
Non-GAAP Budgetary Basis	<u>\$ 1,013,701</u>	<u>\$ 892,912</u>	<u>\$ (125,237)</u>

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

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

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

Deficit Fund Net Position

The Information Management Services Internal Service Fund had a net position ending balance of (\$2,991) as of December 31, 2013. The net liabilities were due to the fund incurring depreciation expense on assets purchased with the debt proceeds at a faster rate than the payment of principal on the outstanding debt. The net liabilities will breakeven in future years as the principal is paid down by the fund.

County Tax Rate Limit

Section 59.605 of the Wisconsin Statutes imposes a limit on the property tax rate that the County can impose upon its citizens. The 2011 levy limit (Wis Stats. 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 or zero percent. For the 2014 Budget, the levy limit consists of net new construction which is .0769%. The limit also contains adjustments for levy for debt service payments and terminated tax increment districts.

Note 3 - Deposits and Investments

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

The following information presents the deposits and investments of the Primary Government and the Pension Trust Fund. The information has been split into two sections: Primary Government (excluding Pension Trust Fund) and Pension Trust Fund.

Statement of Net Position:

Cash and Investments	\$ 282,244
Cash and Investments - Restricted	150,654
Subtotal	432,898

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements

As of and For the Year Ended December 31, 2013

(Amounts expressed in thousands, unless otherwise noted)

Note 3 - Deposits and Investments (cont.)

Cash Deposits – County/Agency

Statement of Fiduciary Net Position:

Cash and Investments	
Pension Trust Fund	\$ 1,837,715
Agency Fund	15,665
Subtotal	1,853,380
Total	\$ 2,286,278
Deposits-County/Agency	\$ 120,641
Investments-County/Agency	327,922
Pension Deposits	81,248
Pension Investments	1,756,467
Total	\$ 2,286,278

The carrying amount of the County's deposits at December 31, 2013 was \$120,641 and the bank balance was \$127,133.

Custodial Credit Risk-Deposits – County/Agency

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover deposits or will not be able to cover collateral securities that are in the possession of an outside entity. Deposits in each local and area bank are insured by the FDIC in the amount of \$250 for time and savings accounts (including NOW accounts) and \$250 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250 for the combined amount of all deposit accounts. The State Deposit Guarantee Fund insures deposits up to a total of \$400 per entity, not per banking institution. The County does not have a deposit policy for custodial credit risk. Of the \$127,133 of deposits with financial institutions, \$37,265 was covered by Federal depository insurance and State governmental insurance, subject to availability of funds in the State's Deposit Guarantee Fund and \$87,899 was collateralized with government securities held in a separate financial institution in the County's name, and \$1,969 was uninsured, uncollateralized, or exposed to custodial credit risk.

Investments – County/Agency

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

The primary objectives of the County's Statement of Investment Policies are to preserve and protect investment principal, maximize the return on the investment portfolio, and to avoid assuming unreasonable investment risk. The investment portfolio shall be designed with the objective of obtaining a

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements

As of and For the Year Ended December 31, 2013

(Amounts expressed in thousands, unless otherwise noted)

Note 3 - Deposits and Investments (cont.)

market rate of return throughout budgetary and economic cycles, taking into account the County's investment risk constraints and liquidity needs. The County's investment portfolio will remain sufficiently liquid to enable the County to meet reasonably anticipated day-to-day operating requirements. The County will employ mechanisms to control risk and diversify its investments with respect to specific security types or individual security issuers.

As of December 31, 2013 the County has the following investments:

<u>Investment Type</u>	<u>Fair Value</u>
U.S. Treasury Bonds	\$ 3,929
U.S. Treasury Inflation Protected Bonds	11,178
U.S. Treasury Notes	19,204
U.S. Treasury Bills	200
U.S. Agency Fixed Rate Securities	45,174
U.S. Agency Guaranteed Adjustable Rate Securities	35,090
GNMA Fixed Rate Securities	1,074
FNMA Fixed Rate Securities	8,668
FHLB Fixed Rate Securities	2,951
FHLMC Fixed Rate Securities	3,000
FNMA Variable Rate Securities	139
FHLMC Step Coupon Agency	1,997
FNMA Step Coupon Agency	2,488
GNMA Guaranteed Adjustable Rate Securities	12,832
Small Business Administration Guaranteed Adjustable Rate Securities	13,804
Municipal Fixed Rate Securities	28,816
Treasury Mutual Fund	21,025
Corporate Government Guaranteed Notes	18,034
Corporate Asset Backed Securities	1,808
Corporate Bonds	9,427
Corporate Notes	3,994
Futures Hedge Contract with Commodities Broker	49
Local Government Investment Pool	111
Certificates of Deposit	33,670
Money Market Cash Equivalents	49,260
Total	<u><u>\$ 327,922</u></u>

In its normal course of operations, the Transit System enters into futures contracts for heating oil as a hedge for its diesel fuel purchases. The aggregate fair value of these hedging derivative instruments in asset positions at December 31, 2013 was \$49. This represents the maximum loss that would be recognized at the reporting date if the counterparty failed to perform as contracted. This maximum exposure is reduced by \$249 for collateral held with the counterparty, resulting in no credit risk to the County. The County has one contract for hedging derivative instruments with a single counterparty: Transit System hedge on diesel fuel. This counterparty is not rated. The County is exposed to basis risk

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements

As of and For the Year Ended December 31, 2013
(Amounts expressed in thousands, unless otherwise noted)

Note 3 - Deposits and Investments (cont.)

on the hedging derivative instruments because the expected commodity purchase being hedged will price based on a pricing point different than the pricing point at which the futures contract is expected to settle.

Custodial Credit Risk-Investments – County/Agency

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

Interest Rate Risk-Investments – County/Agency

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

For adjustable rate securities, the time to coupon reset is used as the effective maturity period. As of December 31, 2013, the County had the following investments and maturities subject to interest rate risk:

Investment Type	Fair Value	Less than 1	1 - 5	6 - 10	More than 10
U.S. Treasury Bonds	\$ 3,929	\$ 3,929	\$ -	\$ -	\$ -
U.S. Treasury Inflation Protected Bonds	11,178	4,380	6,798	-	-
U.S. Treasury Notes	19,204	3,533	14,159	1,512	-
U.S. Treasury Bills	200	200	-	-	-
U.S. Agency Fixed Rate Securities	45,174	4,600	40,574	-	-
U.S. Agency Guaranteed Adjustable Rate Securities	35,090	1,500	21,608	11,982	-
GNMA Fixed Rate Securities	1,074	-	1,074	-	-
FNMA Fixed Rate Securities	8,668	4,008	4,168	492	-
FHLB Fixed Rate Securities	2,951	-	2,951	-	-
FHLMC Fixed Rate Securities	3,000	1,500	1,500	-	-
FNMA Variable Rate Securities	139	-	-	139	-
FHLMC Step Coupon Agency	1,997	-	1,997	-	-
FNMA Step Coupon Agency	2,488	-	2,488	-	-
GNMA Guaranteed Adjustable Rate Securities	12,832	-	-	12,832	-
Small Business Administration Guaranteed Adjustable Rate Securities	13,804	-	4,594	9,210	-

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

Note 3 - Deposits and Investments (cont.)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>More than 10</u>
Municipal Fixed Rate Securities	\$ 28,816	\$ 20,519	\$ 8,297	\$ -	\$ -
Treasury Mutual Fund	21,025	21,025	-	-	-
Corporate Government Guaranteed Notes	18,034	524	17,510	-	-
Corporate Asset Backed Securities	1,808	565	1,243	-	-
Corporate Bonds	9,427	666	8,761	-	-
Corporate Notes	3,994	-	3,994	-	-
Futures Hedge Contract with Commodities Broker	49	49	-	-	-
Certificates of Deposit	33,670	27,366	6,304	-	-
Money Market Cash Equivalents	49,260	49,260	-	-	-
Total	\$ 327,811	\$ 143,624	\$ 148,020	\$ 36,167	\$ -

Credit Risk - Investments – County/Agency

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Standard & Poor's</u>	<u>Moody's Investor Service</u>
U.S. Agency Fixed Rate Securities	\$ 14,742	AA+	AAA
U.S. Agency Fixed Rate Securities	26,506	AA+	Aaa
U.S. Agency Fixed Rate Securities	3,926	AA+	NR
U.S. Agency Guaranteed Adjustable Rate Securities	16,006	AA+	Aaa
U.S. Agency Guaranteed Adjustable Rate Securities	1,118	AA+	WR
U.S. Agency Guaranteed Adjustable Rate Securities	17,968	NR	NR
U.S. Treasury Bills	200	AAA	Aaa
U.S. Treasury Bonds	3,929	AA+	Aaa
U.S. Treasury Bonds - Inflation Protected	11,179	AA+	Aaa
U.S. Treasury Notes	19,204	AA+	Aaa
FNMA Fixed Rate Securities	1,648	AA+	AAA
FNMA Fixed Rate Securities	7,020	AA+	Aaa
FHLB Fixed Rate Securities	2,951	AA+	Aaa
FHLMC Fixed Rate Securities	3,000	AA+	Aaa
GNMA Fixed Rate Securities	1,074	AA+	AAA
GNMA Guaranteed Adjustable Rate Securities	12,832	AA+	Aaa
FNMA Variable Rate Securities	139	AA+	AAA
FHLMC Step Coupon Agency	1,997	AA+	AAA
FNMA Step Coupon Agency	2,488	AA+	AAA
Small Business Admin Guaranteed Adj Rate Securities	13,804	AA+	Aaa

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements
As of and For the Year Ended December 31, 2013
 (Amounts expressed in thousands, unless otherwise noted)

Note 3 - Deposits and Investments (cont.)

Investment Type	Fair Value	Standard & Poor's	Moody's Investor Service
Municipal Fixed Rate Securities	\$ 1,185	A	WR
Municipal Fixed Rate Securities	264	A	A1
Municipal Fixed Rate Securities	205	A	A3
Municipal Fixed Rate Securities	251	A	Aaa
Municipal Fixed Rate Securities	562	A	Baa1
Municipal Fixed Rate Securities	102	A-	A3
Municipal Fixed Rate Securities	160	A+	A2
Municipal Fixed Rate Securities	125	A+	A3
Municipal Fixed Rate Securities	455	A+	Aa3
Municipal Fixed Rate Securities	100	AA	A2
Municipal Fixed Rate Securities	154	AA	Aa1
Municipal Fixed Rate Securities	2,047	AA	Aa2
Municipal Fixed Rate Securities	794	AA	Aa3
Municipal Fixed Rate Securities	939	AA	NR
Municipal Fixed Rate Securities	130	AA-	A1
Municipal Fixed Rate Securities	791	AA-	A2
Municipal Fixed Rate Securities	1,032	AA-	Aa2
Municipal Fixed Rate Securities	1,166	AA-	Aa3
Municipal Fixed Rate Securities	103	AA-	WR
Municipal Fixed Rate Securities	276	AA-	NR
Municipal Fixed Rate Securities	1,529	AA+	NR
Municipal Fixed Rate Securities	304	AA+	WR
Municipal Fixed Rate Securities	1,180	AA+	Aa1
Municipal Fixed Rate Securities	688	AA+	Aa2
Municipal Fixed Rate Securities	155	AA+	Aa3
Municipal Fixed Rate Securities	101	AA+	A1
Municipal Fixed Rate Securities	205	AA+	A2
Municipal Fixed Rate Securities	381	AA+	Aaa
Municipal Fixed Rate Securities	143	AA+	#Aaa
Municipal Fixed Rate Securities	176	AAA	NR
Municipal Fixed Rate Securities	536	AAA	Aaa1
Municipal Fixed Rate Securities	554	AAA	Aaa
Municipal Fixed Rate Securities	188	AAA	Baa1
Municipal Fixed Rate Securities	104	BBB	Baa2
Municipal Fixed Rate Securities	287	BBB-	Baa3
Municipal Fixed Rate Securities	357	NR	A1
Municipal Fixed Rate Securities	160	NR	A2
Municipal Fixed Rate Securities	232	NR	Aa1
Municipal Fixed Rate Securities	1,810	NR	Aa2
Municipal Fixed Rate Securities	431	NR	Aa3
Municipal Fixed Rate Securities	578	NR	AA2

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements

As of and For the Year Ended December 31, 2013

(Amounts expressed in thousands, unless otherwise noted)

Note 3 - Deposits and Investments (cont.)

Investment Type	Fair Value	Standard & Poor's	Moody's Investor Service
Municipal Fixed Rate Securities	\$ 845	NR	Aaa
Municipal Fixed Rate Securities	256	NR	#Aaa
Municipal Fixed Rate Securities	3,896	NR	NR
Municipal Fixed Rate Securities	1,179	NR	WR
Municipal Fixed Rate Securities	409	NR	Baa1
Municipal Fixed Rate Securities	154	NR	Baa3
Municipal Fixed Rate Securities	1,136	NR	MIG1
Treasury Mutual Fund	21,025	AAA	Aaa
Corporate Government Guaranteed Notes	7,604	AA+	Aaa
Corporate Government Guaranteed Notes	10,429	AA+	NR
Corporate Asset Backed Securities	565	AAA	Aaa
Corporate Asset Backed Securities	599	AA+	Aaa
Corporate Asset Backed Securities	644	NR	Aaa
Corporate Bonds	650	A	A3
Corporate Bonds	613	A-	A1
Corporate Bonds	1,257	A+	A1
Corporate Bonds	520	A+	Aa2
Corporate Bonds	464	AA	Aa1
Corporate Bonds	502	AA	Aa2
Corporate Bonds	1,195	AA-	Aa2
Corporate Bonds	571	AA-	Aa3
Corporate Bonds	2,779	AA+	A1
Corporate Bonds	278	AAA	Aaa
Corporate Bonds	597	NR	Aaa
Corporate Notes	1,318	A	A3
Corporate Notes	1,336	A+	A1
Corporate Notes	1,340	AA+	A1
Futures Hedge Contract with Commodities Broker	49	N/A	N/A
Local Government Investment Pool	111	NR	NR
Certificates of Deposit	30,637	NR	NR
Certificates of Deposit	3,034	NR	A1
Money Market/Cash Equivalents	24,078	A-1	P-1
Money Market/Cash Equivalents	4,280	AAA	Aaa
Money Market/Cash Equivalents	20,901	NR	NR
Total	<u>\$ 327,922</u>		

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements

As of and For the Year Ended December 31, 2013

(Amounts expressed in thousands, unless otherwise noted)

Note 3 - Deposits and Investments (cont.)

Concentration of Credit Risk – Investments – County/Agency

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

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

- Time and other Money Market deposits of banks, savings banks, trust companies, savings and loans, credit unions, regulated by the Securities and Exchange Commission. Direct Investment in public depository institutions and securities will be further limited to a maximum investment, per institution at any one time of \$250,000 unless an acceptable form of collateral, surety or other guarantee exists assuring the principal repayment to Milwaukee County. Certificate of Deposit Account Registry Service (CDARS) will have a maximum limit of \$50,000. 0% - 60%
- U. S. Treasury, GNMA, Federal Home Loan Mortgage and any other agency/instrumentality securities that are explicitly guaranteed by the federal government. 0% - 100%
- Agency Instrumentalities: Securities issued by the Federal National Mortgage Association, Fannie Mae, and Federal Home Loan Mortgage Corp. – Freddie Mac. 0% - 30% per agency and 0% - 60% total
- Other agency/instrumentality securities (includes securities issued by the Federal Home Loan Bank, Federal Farm Credit Banks, Small Business Administration and others. 0% - 15% per agency and 0% - 30% total
- Local Government Pooled Investment Fund of the State Investment Board. 0% - 50%
- Repurchase Agreements with public depository institutions (only) and where specific and appropriate collateral is provided. 0% – 50%
- All other security types, when and if authorized in the future by amendment to Wisconsin statute. 0% to 25%

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

Note 3 - Deposits and Investments (cont.)

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

The County's investment policy also limits the use of reverse repurchase agreements to transactions with commercial banks located in the State of Wisconsin to a period of time no longer than 14 days. The County enters into reverse repurchase agreements for cash flow purposes only. At December 31, 2013, the County is not exposed to a concentration of credit risk.

Cash Deposits – Pension Trust Fund

The carrying amount of Pension Trust Fund deposits at December 31, 2013 was \$81,248 and the bank balance was \$83,681. The carrying amount consists of \$1,606 of cash held in deposit at banks and \$79,642 of cash equivalents held by investment managers.

Custodial Credit Risk Deposits – Pension Trust Fund

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Pension Trust Fund will not be able to recover the value of its deposits. Interest bearing deposits with banks are insured by the FDIC in the amount of \$250. Non-interest bearing deposits are insured by the FDIC at full value. On January 1, 2013, the temporary unlimited coverage for noninterest bearing transaction accounts expired. Therefore, demand deposit accounts (interest-bearing and noninterest-bearing) were insured for a total of \$250 beginning January 1, 2013. The State Deposit Guarantee Fund insures deposits up to a total of \$400 per entity, not per banking institution. As of December 31, 2013, all deposits with banks are fully insured by the Federal Depository Insurance Corporation or the State Deposit Guarantee Fund. The Pension Trust Fund does not have a formal policy pertaining to custodial credit risk. However, substantially all assets of the Pension Trust Fund are held in its name.

Investments – Pension Trust Fund

As provided by state legislative act and County Ordinance, the 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. The Retirement System's investments are subject to various risks. Among them are credit risk, concentration of credit risk, custodial credit risk, interest rate risk, and foreign currency risk.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements

As of and For the Year Ended December 31, 2013

(Amounts expressed in thousands, unless otherwise noted)

Note 3 - Deposits and Investments (cont.)

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

As of December 31, 2013 the Pension Trust Fund had the following investments:

<u>Investment Type:</u>	<u>Fair Value</u>
Domestic Common and Preferred Stocks	\$ 638,670
Long / Short Hedge Funds	193,377
Fixed Income	368,540
International Common and Preferred Stocks	206,675
Real Estate and REIT'S	166,038
Infrastructure	134,856
Private Equity	48,311
Total	<u><u>\$1,756,467</u></u>

Custodial Credit Risk – Investments – Pension Trust Fund

Custodial credit risk is the risk that, in the event a financial institution or counterparty fails, the Retirement System will not be able to recover the value of its deposits, investments or securities. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the Retirement System's name and are held by the counterparty. No formal policy exists on custodial risk. However, substantially all assets of the Retirement System are held in its name. The Retirement System did not own any repurchase agreements as of December 31, 2013. As of December 31, 2013, all deposits with banks are fully insured by the Federal Depository Insurance Corporation or the State Deposit Guarantee Fund.

Interest Rate Risk – Investments – Pension Trust Fund

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

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

Note 3 - Deposits and Investments (cont.)

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, 2013, the Retirement System had the following Option-Adjusted Durations for the fixed income investments:

Fixed Income Sector	Fair Value	Option Adjusted Duration (In Years)	Fixed Income Sector	Fair Value	Option Adjusted Duration (In Years)
ABS-Car Loan	\$ 6,266	0.79	Mining	\$ 938	4.30
ABS-Equipment	286	0.09	News / Media	2,681	6.34
ABS-Home Equity	953	(0.01)	Non-US Government Bonds	420	10.44
Aerospace & Defense	234	5.89	Oil & Gas	4,542	6.31
Automobiles & Components	360	8.16	Other Corporate Bonds	192	5.51
Banking & Finance	20,485	4.00	Principal Only US Agencies	926	4.77
Canadian Government Bonds	240	3.62	Private Placements-ABS	550	0.61
Capital Goods	70	6.66	Private Placements-MBS	2,538	2.19
Chemicals	1,368	7.33	Pvt Placements-More than 1 Yr.	8,491	4.74
CMBS - Conduit	11,625	1.87	Pvt Placements-Interest Only	246	3.13
CMO-U.S. Agencies	10,483	3.87	Retail	982	9.70
Commercial Services & Supp.	118	7.27	Supranational Issues	193	1.94
FHLMC Multiclass	26,942	1.96	Taxable Municipals	797	14.80
FHLMC Pools	10,654	3.07	Technology	2,300	5.39
FNMA Pools	34,996	4.10	Transportation	1,559	6.82
FNMA REMIC	30,872	1.57	U.S. Agencies	8,748	5.01
Food Beverage & Tobacco	1,041	5.01	U.S. Governments	41,903	7.16
Food Products	619	7.94	U.S. Governments Interest Only	26,791	5.87
GNMA Multi Family Pools	1,238	2.52	Utility-Electric	4,472	6.94
GNMA Single Family Pools	613	1.21	Utility-Gas	751	6.63
Health Care	1,029	8.92	Utility-Telephone	3,789	7.83
Household Products	98	3.51	Whole Loan-CMO	11,695	0.11
Industrial	494	4.99	Whole Loan - Re-securitization	463	0.02
Insurance	1,259	5.90	Yankee Bonds	1,756	6.92
MBS PO - Principal Only (US Agencies)	220	17.24	Other*	78,215	
Materials	39	2.54	Subtotal	\$ 205,938	
Subtotal	\$ 162,602		Total	\$ 368,540	

* For 2013, this represents \$74,104 units of participation, \$2,541 in FHLMC Multiclass, \$358 in Private Placements, \$80 in Transportation, \$405 in Utility-Electric, and \$727 in Whole Loans.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements
As of and For the Year Ended December 31, 2013
 (Amounts expressed in thousands, unless otherwise noted)

Note 3 - Deposits and Investments (cont.)

Credit Risk – Investments – Pension Trust Fund

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit risk of a debt instrument is measured by nationally recognized statistical rating agencies such as Moody’s Investors Services (“Moody’s”), Standard and Poor (“S & P”) and Fitch Ratings (“Fitch’s”). With the exception of the Mellon Capital Management Aggregate Bond portfolio, bonds purchased and owned in each portfolio must have a minimum quality rating of Baa3 (Moody’s) or BBB- (S & P or Fitch’s). The average quality of each portfolio must be an A or better. The fixed income securities for the Mellon Capital Management Aggregate Bond portfolio should have a minimum quality rating of A, with the exception of 15% of the portfolio which may have a minimum quality rating of BBB. The credit quality rating of investments in fixed income securities by Moody’s as of December 31, 2013, and the \$17,000 not rated by Moody’s as of December 31, 2013, \$14,100 is rated by Standard & Poor’s as investment grade (“BBB-” or higher). Moody’s quality rating of “BAA3” or above is considered investment grade. As of December 31, 2013, \$2,600 was not rated by Standard & Poor’s 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, 2013 are as follows:

<u>Moody's Quality Ratings</u>	<u>Fair Value</u>	<u>Moody's Quality Ratings</u>	<u>Fair Value</u>
AAA	\$ 130,668	BA1	\$ 1,408
AA1	824	BA2	1,746
AA2	4,326	BA3	437
AA3	4,216	B1	1,020
A1	7,886	B3	440
A2	8,346	CAA1	83
A3	10,086	CAA2	201
BAA1	11,354	CA3	168
BAA2	13,533	CA	474
BAA3	5,144	NR	14,634
Subtotal	<u>\$ 196,383</u>	Subtotal	<u>\$ 20,611</u>
		Total Credit Risk Fixed Income Securities	216,994
		U.S. Government and Agencies	77,442
		Units of Participation (Not Rated)	74,104
		Total Investment in Fixed Income	<u>\$ 368,540</u>

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

Note 3 - Deposits and Investments (cont.)

Concentration of Credit Risk – Pension Trust Fund

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

Foreign Currency Risk Investment – Pension Trust Fund

Foreign currency is the risk that changes in currency exchange rates will adversely affect the fair value of an investment or deposit. As of December 31, 2013 the Retirement System directly owned less than \$2, in investments denominated in foreign currencies.

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

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:

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Receivables:					
Accounts	\$ 36,929	\$ 73	\$ 12,833	\$ -	\$ 49,835
Taxes:					
Current Levy	280,130	-	-	-	280,130
Delinquent	20,465	-	-	-	20,465
Interest	9,474	-	-	-	9,474
Other	14,442	-	-	4	14,446
Due from Other Governments	35,636	-	6,773	-	42,409
Gross Receivables	397,076	73	19,606	4	416,759
Less: Allowance for Uncollectibles	(19,586)	-	-	-	(19,586)
Net Total Receivables	\$ 377,490	\$ 73	\$ 19,606	\$ 4	\$ 397,173

\$8,037 of the \$20,465 delinquent taxes receivable 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, 2013
 (Amounts expressed in thousands, unless otherwise noted)

Note 4 - Receivables (cont.)

Receivables as of year-end for the Proprietary Funds are as follows:

	Business-type Activities		Governmental Activities
	Airport	Transit System	Internal Service Funds
Receivables:			
Accounts	\$ 4,245	\$ -	\$ 2,708
Other	79	5,783	-
Due from Other Governments	9,720	4,015	8
Gross Receivables	14,044	9,798	2,716
Less: Allowance for Uncollectibles	-	-	(956)
Net Total Receivables	\$ 14,044	\$ 9,798	\$ 1,760

All amounts are expected to be collected within one year.

Governmental funds report unavailable or unearned revenue 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. At the end of the current fiscal year, the various components of unavailable revenue and unearned revenue reported in the governmental funds were as follows:

	Unearned Revenue	Unavailable Revenue
Property Taxes Receivable for Subsequent Year	\$ 279,321	\$ -
Delinquent Tax Receivables	10,746	-
Federal and State Receivables	-	2,615
Housing Loan Receivables	-	6,018
Other Receivables	1,793	-
Unearned/Unavailable Revenues for Governmental Funds	\$ 291,860	\$ 8,633
Unearned Revenues included in Liabilities	\$ 1,285	
Unearned Revenues included in Deferred Inflows	290,575	
Total Unearned Revenues for Governmental Funds	\$ 291,860	

Enterprise funds also defer revenue recognition in connection with resources received, but not yet earned. At the end of the current fiscal year, the Airport (Lease Revenue) and Transit System (Prepayments for Services) has \$7,228 and \$4,296 in unearned revenues, respectively.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements
As of and For the Year Ended December 31, 2013
 (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, 2013.

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, not being depreciated				
Land	\$ 59,303	\$ 8	\$ -	\$ 59,311
Construction in progress	45,622	48,562	(26,505)	67,679
Total Capital Assets, not being depreciated	104,925	48,570	(26,505)	126,990
Capital Assets, being depreciated				
Land Improvements	244,430	8,971	(47)	253,354
Buildings	620,156	10,789	(442)	630,503
Fixed Equipment Buildings	55,295	1,723	(151)	56,867
Infrastructure	191,957	6,429	(6,198)	192,188
Machinery and Equipment	98,126	5,500	(4,336)	99,290
Vehicles and Related Equipment	73,258	4,360	(1,790)	75,828
Furniture and Fixtures	5,605	822	(22)	6,405
Total Capital Assets, being depreciated	1,288,827	38,594	(12,986)	1,314,435
Less: Accumulated Depreciation				
Land Improvements	(149,563)	(7,702)	41	(157,224)
Buildings	(376,108)	(15,620)	445	(391,283)
Fixed Equipment Buildings	(35,460)	(2,680)	149	(37,991)
Infrastructure	(84,655)	(9,609)	6,197	(88,067)
Machinery and Equipment	(78,590)	(4,695)	4,152	(79,133)
Vehicles and related Equipment	(30,677)	(5,933)	1,719	(34,891)
Furniture and Fixtures	(1,486)	(424)	52	(1,858)
Total Accumulated Depreciation	(756,539)	(46,663)	12,755	(790,447)
Net Capital Assets being depreciated	532,288	(8,069)	(231)	523,988
Governmental Activities Capital Assets- Net	\$ 637,213	\$ 40,501	\$ (26,736)	\$ 650,978

Governmental activities capital assets, net of accumulated depreciation, as of December 31, 2013 are comprised of the following:

General Capital Assets, Net	\$ 635,459
Internal Service Fund Capital Assets, Net	15,519
Total Capital Assets, Net	<u>\$ 650,978</u>

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

Note 5 - Capital Assets (cont.)

Depreciation was charged to governmental functions as follows:

Legislative, Executive and Staff	\$ 2,853
Courts and Judiciary	205
General Governmental Services	1,293
Public Safety	6,286
Public Works and Highways	18,010
Human Services	3,659
Parks, Recreation and Culture	14,357
Total	<u>\$ 46,663</u>

The following is a summary of changes in capital assets for business-type activities for the year ended December 31, 2013.

Business-type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, not being depreciated				
Land	\$ 21,367	\$ -	\$ -	\$ 21,367
Construction in progress	66,089	41,292	(39,462)	67,919
Total Capital Assets, not being depreciated	<u>87,456</u>	<u>41,292</u>	<u>(39,462)</u>	<u>89,286</u>
Capital Assets, being depreciated				
Land Improvements	202,574	28,519	(43,412)	187,681
Buildings	188,585	3,931	(62,442)	130,074
Fixed Equipment Buildings	192,453	1,127	-	193,580
Machinery and Equipment	19,909	4,443	(1,546)	22,806
Vehicles and related Equipment	144,742	23,843	(2,081)	166,504
Furniture and Fixtures	5,571	1,425	(80)	6,916
Total Capital Assets, being depreciated	<u>753,834</u>	<u>63,288</u>	<u>(109,561)</u>	<u>707,561</u>
Less: Accumulated Depreciation				
Land Improvements	(116,542)	(7,650)	43,899	(80,293)
Buildings	(121,785)	(4,621)	62,442	(63,964)
Fixed Equipment Buildings	(59,943)	(8,668)	-	(68,611)
Machinery and Equipment	(14,015)	(2,170)	932	(15,253)
Vehicles and Related Equipment *	(74,022)	(11,531)	(427)	(85,980)
Furniture and Fixtures	(2,822)	(540)	73	(3,289)
Total Accumulated Depreciation	<u>(389,129)</u>	<u>(35,180)</u>	<u>106,919</u>	<u>(317,390)</u>
Net Capital Assets, being depreciated	<u>364,705</u>	<u>28,108</u>	<u>(2,642)</u>	<u>390,171</u>
Business-type Activities Capital Assets- Net	<u>\$ 452,161</u>	<u>\$ 69,400</u>	<u>\$ (42,104)</u>	<u>\$ 479,457</u>

* Negative decrease is due to a reversal of a 2012 disposal.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

Note 5 - Capital Assets (cont.)

Depreciation was charged to business-type activities as follows:

Airports	\$ 21,215
Transit System	13,965
Total	\$ 35,180

Discretely Presented Component Units

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

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

Construction in progress	\$ 47
Building additions and improvements	19,501
Furniture, equipment and exhibits improvements	11,210
Less: Accumulated depreciation	(16,244)
Capital Assets, Net	\$14,514

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

Building Improvements	\$24,179
Machinery, Vehicles and Equipment	1,498
Less: Accumulated Depreciation	(15,557)
Capital Assets, Net	\$10,120

Construction Commitments

Following is a list of **capital projects approved** by the Milwaukee County Board of Supervisors per the 2013 Adopted Capital Improvements Budget. These reflect projects for both governmental and proprietary funds.

Project Number	Project Description	2013 Appropriations	2013 Expenditures & Encumbrances
Airports (WA)			
WA042	GMIA Baggage Claim Remodeling	\$ 46,022	*** \$ 36,766
WA044	GMIA - In-Line Baggage (formerly Enhanced Security Post)	-	* 12,812
WA048	D Concourse Improvements	-	* (1,682)
WA061	E Concourse Stem Remodeling	-	* 11
WA064	GMIA - Phase II Mitigation Program	14,110	*** 24,069
WA072	LJT R/W & TW Rehabilitation	-	* 283

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements
As of and For the Year Ended December 31, 2013
 (Amounts expressed in thousands, unless otherwise noted)

Note 5 - Capital Assets (cont.)

Project Number	Project Description	2013 Appropriations		2013 Expenditures & Encumbrances
WA094	Runway Safety Area - NEPA Compliance	\$ -	*	\$ 3,183
WA095	GMIA - Terminal Cable Tray System	-	*	4
WA096	GMIA - Parking Structure Relighting	-	*	1,106
WA108	GMIA-HVAC Equipment Replacement	-	*	171
WA112	GMIA Taxiway R & R3 Reconstruction	400	**	-
WA122	GMIA - Airfield Pavement Rehabilitation	1,000	***	853
WA123	GMIA Runway Safety Improvements	400	**	975
WA124	GMIA Concourse E Ground Power and Preconditioned Air Units Security and Wildlife Deterrent Perimeter Fencing	-	*	231
WA125	Fencing	271	***	262
WA130	GMIA - Part 150 Study - Noise Barrier Study	-	*	349
WA133	GMIA - Concourse D Hammerhead Restroom Remodeling	-	*	12
WA135	Runway 1L-19R & 7R-25L Intersect Repavement Study	-	*	261
WA139	GMIA - Redundant Main Electric Service Feed	-	*	7,218
WA141	GMIA - Administration Building Buildout	-	*	2,362
WA142	GMIA - LJT Runway 15L - 33R Extension	-	*	12
WA143	GMIA - Cargo Ramp 3D Access Control Security	-	*	19
WA148	GMIA - Fleet Maintenance Expansion	-	*	569
WA149	GMIA - Snow Equipment Storage Building	-	*	1
WA153	GMIA - Purchase of Non-County Owned Jet Bridges	-	*	1,926
WA158	GMIA - Deicer Pads	12,900	**	1,327
WA161	GMIA Terminal Roadway Signage	-	*	2,852
WA162	GMIA Cessna Serv Apron Reconst	-	*	1
WA163	GMIA Perimeter Road Bridge over Howard Avenue	-	***	5,584
WA166	GMIA Perimeter Road Ext-128th ARW to	-	*	17
WA167	GMIA Terminal Escalator Replacement	650	***	1,150
WA169	LJT Runway and Taxiway Lighting Replacement	250	***	172
WA172	GMIA Terminal Sanitary Sewer Utility Upgrade	300	**	2
WA173	GMIA Fuel Farm Electrical Service Upgrade	950	***	757
WA175	C Concourse Checkpoint Expansion	-	*	37
WA176	Airport Master Plan - AGIS/eALP	500	**	229
WA177	GMIA Parking Structure Repairs	959	**	9
WA178	GMIA Parking Structure Ramp Infill	-	**	920
WA182	GMIA Snow Melter	-	**	1,136

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements
As of and For the Year Ended December 31, 2013
 (Amounts expressed in thousands, unless otherwise noted)

Note 5 - Capital Assets (cont.)

Project Number	Project Description	2013 Appropriations		2013 Expenditures & Encumbrances
WA184	Vehicles - Squitters	\$ -	**	\$ 534
Courthouse Complex (WC)				
WC013	Criminal Justice Center Deputy Workstations	385	***	805
WC014	Courthouse HVAC System	-		2
WC023	CH Complex Automation & Access Control Upgrade	-	***	1,111
WC025	Courthouse Restroom Renovation	-	*	9
WC027	Courthouse Ligh Court Window Replacement	-	*	114
WC050	Courthouse Courtroom Public Address System	387	**	128
WC070	Domestic Violence Area Reconstruction	230	***	807
WC071	District Attorney Security Card System	-	*	44
WC075	Courthouse Masonry Improvements	-	*	29
WC078	Milwaukee Justice Center Area Build Out	423	**	383
WC081	Safety Building Cooling Tower Replacement	151	**	26
WC086	City Campus Cooling Tower	152	**	24
WC087	New Huber Facility	155	**	2
WC100	Courthouse Major Maintenance	-	**	151
WC103	CJF Cooling Tower	-	**	20
Behavioral Health (WE)				
WE027	BHD Parking Lots	-	**	369
WE028	Replace Nurse Call System	-	**	10
WE048	EMS - Zoll Cardiac Monitor/Defibrillator Z Series	1,125	**	1,125
County Grounds (WG)				
WG012	1000 MG Waterspheroid (190' TCI) Tank	-	*	138
WG014	Grounds South Reservoir Rehabilitation	1,219	**	-
WG026	Child Court Parking Lot/Access	-	**	6
Highways (WH)				
WH001	Signal Installation	645	***	4
WH002	Inter-jurisdictional Traffic System CMAQ	-	***	774
WH010	College Avenue South 51st to South 27th St.	1,006	***	1,326
WH020	College Avenue - 13th to 20th	120	***	229
WH021	Mill Road - North 84th to North 56th	-	**	74
WH022	N. 107th St. Brown Deer to NCL	2,359	***	4,139
WH023	West Mill Road - 84th St. to 91st, 51st to 43rd	-	*	8
WH030	Milwaukee River Parkway Bridge	-	*	184
WH080	KK River Parkway Bridge	-	***	214

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements
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Note 5 - Capital Assets (cont.)

Project Number	Project Description	2013		2013	
		Appropriations		Expenditures & Encumbrances	
WH082	Reconstruct CTH ZZ College Howell	\$	-	***	\$ 215
WH083	W. Silver Spring-N124th to N69th		-	***	(55)
WH086	W. Good Hope Rd. Little Menomonee		-	*	3
WH087	Ryan Rd Culvert East of S. 112th		40	**	30
WH089	13th St. and Puetz Intersection		-	*	41
WH201	Reconstruct N. Port Washington and Bergen Construction		-	***	29
WH222	National Highway System-Rawson Avenue		-	***	1
WH237	East Layton Pavement Grinding		-	**	26
House of Correction (WJ)					
WJ021	ACC HVAC System - Planning		-	*	3
WJ042	Shower Ventilation		-	*	1
WJ051	HOC Security Camera System		-	*	1,061
Museum (WM)					
WM003	Electrical Distribution Replacement		-	*	17
WM005	Museum Air Handling and Piping Replacement		-	*	60
WM009	Museum Roof Replacement - East Wing		-	*	25
WM018	MPM Rectify Steam/Condensate Piping AHU 5&6		40	**	39
Other Agencies (WO)					
WO038	Marcus Center HVAC Upgrade	2,614		***	2,619
WO048	Wil-O-Way Grant HVAC Rehab	88		**	84
WO057	Wil-O-Way Storage Room		-	*	39
WO060	Asphalt and Pavement Improvement Program Wil-O-Way Recreation Center Entrance	196		***	758
WO064	Addition		-	*	100
WO065	Wil-O-Way Recreation Center Renovation		-	*	116
WO071	Wil-O-Way Grant Recreation Center 2nd ADA Exit	19		**	16
WO073	Underwood Creek Parkway Trail- W of Swan Blvd.	77		**	1
WO098	Legislative Workflow and Public Access Program		-	*	32
WO106	Fleet Generator/Transfer Switch Replacement		-	*	42
WO112	Fleet Equipment	5,200		***	4,651
WO114	Facade Improvements and Inspections	274		***	2,596
WO115	Cnty Grounds Conversion from Chilled Water to Chillers	1,000		**	1,486

COUNTY OF MILWAUKEE, WISCONSIN

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Note 5 - Capital Assets (cont.)

Project Number	Project Description	2013		2013
		Appropriations		Expenditures & Encumbrances
WO118	Historical Society Exterior Renovation	\$ -	*	\$ 136
WO128	Wil-O-Ways Grant Lighting	62	**	54
	Wil-O-Ways Underwood Wading Pool			
WO129	Improvements	-	*	79
WO130	Wil-O-Ways Underwood Lighting	33	**	27
WO131	Wil-O-Ways Underwood Single Stall Restroom	81	**	69
	Wil-O-Ways Underwood Recreation Center			
WO132	HVAC	47	**	39
WO133	Medical Examiner Cryostat Machine	51	**	30
WO136	Trimbourn Farm Stone Barn Roof Replacement	58	**	-
WO141	Fleet Mgmt O'Donnell Panels Relocation	-	***	1,076
	Fleet and Vel Phillips Heating Systems			
WO143	Replacement	-	*	1,275
WO150	Courthouse Fire Project	-	**	13,218
WO205	Fiscal Monitoring System	961	***	948
WO215	Storage Expansion	400	***	52
WO218	Technical Infrastructure Replacement	500	***	393
WO219	Narrowbanding	-	*	372
WO221	Clean Agent Fire Suppression System in MER	1,076	***	126
WO223	Research Park Entrance Signage/Landscaping	-	**	673
WO224	Zoo Interchange Utilities Relocation	-	**	2,626
WO229	Warehouse Replacement	-	**	7,298
WO230	Fleet Highways Building Modification	-	**	498
WO433	Glass Partition Barrier Extension	143	**	7
WO444	MCSO - Electronic Medical Records System	2,000	***	-
WO509	Villa Terrace - Security System	-	*	23
WO511	Charles Allis - Security System	-	*	6
WO514	War Memorial Window Replacement & Repair	-	*	1
WO517	War Memorial Renovations	2,000	**	120
WO602	Main Frame Apps Migration	250	**	-
WO606	BHD Wireless Infrastructure	-	*	861
WO614	Build Out Ten Sites to Digital	1,842	***	2,044
WO620	Greenfield Public Safety Communications	-	*	7
WO621	Windows Migration	3,440	**	-
WO626	Computer Replacement	-	**	328
	Medical Examiner Case Mgmt Syst			
WO627	Replacement Project	-	**	396
WO870	Special Assessments	250	***	124
WO888	Todd Wehr Elevator Modernization	565	**	435
WO895	Countywide Revolving Engineering Account	-	*	(15)
WO949	Inventory & Assess County Bldgs.	-	*	657

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements
As of and For the Year Ended December 31, 2013
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Note 5 - Capital Assets (cont.)

Project Number	Project Description	2013 Appropriations		2013 Expenditures & Encumbrances	
	Parks (WP)				
WP057	Dog Park Phase III	\$	-	*	\$ 48
WP063	Estabrook Dam		-	*	47
WP069	Countywide Play Area Redevelopment		-	*	90
	Lindbergh Park Wading Pool Roof				
WP070	Replacement		-	*	915
WP090	Pool Improvements		-	*	392
WP105	Lincoln Family Aquatic Center Phase 2		-	*	7
WP129	Athletic Courts	80	***		982
WP131	Oak Leaf Trail		-	*	823
WP132	Mitchell Park Domes Reflections Pool		-	*	7
WP143	Mitchell Park Greenhouse		-	***	11,708
WP153	Riverside Park - Various Access Improvements		-	*	3
WP167	Restroom Renovation	400	***		109
	Bike Trail Rehabilitation and Walkway				
WP170	Replacement		-	*	67
WP171	Pool Liners - McCarty Park		-	*	23
WP172	Roof Replacement Program		-	*	146
WP187	O'Donnell Park Parking Structure Repairs		-	*	72
WP190	South Shore Beach Relocation		-	*	13
WP191	Moody Pool Renovation		-	*	260
WP192	FEMA Erosion Repair		-	*	87
WP197	Humboldt Park Band Shell Roof		-	*	11
WP200	Jackson Boat House Roof Replacement		-	*	5
WP202	MLK Community Center HVAC Replacement		-	*	146
WP221	Lincoln Golf Course Irrigation/Pumphouse		-	**	80
WP227	Grant Park - Pedestrian Bridges		-	***	337
WP228	Boat Launch Piers Replacement		-	*	12
WP229	Dineen Parking Lot and Walkway Replacement		-	*	5
WP230	Oakwood Golf Course Clubhouse Roof		-	*	1
WP232	Oak Leaf Trail Rehabilitation at Meaux Park		-	*	120
WP247	Greenfield Park Shelter #3 RR Replacement	50	**		-
WP247	Greenfield Park Shelter RR #5 Replacement	50	**		-
	Sports Complex Security and Fire Sys				
WP248	Replacement	50	**		36
WP251	Parks Maintenance Shop Roof		-	*	25
	Root River Parkway Lighting System				
WP252	Replacement		-	*	133
WP254	Whitnall Park Golf Course Pedestrian Bridges	173	**		-
WP257	KK Sports Complex #1 Fencing	10	**		8

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements
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Note 5 - Capital Assets (cont.)

Project Number	Project Description	2013 Appropriations		2013 Expenditures & Encumbrances	
WP260	Holler Park Pool - Conversion to Sand Filtration	\$	120	**	\$ 1
WP264	Estabrook Dam Impoundment Sediment Remediation		4,200	**	-
WP267	Oak Leaf Parkway - Oak Leaf Trail Program		274	**	13
WP269	Wehr Nature Improvements		104	**	15
WP270	Oak Creek Parkway Lighting System		398	**	489
WP271	Johnson Park Pavilion		-	*	15
WP272	Noyes Pool Roof Replacement		130	**	6
WP273	Grobschmidt Park Pool Rehabilitation		162	**	8
WP274	Hales Corners Pool Main Drain Replacement		20	**	18
WP275	Menomonee River Parkway Wetlands		-	*	12
WP276	McKinley Marina BMPs and Lake Michigan Water Quality Improvs		-	*	91
WP279	Humboldt Park Walkways		-	*	68
WP280	Menomonee River Parkway Reconstruction		100	**	114
WP281	Scout Lake Pavilion Roof Replacement		-	*	27
WP284	Clarke Square Playground		-	**	153
WP287	Greenfield Golf Course Irrigation		-	**	82
WP395	Furnace Replacement		-	**	256
Human Services (WS)					
WS032	Variable Air Volume Boxes - Upgrade/Replace		-	***	1,508
WS034	Washington Park Senior Center Roof Replacement		-	*	181
WS035	Coggs - Roof Replacement		-	*	117
WS038	Coggs Canopy Renovation		96	**	4
WS040	McGovern Main Kitchen Replacement		36	**	30
Transit (WT)					
WT026	Bus Replacement Program		-	***	36,452
WT027	Fare Box Renovation		-	*	6,818
WT031	Roof Top Air Conditioning - Transit Admin		-	*	3
WT040	New Annunciators		-	*	2,073
WT049	Replace Bus Vacuum System at Kinnickinnic Garage		750	**	629
WT052	Replace Fire Alarm System at Fond Du Lac Garage		250	**	254
WT053	Replace Bus Vacuum System at Fiebrantz Garage		250	**	204
WT054	Replace Bus Wash System at Kinnickinnic Garage		750	**	649

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements
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Note 5 - Capital Assets (cont.)

Project Number	Project Description	2013 Appropriations		2013 Expenditures & Encumbrances
WT056	Replace HVAC System at Kinnickinnic Garage	\$ 530	**	\$ 659
WT057	Replace FDL Bus Wash System	-	**	977
WT066	Replace Bus Wash System at Fiebrantz Garage	415	**	325
WT067	Replace Roof Flashings at MCTS Fleet Maintenance	120	**	5
WT069	Replace Underground Storage Tanks at MCTS Fleet	275	**	122
WT070	Bus Shields	745	**	-
WT071	Bus Protector Shields	-	*	600
WT303	HVAC Control System	-	*	1
Environmental (WV)				
WV009	Countywide Sanitary Sewer Replacement	150	***	237
WV012	Pond and Lagoon Demonstration Project	-	*	6
WV013	McKinley Beach SW Outfall Pretreatment	-	*	15
WV014	Dretzka Park Groundwater and Soil Remediation	-	*	22
WV016	NR216 Stormwater TSS Controls	-	*	96
WV018	Underground Storage Tanks Upgrades	-	***	322
WV020	Root River Asbestos Dump Removal	77	**	72
WV022	Franklin Landfill Infrastructure	70	**	61
WV025	Rawson Avenue Pump Station	-	**	2,413
WV029	Grant Park Lift Station	-	**	9
Zoo (WZ)				
WZ008	Point of Sale Replacement	-	*	93
WZ014	ARC HVAC Replacement	-	*	36
WZ014	Seal Pool Filter Room Rehabilitation	-	*	40
WZ038	Peck Center HVAC Replacement	-	*	15
WZ040	Polar Bear & Seal Exhibit Shade Structure	-	*	152
WZ041	Aviary Fire and Smoke Detection Devices	-	*	52
WZ041	Primate House Fire and Smoke Detection	-	*	56
WZ042	Devices	-	*	18
WZ045	AHC Electrical Serv Extension	-	*	18
WZ057	Aviary Roof Replacement	77	**	12
WZ058	Winter Quarters Barn Renovation - Camel	-	*	151
WZ059	Pachyderm West Serv Area Roof Replacement	-	*	63
WZ063	Winter Quarters Main Roof Replacement	-	***	926
WZ067	Zoo Sea Lion Show Pool Coating	-	*	130
WZ067	Zoo South end Service/Train Garage	-	*	130
WZ073	Improvement	-	*	406
WZ078	Elephant Shade Structure	153	***	104

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements
As of and For the Year Ended December 31, 2013
 (Amounts expressed in thousands, unless otherwise noted)

Note 5 - Capital Assets (cont.)

<u>Project Number</u>	<u>Project Description</u>	<u>2013 Appropriations</u>		<u>2013 Expenditures & Encumbrances</u>
WZ083	Zoo Pavement Replacement and Lighting	\$ -	*	\$ 1,104
WZ089	Zoo South End Hay Barn Roof Replacement	-	*	155
WZ093	Zoo Storm Drain and Manhole Rehabilitation	-	*	22
WZ099	Zoo Aquatic Reptile Center Chimney Bases	-	*	23
WZ100	Zoo Elephant Service Area Utility	-	*	71
WZ101	Zoo Apes Building Boiler Replacement	-	**	256
WZ103	Zoo Train Garage Overhead Crane	83	**	76
WZ104	Zoo Giraffe Building Upper Roof Replacement	85	**	85
WZ107	Zoo Bear Service Area Improvements	-	***	347
WZ108	Peck Boardwalk	43	**	24
WZ110	Penguin Chiller Replacement	-	*	65
WZ114	Zoo Life Support Emergency Generator	-	**	53
WZ115	Great Apes Mechanical Room Roof Replacement	-	**	53
WZ600	Zoo Master Plan	200	***	282
	Totals	\$ 121,852		\$ 244,589

* Project has funding appropriation carryovers from 2012.

** Project has additional funding appropriations in 2013.

*** Project has both funding carryovers from 2012 and additional funding in 2013.

Following is a list of **capital projects transfers** made in 2013. These reflect projects for both governmental funds and proprietary funds.

<u>Project Number</u>	<u>Project Description</u>	<u>2013 Transfers</u>		<u>2013 Expenditures & Encumbrances</u>
	Airports (WA)			
WA123	GMIA Runway Safety Improvement	\$ 743	**	\$ 400
WA163	Perimeter Rd Bridge-Howard Ave	2,200	***	-
WA178	GMIA Parking Gar Rental Car Area	1,030	**	-
WA182	GMIA Snow Melter	1,290	**	-
WA184	GMIA Squitter Transponders	563	**	-
	Courthouse Complex (WC)			
WC023	CH Complex Automation & Access	150	***	-
WC070	Domestic Violence Area Reconst	200	***	230
WC098	Victim Witness Secure Entrance	35	**	-
WC100	Courthouse Major Maintenance	200	**	-
WC103	CJF Cooling Tower	440	**	-

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements
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Note 5 - Capital Assets (cont.)

Project Number	Project Description	2013 Transfers		2013 Expenditures & Encumbrances
	Behavioral Health (WE)			
WE027	BHD Parking Lots	\$ 418	**	\$ -
WE028	Nurse Call Sys- Unit 53B	124	**	-
WE033	Behavioral Health Facility Ren	(10,752)	*	1,125
	County Grounds (WG)			
WG012	1000 MG Waterspheroid (190` Tc	(210)	*	-
WG026	Child Court Parking Lot /Access	2,630	**	-
WG027	CATC Parking Lot Replacement	723	**	-
	Highways (WH)			
WH001	Countdown Signal Heads (49)	232	***	645
WH002	Inter-Jurisdictional Traffic S	547	***	-
WH010	County Highway Action Program (Chap)	128	***	1,006
WH020	Major Rehabilitation	(168)	*	120
WH021	Mill Road - N. 84Th To N. 56Th	74	**	-
WH022	N. 107Th St. Brown Deer To Ncl	3	***	2,359
WH023	West Mill Road 84Th To 91St	(461)	*	-
WH030	Bridge Rehabilitation Program	(46)	*	-
WH080	Bridge Rehabilitation Program	43	***	-
WH082	Reconstruct Cth ZZ College, W Rawson and E College	1,240	***	-
WH083	W. Silver Spring Drive Over Li	18	***	-
WH084	S. 76Th St. W. Parkview Dr. To	(2)	*	-
WH086	W. Good Hope Rd	(351)	*	-
WH087	Ryan Rd. Culvert East Of S.112	1	**	40
WH089	13th St. & Puetz Intersection	(38)	*	-
WH201	Layton 108th-84th Reconstruct N. Port Washington	165	***	-
WH222	NHS E College/S Howell To Penn	131	***	-
WH237	E Layton Ave. Pavement Grinding	330	**	-
	House of Correction (WJ)			
WJ021	ACC HVAC System	(16)	*	-
WJ056	CCFS Video Visitation System	(10)	*	-
	Other Agencies (WO)			
WO060	Asphalt And Pavement Improvement Program	213	***	196
WO062	Additional Capacity - Public S	(62)	*	-
WO112	Fleet General Equipment constru	(1,290)	***	5,200
WO115	Conversion To Indepnt Chiller	500	**	1,000

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements
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Note 5 - Capital Assets (cont.)

Project Number	Project Description	2013 Transfers		2013 Expenditures & Encumbrances
WO141	Zoo Interchange	\$ 2,461	***	\$ -
WO143	Fleet/Vel Philips Ind Heating	(50)	*	-
WO150	Courthouse Fire Project	17,069	**	-
WO151	Courthouse Fire Bond Reimburse	2,000	**	-
WO215	Data Center Equip And Construc	(860)	***	400
WO223	Research Park Entrance Relocat	862	**	-
WO224	Zoo Inter Utilities Relocation	2,754	**	-
WO229	Warehouse Facility Replacement	8,910	**	-
WO230	Fleet/Highways Bldg. Modificat	6,600	**	-
WO235	Cse Security System Upgrades	7	**	-
WO237	Milwaukee County Public Art	50	**	-
WO423	Security Cameras In Cjfbasic P	(44)	*	-
WO444	Miso - Elec Medical Rec System	(2,033)	***	2,000
WO509	Villa Terrace - Security Syst.	(42)	*	-
WO511	Charles Allis - Security Syst.	(46)	*	-
WO606	Bud Wireless Infrastructure	(15)	*	-
WO618	Franklin Public Safety Communi	(19)	*	-
WO619	Disaster Recovery Site	(6)	*	-
WO620	Greenfield Public Safety Com.	(3)	*	-
WO621	Windows Migration	(3,440)	**	3,440
WO626	Computer Replacements	1,939	**	-
WO627	Medical Examiner Case Mgmt Syst	500	**	-
WO870	County Special Assessments	(216)	***	250
Parks (WP)				
WP063	Estabrook Dam Rehabilitation	40	*	-
WP105	Lincoln Aquatic Center Phase 2	(38)	*	-
WP131	Leon Terrace - Bridge	(7)	*	-
WP143	Mitchell Park Greenhouse	100	***	-
WP147	Sherman Park Boys And Girls Cl	(7)	*	-
WP167	Parks Restroom Improvements	(99)	***	400
WP172	Washington Park Boathouse Roof	(6)	*	-
WP173	Hoyt Park Pool Improvements	(23)	*	-
WP181	Lake Park South Lions Bridge Repl	(16)	*	-
WP221	Lincoln Golf Course Irrigation	940	**	-
WP227	Grant Park Pedestrian Bridges	30	***	-
WP247	Greenfield Park Shelter #3 And #5	(100)	**	50
WP254	Whitnall Gc Pedestrian Bridges	(173)	**	173
WP270	Oak Creek Parkway Lighting Sys	110	**	398
WP284	Clarke Square Playground	250	**	-

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements
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Note 5 - Capital Assets (cont.)

<u>Project Number</u>	<u>Project Description</u>	<u>2013 Transfers</u>		<u>2013 Expenditures & Encumbrances</u>
WP287	Greenfield Gc Irrigation	\$ 650	**	\$ -
WP394	Bay View Dog Park	50	**	-
WP395	Parks Furnace Replacement Program	273	**	-
Human Services (WS)				
WS032	Variable Air Volume Boxes - Up	60	***	-
Transit (WT)				
WT026	New Flyer Buses	14,100	***	-
WT056	Replace HVAC Sys At KK Garage	200	**	530
WT057	Replace FDL Bus Wash System	1,127	**	-
Environmental (WV)				
WV012	Pond And Lagoon Demonstration	(6)	*	-
WV014	Dretzka Pk Grndwater And Soil	(14)	*	-
WV016	NR216 Stormwater TSS Controls	(18)	*	-
WV018	Underground Storage Tanks	347	***	-
WV025	Rawson Avenue Pump Station	2,658	**	-
WV029	Grant Park Lift Station	190	**	-
Zoo (WZ)				
WZ014	Zoo Infrastructure Improvements	(17)	*	-
WZ041	Aviary Fire & Smoke Detection	(50)	*	-
WZ042	Primate House Fire & Smoke Detect	(30)	*	-
WZ063	Winter Quarters Main Roof Repl	370	***	-
WZ078	Elephant Yard Shading Struct.	(50)	***	153
WZ101	Apes Bldg. Boiler Replacement	290	**	-
WZ107	Bear Service Area Improvements	330	***	-
WZ114	Zoo Life Support Emergency Gen	60	**	-
WZ115	Great Apes Mech Room Roof Repl	60	**	-
	Totals	<u>\$ 58,919</u>		<u>\$ 20,115</u>

* Project has funding appropriation carryovers from 2012.

** Project has additional funding appropriations in 2013.

*** Project has both funding carryovers from 2012 and additional funding in 2013.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements

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(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.

2013 Funding Total

Encumbrances and Carryovers from 2012	\$ 205,133
2013 Appropriations	121,852
2013 Transfers	58,918
Total	<u>\$ 385,903</u>

2013 Appropriations - Funding Source

Reimbursement Revenue	\$ 29,525
Sales Tax Revenue	6,403
Private Contributions	100
Property Tax Levy	2,611
PFC Revenue / Airport Reserve	9,505
Bonds	73,708
Total	<u>\$ 121,852</u>

2013 Transfers - Funding Source

Reimbursement Revenue	\$ 18,405
Sales Tax Revenue	(1,001)
Miscellaneous Revenue / Sale of Asset	36,925
PFC Revenue / Airport Reserve	2,452
Other	3,541
Bonds	(1,404)
Total	<u>\$ 58,918</u>

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements
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Note 6 - Interfund Transfers

The composition of interfund transfers as of December 31, 2013 is as follows:

	Transfers From							
	Major Funds		Nonmajor Fund			Enterprise Funds		Internal Service Fund
	General Fund	Capital Projects Fund	Parks	Airports	Transit	Information Management Services		
	Fund	Fund				Services	Total	
General Fund	\$ -	\$ 8,431	\$ 100	\$ 3,390	\$ 1,463	\$ 5,086	\$ 18,470	
Capital Projects Fund	6,431	-	-	-	-	-	6,431	
Debt Service Fund	88,683	-	-	-	-	-	88,683	
Nonmajor Funds:								
Zoo	9	-	-	-	-	-	9	
Behavioral Health Division	1	-	-	-	-	-	1	
Internal Service Funds:								
Information Management Services	5,499	-	-	-	-	-	5,499	
Public Works Service	455	-	-	-	-	-	455	
Risk Management	4,094	-	-	-	-	-	4,094	
Enterprise Funds:								
Airports	3,812	-	-	-	-	-	3,812	
Transit	27,883	-	-	-	-	-	27,883	
Total	\$ 136,867	\$ 8,431	\$ 100	\$ 3,390	\$ 1,463	\$ 5,086	155,337	
							(128,495)	
							\$ 26,842	

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

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 has expended \$5,665 under this commitment as of December 31, 2013.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements
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 (Amounts expressed in thousands, unless otherwise noted)

Note 7 – Leases (cont.)

All equipment acquired through the 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 \$10,507 and is presented in the capital assets in the governmental activities.

In current and prior years, the County entered into capital lease agreements for various Airport vehicles and equipment. At the end of the lease term, ownership of the equipment will transfer to the County. The gross amount of these assets under capital leases is \$2,016 and is presented in the capital assets in the business-type activities.

The assets acquired through capital leases are as follows:

	Governmental Activities	Business- type Activities
Asset:		
Machinery & Equipment	\$ 10,507	\$ -
Vehicles and Related Equipment	-	2,016
Less: Accumulated Depreciation	(4,454)	(1,771)
Total	\$ 6,053	\$ 245

The future minimum lease payments and the net present value on these minimum lease payments as of December 31, 2013, are as follows:

Year Ending December 31	Governmental Activities	Business-type Activities
2014	\$ 1,509	\$ 169
2015	1,508	52
2016	1,509	20
2017	1,508	20
2018	1,020	-
2019 and 2020	1,862	-
Subtotals	8,916	261
Less: Escrow (unspent) balance	(1,850)	-
Less: Amount representing interest	(1,013)	(16)
Present Value of Future Minimum Lease Payments	\$ 6,053	\$ 245

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements
As of and For the Year Ended December 31, 2013
 (Amounts expressed in thousands, unless otherwise noted)

Note 7 – Leases (cont.)

Operating Leases - Primary Government

The County leases facilities, office equipment, and vehicles. Total costs for such leases were \$1,852 for the year ended December 31, 2013.

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

<u>Year Ending December 31</u>	<u>Amount</u>
2014	\$ 1,806
2015	1,100
2016	323
2017	196
2018	118
Total	<u><u>\$ 3,543</u></u>

Note 8 - Long-Term Liabilities

Changes in Long-Term Liabilities

Governmental Long-Term Liability activity for the year ended December 31, 2013 was as follows:

Governmental Activities:	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Transfers *</u>	<u>Ending Balance</u>	<u>Due in One Year</u>
Bonds Payable:						
General Obligation Bonds	\$ 716,978	\$ 264,965	\$ (285,521)	\$ (2,896)	\$ 693,526	\$ 72,483
Add (Subtract) Deferred Amounts for:						
Premium	6,855	838	(1,908)	-	5,785	-
Discount	(207)	-	49	-	(158)	-
Subtotal Bonds Payable	<u>723,626</u>	<u>265,803</u>	<u>(287,380)</u>	<u>(2,896)</u>	<u>699,153</u>	<u>72,483</u>
Other Liabilities:						
Unfunded Claims and Judgments	4,000	100	(100)	-	4,000	2,000
Landfill Post-Closure Costs	3,048	2,577	(111)	-	5,514	110
Pollution Remediation Costs	18,738	1,303	(7,286)	-	12,755	1,303
Compensated Absences	40,840	23,883	(25,543)	-	39,180	22,343
Risk Claims	14,644	13,098	(9,794)	-	17,948	8,300
Other Post Employment Benefits	273,629	82,405	(58,616)	-	297,418	-
Capital Leases	5,855	1,383	(1,185)	-	6,053	1,230
Subtotal Other Liabilities	<u>360,754</u>	<u>124,749</u>	<u>(102,635)</u>	<u>-</u>	<u>382,868</u>	<u>35,286</u>
Total Governmental Activities - (Non-current Liabilities)	<u><u>\$ 1,084,380</u></u>	<u><u>\$ 390,552</u></u>	<u><u>\$ (390,015)</u></u>	<u><u>\$ (2,896)</u></u>	<u><u>\$ 1,082,021</u></u>	<u><u>\$ 107,769</u></u>

* The County transferred unspent appropriations and the associated bond liability to Transit for capital projects.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

Note 8 - Long-Term Liabilities (cont.)

Governmental Compensated Absences consist of the following:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending</u> <u>Balance</u>	<u>Due in</u> <u>One Year</u>
Governmental Activities:					
Retirement sick pay payout	\$ 20,429	\$ 1,690	\$ (5,127)	\$ 16,992	\$ 1,950
Vacation time earned	16,327	16,876	(16,332)	16,871	15,479
Overtime earned	1,603	2,254	(1,603)	2,254	2,094
Holiday pay	2,481	3,063	(2,481)	3,063	2,820
Total Compensated Absences	\$ 40,840	\$ 23,883	\$ (25,543)	\$ 39,180	\$ 22,343

Business-type Long-Term Liability activity for the year ended December 31, 2013 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Transfers *</u>	<u>Ending</u> <u>Balance</u>	<u>Due in</u> <u>One Year</u>
Business-type Activities:						
Bonds Payable:						
General Obligation Bonds	\$ 28,887	\$ -	\$ (3,579)	\$ 2,896	\$ 28,204	\$ 3,473
Revenue Bonds	187,520	50,425	(12,005)	-	225,940	8,765
Add (Subtract) Deferred Amounts for:						
Premium	5,816	1,839	(853)	-	6,802	-
Discount	(1,955)	(205)	253	-	(1,907)	-
Subtotal Bonds Payable	<u>220,268</u>	<u>52,059</u>	<u>(16,184)</u>	<u>2,896</u>	<u>259,039</u>	<u>12,238</u>
Other Liabilities:						
Compensated Absences	11,618	5,642	(6,081)	-	11,179	6,372
Risk Claims	17,052	9,167	(11,344)	-	14,875	9,026
Other Post Employment Benefits - Transit	-	15,481	(15,481)	-	-	-
Other Post Employment Benefits - Airport	11,046	1,574	-	-	12,620	-
Capital Leases	385	90	(230)	-	245	159
Subtotal Other Liabilities	<u>40,101</u>	<u>31,954</u>	<u>(33,136)</u>	<u>-</u>	<u>38,919</u>	<u>15,557</u>
Total Business-type Activities - (Non-current Liabilities)	\$ 260,369	\$ 84,013	\$ (49,320)	\$ 2,896	\$ 297,958	\$ 27,795

* The County transferred unspent appropriations and the associated bond liability to Transit for capital projects.

Business-type Compensated Absences consist of the following:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending</u> <u>Balance</u>	<u>Due in</u> <u>One Year</u>
Business-type Activities:					
Retirement sick pay payout	\$ 6,548	\$ 471	\$ (1,011)	\$ 6,008	\$ 1,201
Vacation time earned	4,800	4,568	(4,800)	4,568	4,568
Overtime earned	137	436	(137)	436	436
Holiday pay	133	167	(133)	167	167
Total Compensated Absences	\$ 11,618	\$ 5,642	\$ (6,081)	\$ 11,179	\$ 6,372

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements

As of and For the Year Ended December 31, 2013

(Amounts expressed in thousands, unless otherwise noted)

Note 8 - Long-Term Liabilities (cont.)

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, \$43,298 of internal service funds is included in governmental activities long-term liabilities. 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, 2013, the outstanding amount of claims and judgments due within one year totaled \$2,000 and the long-term liability is \$2,000.

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. As of December 31, 2013, the estimated liability for costs due within one year totaled \$110 and the long-term liability is \$5,404. 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, 2013, the estimated liability for costs due within one year totaled \$1,303 and the long-term liability is \$11,452. 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, 2013, the outstanding amount of risk claims due within one year totaled \$17,326 and the long-term liability is \$15,497.

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

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.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (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 12/31/2013</u>	<u>Interest to Maturity</u>
General Obligation Refunding Bonds, Series 2003A	07/01/03	08/01/17	3.48%	\$ 93,515	\$ 41,842	\$ 2,921
General Obligation Corporate Purpose Bonds, Series 2005A	11/01/05	12/01/20	4.24%	23,559	1,627	65
General Obligation Refunding Bonds, Series 2005B	11/01/05	10/01/15	3.89%	59,675	10,160	668
General Obligation Corporate Purpose Bonds, Series 2006A	04/01/06	10/01/21	4.14%	30,675	19,641	4,424
General Obligation Corporate Purpose Bonds, Series 2007A	06/01/07	12/01/22	4.12%	32,406	24,931	5,168
General Obligation Corporate Purpose Bonds, Series 2008A	06/01/08	12/01/23	3.93%	30,656	26,126	5,927
Taxable Pension Obligation Bonds, Series 2009A	04/02/09	12/01/28	6.36%	265,000	137,219	98,446
General Obligation Corporate Purpose Bonds, Series 2009C	08/01/09	10/01/24	5.04%	24,139	24,139	9,415
General Obligation Promissory Notes, Series 2009D	08/01/09	10/01/16	2.00%	7,205	5,350	323
Taxable General Obligation Corporate Purpose Bonds Series 2009E	11/15/09	08/01/24	4.87%	24,051	23,342	8,491
General Obligation Promissory Notes, Series 2009F	11/15/09	08/01/19	2.55%	15,610	8,250	789
Taxable General Obligation Corporate Purpose Bonds, Series 2010A	05/01/10	10/01/25	4.60%	19,979	19,979	6,664
General Obligation Promissory Notes, Series 2010B	05/01/10	10/01/18	2.37%	12,325	8,120	660
General Obligation Corporate Purpose Bonds, Series 2010C	12/21/10	10/01/26	4.90%	27,207	26,320	10,900
General Obligation Promissory Notes, Series 2010D	12/21/10	10/01/20	2.82%	9,770	7,785	1,138
General Obligation Refunding Bonds, Series 2011A	03/15/11	10/01/18	5.04%	28,737	21,926	2,768

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements
As of and For the Year Ended December 31, 2013
 (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 12/31/2013</u>	<u>Interest to Maturity</u>
General Obligation Refunding Bonds, Series 2012A	12/20/12	12/01/20	1.00%	\$ 21,804	\$ 21,804	\$ 3,563
Taxable Pension Obligation Replacement Bonds, Series 2013A	02/12/13	12/01/30	3.28%	138,730	138,730	53,530
Taxable Pension Obligation Tender Refund Bonds, Series 2013B	06/27/13	12/01/23	2.76%	99,300	99,300	15,640
General Obligation Corporate Purpose Bonds, Series 2013A	08/14/13	09/01/23	2.43%	26,935	26,935	4,334
Total Governmental Activities - General Obligation Debt					\$ 693,526	\$ 235,834
Premium					5,785	
Discount					(158)	
Total Governmental Activities - General Obligation Debt, Net					\$ 699,153	
Bonds and Notes Payable - General Obligation (Current Liabilities)					\$ 72,483	
Bonds and Notes Payable - General Obligation (Non-current Liabilities)					626,670	
Total Debt per Statement of Net Position - Governmental Activities					\$ 699,153	

The ratio of the aggregate indebtedness of all taxing authorities located within the County to equalized value of the taxable property was approximately 6.27% including 1.26% related to direct County indebtedness at December 31, 2013.

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, 2013 under Wisconsin Statutes, the County could borrow an additional \$2,134,648.

At December 31, 2013, the Governmental Activities weighted average interest rate of general obligation bonds and notes outstanding was 4.05%.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

Note 8 - Long-Term Liabilities (cont.)

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>
2014	\$ 72,483	\$ 28,046	\$ 100,529
2015	57,166	25,739	82,905
2016	55,416	23,993	79,409
2017	54,175	22,248	76,423
2018	46,733	20,419	67,152
2019-2023	213,860	76,751	290,611
2024-2028	138,461	35,545	174,006
2029-2030	55,232	3,093	58,325
Total Debt Service	\$ 693,526	\$ 235,834	\$ 929,360

On August 14, 2013, the County issued \$26,935 of General Obligation Corporate Purpose Bonds, Series 2013A. Total proceeds of \$27,773 (par amount of bond issue of \$26,935, plus net premium of \$838) 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 2013 Adopted Capital Improvement Budget. The bonds of \$26,935 were recorded in Governmental Activities on the Statement of Net Position.

The bonds have semi-annual interest payments on March 1 and September 1 through 2023. The interest rate is 2.0% for 2014 through 2017, and 3.0% from 2018 through 2023.

On February 12, 2013, the County issued \$138,730 of Taxable General Obligation Pension Promissory Notes, Series 2013 to current refund \$135,000 of outstanding Taxable Pension Notes Series 2009B, which were set to mature on December 1, 2013. The County exercised its option to prepay the 2009B Notes prior to the scheduled maturity on March 15, 2013 using a Make Whole Call option. Net proceeds of \$138,730 (par amount of 2013 Notes) along with \$4,434 of funds on hand were used to prepay the 2009B Notes. As a result, the liability for those bonds has been removed from these financial statements.

The cash flow requirement on the refunded bonds during 2013 prior to the current refunding was \$142,276. The cash flow requirements on the refunding bonds, which occur during years 2014 through 2030, are \$199,847, an increase of \$57,570. The current refunding resulted in an economic loss (difference between the present values of the debt service payment of the old and new debt) of \$4,463.

On June 27, 2013, the County issued \$99,300 of Taxable General Obligation Pension Refunding Bonds, Series 2013B. The 2013B Bonds were issued to finance the purchase and simultaneous cancellation of a portion of the remaining Term 2024 maturity of the Taxable General Obligation Pension Promissory Notes, Series 2009A. The remaining sinking funds payments on the Term 2024 maturity that were purchased and cancelled totaled \$92,003. Net Proceeds of \$99,300 (par amount of 2013B Bonds) along

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

Note 8 - Long-Term Liabilities (cont.)

with \$8,196 of funds on hand were used to purchase and retire the debt on June 27, 2013. As a result, the liability for those bonds has been removed from these financial statements.

The cash flow requirements on the refunded bonds prior to the current refunding was \$127,997 from December 1, 2013 through December 1, 2023. The cash flow requirements on the refunding bonds are \$124,640, a savings of \$3,357. The current refunding resulted in an economic gain (difference between the present values of the debt service payment of the old and new debt) of \$1,571.

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 \$230,481 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 were \$18,325 and \$30,792, respectively, resulting in net revenues plus Coverage Fund assets of 168% of annual debt service for 2013. The principal and interest payment of \$18,325 represents 21% of operating revenues. The total principal and interest remaining to be paid on the bonds is \$346,853.

<u>Bond Issue</u>	<u>Date of Bond</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Original Indebtedness</u>	<u>Principal Outstanding 12/31/2013</u>	<u>Interest to Maturity</u>
General Obligation Refunding Bonds, Series 2003A	07/01/03	08/01/17	3.48%	\$ 6,510	\$ 2,913	\$ 203
General Airport Revenue Bonds, Series 2004A	03/31/04	12/01/20	4.47%	37,360	28,380	12,269
General Obligation Corporate Purpose Bonds, Series 2005A	11/01/05	12/01/20	4.24%	1,051	73	3
General Obligation Refunding Bonds, Series 2005B	11/01/05	10/01/15	3.89%	3,350	570	37
General Airport Revenue Bonds, Series 2005A	12/22/05	12/01/30	4.90%	29,010	28,130	14,696
General Airport Revenue Refunding Bonds, Series 2005B	12/22/05	12/01/14	3.65%	7,755	1,005	40
General Obligation Corporate Purpose Bonds, Series 2006A	04/01/06	10/01/21	4.14%	920	589	133

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

Note 8 - Long-Term Liabilities (cont.)

Bond Issue	Date of Bond	Final Maturity Date	Interest Rate	Original Indebtedness	Principal Outstanding 12/31/2013	Interest to Maturity
General Airport Revenue Bonds, Series 2006A	11/16/06	12/01/31	4.60%	\$ 25,665	\$ 21,545	\$ 11,560
General Airport Revenue Refunding Bonds, Series 2006B	10/01/06	12/01/15	4.08%	5,020	705	53
General Obligation Corporate Purpose Bonds, Series 2007A	06/01/07	12/01/22	4.12%	219	169	35
General Airport Revenue Bonds, Series 2007A	11/15/07	12/01/32	4.60%	13,445	11,505	6,229
General Obligation Corporate Purpose Bonds, Series 2008A	06/01/08	12/01/23	3.93%	204	174	39
General Obligation Corporate Purpose Bonds, Series 2009C	08/01/09	10/01/24	5.04%	636	636	248
Taxable General Obligation Corporate Purpose Bonds Series 2009E	11/15/09	08/01/24	4.87%	6,314	6,128	2,229
General Airport Revenue Bonds, Series 2009A	12/21/09	12/01/32	4.90%	12,690	12,690	7,155
General Airport Revenue Bonds, Series 2009B	12/21/09	12/01/14	3.20%	2,350	456	18
Taxable General Obligation Corporate Purpose Bonds, Series 2010A	05/01/10	10/01/25	4.60%	2,746	2,746	916
General Obligation Corporate Purpose Bonds, Series 2010C	12/21/10	10/01/26	4.90%	10,958	10,600	4,390
General Airport Revenue Refunding Bonds, Series 2010B	10/14/10	12/01/23	3.75%	51,590	39,530	10,455
General Airport Revenue Bonds, Series 2010A	10/14/10	12/01/34	4.30%	31,570	31,570	19,036
General Obligation Refunding Bonds, Series 2011A	03/15/11	10/01/18	5.04%	3,020	2,304	291
General Obligation Refunding Bonds, Series 2012A	12/20/12	12/01/20	1.00%	1,301	1,301	213
General Airport Revenue Bonds, Series 2013A	08/14/13	12/01/38	4.88%	47,095	47,095	38,835
General Airport Revenue Refunding Bonds, Series 2013B	08/14/13	12/01/22	2.81%	3,330	3,330	529
Total Business-type - General Obligation and Revenue Bond Debt					\$ 254,144	\$ 129,612

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements
As of and For the Year Ended December 31, 2013
 (Amounts expressed in thousands, unless otherwise noted)

Note 8 - Long-Term Liabilities (cont.)

	Principal Outstanding 12/31/2013
Premium	\$ 6,802
Discount	(1,907)
Total Business-type - General Obligation and Revenue Bond Debt	\$ 259,039
Bonds and Notes Payable - General Obligation (Current Liabilities)	\$ 3,473
Bonds and Notes Payable - Revenue (Current Liabilities)	8,765
Bonds and Notes Payable - General Obligation (Non-current Liabilities)	25,085
Bonds and Notes Payable - Revenue (Non-current Liabilities)	221,716
Total Debt per Statement of Net Position - Business-type Activities	\$ 259,039

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

December 31	Principal	Interest	Total Debt Service Requirements
2014	\$ 12,238	\$ 12,208	\$ 24,446
2015	13,423	11,667	25,090
2016	13,286	11,062	24,348
2017	13,629	10,450	24,079
2018	13,473	9,800	23,273
2019-2023	72,202	39,170	111,372
2024-2028	57,473	22,906	80,379
2029-2033	41,120	9,797	50,917
2034-2038	17,300	2,552	19,852
Total Debt Service	\$ 254,144	\$ 129,612	\$ 383,756

On August 14, 2013, the County issued \$ 47,095 of Airport Revenue Bonds, Series 2013A. The 2013A Revenue Bonds are special obligations of the County, payable solely from revenue of the County derived from the ownership and operation of General Mitchell International Airport and Lawrence J. Timmerman Airport on a parity with the Airport Revenue Bonds, Series 2004A, dated March 31, 2004, Airport Revenue Bonds, Series 2005A, dated December 15, 2005, Airport Revenue Bonds, Series 2006A, dated November 16, 2006, Airport Revenue Bonds, Series 2007A, dated November 15, 2007, General Airport Revenue Bonds, Series 2009A and 2009B, dated December 21, 2009, General Airport Revenue Bonds, Series 2010A, dated October 14, 2010 (the "Outstanding Revenue Bonds"), and any additional airport revenue bond which may hereafter be issued by the County, as provided in the General Resolution. The 2013A Revenues Bonds will not be a general obligation of the County, nor will the County be obligated to levy any taxes in connection with the 2013A Revenue Bonds.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

Note 8 - Long-Term Liabilities (cont.)

The 2013A Revenue Bonds have semi-annual interest payments on June 1 and December 1 through 2038. The interest rate is 5.0% for 2015 through 2022, 5.25% from 2023 through 2032, 5.00% for 2033 and 5.25% for 2034 through 2038.

On August 14, 2013, the County issued \$3,330 of Airport Revenue Refunding Bonds, Series 2013B (AMT) to current refund \$3,750 of outstanding Airport Revenue Bonds, Series 2003A, which were callable for prepayment on December 1, 2012 and any date thereafter. Net Proceeds of \$3,330 (par amount of bonds) along with \$424 of funds on hand were used to prepay the 2003B Bonds on September 3, 2013. As a result, the liability for those bonds has been removed from these financial statements.

The cash flow requirements on the refunded bonds prior to the current refunding was \$4,750 from December 1, 2013 through December 1, 2022. The cash flow requirements on the refunding bonds are \$4,317 during the same period for a savings of \$433. The current refunding resulted in an economic gain (difference between the present values of the debt service payment of the old and new debt) of \$340.

Prior-Year Defeasance of Debt

In prior years, the County defeased certain general obligation bonds and Airport revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased notes and bonds are not included in the County's financial statements. As of December 31, 2013, \$11,750 of bonds outstanding are considered defeased.

Debt Issued on Behalf of Other Entities / Conduit Debt

Midwest Airlines, Inc. In 2003, the County guaranteed \$14,400 of loans for a local corporation. The loans are secured by mortgages and a cash trust of \$5,944 on certain buildings. Midwest Airlines is now a subsidiary of another airline. The parent corporation is making principal payments on the debt, which has a balance of \$12,715 as of December 31, 2013.

City of Wauwatosa Redevelopment Authority. In order to develop the Milwaukee County Research Park, the City of Wauwatosa created the Tax Incremental District #2 (TID) in 1994. In 1997, the Wauwatosa Redevelopment Authority issued redevelopment lease revenue bonds of \$8,860 to fund infrastructure development costs in TID #2. In 2004, the Wauwatosa Redevelopment Authority issued lease revenue bonds of \$24,500 for construction of facilities at the Milwaukee County Research Park located in TID #2. In 2007, the Wauwatosa Redevelopment Authority retired \$7,100 of principal remaining on the 1997 bonds with redevelopment refunding lease revenue bonds of \$6,200. The 2007 lease revenue bonds were retired in December of 2012 leaving only the 2004 issue outstanding. The County has agreed to guarantee the payment of the lease revenue bonds, if the tax increments generated by Tax Incremental District #2 are insufficient to pay principal and interest due on the 2004 notes. The total of the 2004 redevelopment lease notes outstanding as of December 31, 2013 was \$12,050.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

Note 9 - Net Position

At the end of the current fiscal year, the various components of Restricted Net Position reported in the governmental and proprietary funds were as follows:

Governmental Activities	2013
2015 Appropriations	\$ 5,000
2014 Appropriations	5,000
Debt Service	34,964
Commitments	6,455
Capital Project Commitments	48,276
Department of Family Care - State Restricted	12,208
Department of Family Care - Excess Reserves	23,149
Delinquent Property Tax	14,797
Housing	835
Airport- PFC and Debt	26,352
Behavioral Health Division	9,082
Fleet and Facilities Divisions	10,192
Administrative Services	7,016
Zoo	950
Parks	1,240
Persons with Disabilities	101
Other	3,892
Total Net Position - Restricted - Governmental Activities	\$ 209,509
Business-type Activities	2013
Debt Service	\$ 17,680
Commitments	2,769
Capital Asset Needs	14,004
Total Net Position - Restricted - Business-type Activities	\$ 34,453

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements

As of and For the Year Ended December 31, 2013

(Amounts expressed in thousands, unless otherwise noted)

Note 9 - Net Position (cont.)

Discretely Presented Component Units

The Restricted Net Position for the Marcus Center for the Performing Arts, Inc., the Milwaukee County Research Park Corp., and the Milwaukee County War Memorial, Inc. consists of the following:

<u>Temporarily Restricted:</u>	<u>2013</u>
Marcus Center for the Performing Arts, Inc. - Programming Events	\$ 9
Milwaukee County Research Park Corp. - Research Development Fund	336
Milwaukee County War Memorial, Inc. - Building Account	35
Total Temporarily Restricted Net Position	<u><u>\$ 380</u></u>

The Restricted Net Position for the Milwaukee Public Museum, Inc. consists of the following:

<u>Temporarily Restricted:</u>	<u>2013</u>
Exhibits and Museum Renovations	\$ 317
Educational Lecture Costs	76
Purchase and Maintenance of Collections	285
Restricted for time	92
Capital Campaign - Debt	6,001
Endowment Fund:	
Purchase and Maintenance of Collections	418
Internship Programs	62
Total Temporarily Restricted Net Position	<u><u>\$ 7,251</u></u>
<u>Permanently Restricted:</u>	
Operations	\$ 2,532
Special Exhibits	1,238
Starr Adventure and Internship	71
Total Permanently Restricted Net Position	<u><u>\$ 3,841</u></u>

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

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements

As of and For the Year Ended December 31, 2013

(Amounts expressed in thousands, unless otherwise noted)

Note 10 - Risk Management (cont.)

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.

The County has recognized \$17,948 of claims liabilities in the Risk Management Fund. The short-term portion is \$8,300 and is classified as a current liability.

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

	Year Ended 12/31/2013	Year Ended 12/31/2012
Beginning of Year Liability	\$ 14,644	\$ 14,912
Current Year Claims and Changes in Estimates	13,098	7,764
Claims Payments	(9,794)	(8,032)
End of Year Liability	\$ 17,948	\$ 14,644

The Transit System has recognized \$14,875 of claims liabilities in the Transit System Fund. The short-term portion is \$9,026 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 12/31/2013	Year Ended 12/31/2012
Beginning of Year Liability	\$ 17,052	\$ 10,786
Current Year Claims and Changes in Estimates	9,167	6,454
Claims Payments	(11,344)	(188)
End of Year Liability	\$ 14,875	\$ 17,052

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements

As of and For the Year Ended December 31, 2013

(Amounts expressed in thousands, unless otherwise noted)

Note 11 - Related Party Transactions

In 2013, the County appropriated \$1,088 to the Marcus Center for the Performing Arts (“Marcus Center”). In addition, the Marcus Center incurred costs of approximately \$484 for the repair of the orchestra shell which sustained damage in March 2011. Recovery from insurance coverage was not available and, therefore, Milwaukee County agreed to reimburse the Marcus Center for these costs from future budget appropriations. A receivable from Milwaukee County was recorded as of December 31, 2012 and the amount was collected from Milwaukee County during the year ended December 31, 2013.

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

Milwaukee County and MCRPC entered into a lease, to manage and sublease the Technology Innovation Center (“TIC”), originally through September 30, 2013 and since extended to September 30, 2018 by exercising an additional five-year extension option. The rentable space now comprises most of the basement and the entire first through fifth floors of the building. The rent due to Milwaukee County is based on space actually occupied by tenants and requires MCRPC to charge annual base rentals of not less than \$7.50 (seven dollars and 50 cents) per tenant occupied foot space, payable monthly. Discounts to the base rental amount require approval by Milwaukee County. As occupancy occurs, the MCRPC will pay Milwaukee County 66-2/3% of the base rent collected.

Milwaukee County provides funds required for the operation of the Milwaukee County War Memorial, Inc. (“Memorial”). To the extent these funds exceed actual disbursements; such excess is required to be returned to the County. The County and the Memorial agreed that when revenues exceed budget, the Memorial is permitted to create a reserve account whereas up to \$25 can be deposited annually. These funds are to be used in future years for the Memorial’s operational needs. Total appropriations received by the Memorial for 2013 were \$1,418, of which \$272 was transferred to the Marcus Center for the Performing Arts and \$52 was transferred to the Charles Allis/Villa Terrace Art Museum for their respective operations.

The Milwaukee County Treasurer’s office acts as the trustee for the Charles Allis Art Museum Trust. Distributions from the trust totaling \$0.2 were made to the Memorial during 2013.

Interest earned on the investment of excess funds is not considered to be revenue, which must be returned to the County. Milwaukee County has agreed to permit this interest income to be used at the discretion of the Board of Trustees for the benefit of the Memorial.

As of October 1, 2013, Milwaukee County, the Memorial, and the Milwaukee Art Museum, entered into various agreements which changed the structure of the previous agreements with these entities. The previous agreements were terminated on September 30, 2013. The Memorial and the Milwaukee Art Museum now have separate direct leases with Milwaukee County for the spaces occupied in the County owned buildings. The Memorial is responsible for all mechanical functions of their occupied space and will receive \$486 in support annually from the County through 2023. There is no rent payable to the County under the terms of the new lease agreements.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

Note 11 - Related Party Transactions (cont.)

In addition, there is a development agreement which addresses structural repairs and improvements to the War Memorial. Planned repairs and improvements to the existing space are estimated at \$10,000 with improvements expected to begin in the fall of 2014. The County has appropriated \$2,000 to be applied to the construction and renovation costs and has appropriated additional funds of \$8,000 to be paid for these purposes between 2014 and 2017.

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 from 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 provides for a \$3,000 County contribution to the MPM Pension Plan for former County employees that was paid by August 31, 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. At August 31, 2013, MPM and the Milwaukee Public Museum Endowment Fund had raised \$1,000 towards the \$5,000 capital funding requirement.

Prior to the New Agreement, Milwaukee County and MPM operated under a Lease and Management Agreement that provided for the not-for-profit operations and management of MPM. The agreement was in effect since March 31, 1992 and encompassed (1) the lease and management of MPM, and (2) the transition of employees to MPM. The agreement was renewable every five years through March 31, 2042. MPM was responsible for museum operations and maintenance of the collection. The agreement also provided for certain employee benefits for qualifying employees then employed by the County who became employees of MPM in 1992. The County was also responsible for, among other items, any special assessments, structural repairs and capital projects. An amendment to the agreement provided for base annual operating support of \$3,502 per year for 10 years, beginning in calendar year 2008 and ending in 2017. Total payments to MPM for the year ended August 31, 2013 was \$3,502.

Note 12 - Subsequent Events

The 2013 Wisconsin Act 203 became effective on April 10, 2014. This Act amends dozens of state statutes making a number of substantial changes in the way mental health services are governed, administered and funded in Milwaukee County. The Act removes all mental health jurisdictions from the Milwaukee County Board of Supervisors and places it under the jurisdiction of the newly created Milwaukee County Mental Health Board (“MCMHB”). The MCMHB initially has 11 members that were

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

Note 12 - Subsequent Events (cont.)

appointed by the Governor of Wisconsin, with two *ex officio* members and will act under authority vested in the board by the Wisconsin Statutes.

The 2014 Adopted Budget made changes to the organizational structure of DHHS by moving the Community Services Branch, Wraparound Milwaukee and Emergency Medical Services Section within the Behavioral Health Division to their own divisions within DHHS. MCMHB will be responsible for the policy oversight of the Behavioral Health Division and the Community Services Division of DHHS.

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 were open at the end of 2013 but resolved in early 2014, 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 2014, the commitment is \$480.

The County has various environmental commitments that will require future capital and operating commitments that are not specifically court mandated. The 2014 commitments include: Landfills: \$110, Asbestos removal and abatement: \$30, Dam repairs, dredging and maintenance: \$55, Oil leak remediation: \$7 and Underground storage tank management: \$271.

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, 2013.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

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 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, except nurses, which is December 31, 2012, will not be 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 sick leave at retirement would not be paid out in cash, but would be credited for the purchase of retiree health insurance. The credit was 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, 2013.

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 \$0.34 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.

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 of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liability (or asset) over a period not to exceed thirty years.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements
As of and For the Year Ended December 31, 2013
 (Amounts expressed in thousands, unless otherwise noted)

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

Annual OPEB Cost and Net OPEB Obligation

The following schedules provide the components of the County’s 2013, 2012, and 2011 OPEB costs:

**Schedule of Annual OPEB Costs
For the Year Ended December 31**

	2013	2012	2011
Normal Cost	\$ 2,228	\$ 2,228	\$ 12,370
Amortization of Unfunded Actuarial Accrued Liability	85,680	85,680	106,442
Annual Required Contribution (ARC)	87,908	87,908	118,812
Interest on Net OPEB Obligation	17,080	15,347	12,673
Adjustment to the ARC	(21,013)	(18,876)	(28,698)
Annual OPEB Cost	\$ 83,975	\$ 84,379	\$ 102,787

**Schedule of Employer Contributions
For the Year Ended December 31**

	2013	2012	2011
Premiums Paid on Behalf of Retirees	\$ 52,455	\$ 56,287	\$ 62,372
Medicare Reimbursement	6,955	-	-
Less: Retiree Contributions	(796)	(796)	(4,150)
Net Employer Contribution	\$ 58,614	\$ 55,491	\$ 58,222

Percent of Annual OPEB Cost Contributed by Employer	69.8%	65.8%	56.6%
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**Schedule of Net OPEB Obligation
For the Year Ended December 31**

	2013	2012	2011
Net OPEB Obligation - January 1,	\$ 284,677	\$ 255,789	\$ 211,224
Annual OPEB Cost	83,975	84,379	102,787
Less: Net Employer Contributions	(58,614)	(55,491)	(58,222)
Net OPEB Obligation - December 31	\$ 310,038	\$ 284,677	\$ 255,789

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements

As of and For the Year Ended December 31, 2013

(Amounts expressed in thousands, unless otherwise noted)

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

Funded Status and Funding Progress

As of January 1, 2012, the most recent actuarial valuation date, the County's OPEB plan was not funded. The actuarial accrued liability for benefits was \$1,134,995, and there was no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,134,995. The annual payroll of active employees covered by the plan was \$87,908, and the ratio of UAAL to covered payroll was 12.9 to 1. The schedule of funding progress, presented as Required Supplementary Information, following the notes to the financial statements, presents multiyear trend information.

Actuarial Assumptions and Methods

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

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

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

Valuation date	1/1/2012
Actuarial cost method	Projected Unit Credit
Amortization method	Level Dollar, Closed
Amortization period	25 Years
Asset valuation method	N/A

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements

As of and For the Year Ended December 31, 2013

(Amounts expressed in thousands, unless otherwise noted)

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

Actuarial Assumptions:

Investment rate of return	6.0%
Projected salary increases	Varies from 3.0% to 10.0% based upon current age and employment category
Post-Retirement benefit increases	N/A
Healthcare cost trend	9.0%, decreasing by 1.0% annually to 5.0%
Mortality	RP-2000 Combined Mortality Projected to 2010
Disability rate	Graduated rates based upon current age
Retirement age	Estimates based upon current age, years of service, and employment category
Withdrawal	Graduated rates based upon current age, years of service, and employment category
Inflation Rate	3.0%

Contributions Required and Contributions Made

As of December 31, 2013, the County had 5,983 retirees enrolled in a health plan. The 2013 expenditures for retiree healthcare costs were \$51,467. The County's 2013 expenditures also included reimbursement of Medicare Part B premiums for health plan retirees of \$6,955. The total health plan expenditures were offset by \$632 in contributions from retirees who were responsible for the partial or full health benefit premium cost.

As of December 31, 2013, the County had 5,147 retirees enrolled in the group life insurance plan. The 2013 expenditures for the group life insurance plan were \$988. The total life insurance expenditures were offset by \$164 in contributions from retirees who were 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.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements

As of and For the Year Ended December 31, 2013

(Amounts expressed in thousands, unless otherwise noted)

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

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 10% 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.

Effective January 1, 2012, for surviving spouses not eligible for Medicare and dependent children, the Company will pay one-half (½) 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 to \$16,500. The face value for employees retiring after April 1, 2001 but before April 1, 2007 is \$8,500. The face value for employees retiring after April 1, 2007 is \$9,000.

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

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

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

The following schedule provides the components of the Company’s 2013, 2012, and 2011 OPEB costs:

Schedule of Annual OPEB Costs For the Year Ended December 31

	2013	2012	2011
Normal Cost	\$ 3,325	\$ 4,059	\$ 3,979
Amortization of Unfunded Actuarial Accrued Liability	12,157	13,646	14,945
Annual Required Contribution (ARC)	15,482	17,705	18,924
Interest on Net OPEB Obligation	(1)	(1)	-
Adjustment to the ARC	1	1	-
Annual OPEB Cost	\$ 15,482	\$ 17,705	\$ 18,924

Schedule of Employer Contributions For the Year Ended December 31

	2013	2012	2011
Premiums Paid on Behalf of Retirees	\$ 10,857	\$ 13,841	\$ 12,338
Contribution to OPEB Trust	6,000	8,000	9,000
Less: Retiree and Survivor Contribution	(1,693)	(1,641)	(1,399)
Net Employer Contribution	\$ 15,164	\$ 20,200	\$ 19,939

Percent of Annual OPEB Cost Contributed by Employer	97.9%	114.1%	105.4%
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Schedule of Net OPEB Obligation For the Year Ended December 31

	2013	2012	2011
Net OPEB Obligation (Asset) - January 1,	\$ (2,273)	\$ 222	\$ 1,237
Annual OPEB Cost	15,482	17,705	18,924
Less: Net Employer Contributions	(15,164)	(20,200)	(19,939)
Net OPEB Obligation (Asset) - December 31	\$ (1,955)	\$ (2,273)	\$ 222

Funding Policy

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

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

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

Funded Status and Funding Progress

As of January 1, 2013, the most recent actuarial valuation date, the Company's OPEB plan was partially funded. The actuarial accrued liability for benefits was \$241,115, and the actuarial value of assets was \$47,024, resulting in an unfunded actuarial accrued liability (UAAL) of \$194,091. The annual payroll of active employees covered by the plan was \$41,624, and the ratio of UAAL to the covered payroll was 4.66 to 1.

Actuarial Assumptions and Methods

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

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

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

Valuation date	1/1/2013
Actuarial cost method	Projected Unit Credit
Amortization method	Level Percent, Open
Amortization period	30 Years
Asset valuation method	Market
Actuarial Assumptions:	
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	1983 Group Annuity Mortality Table
Retirement age	Estimates vary based upon historical experience of the Transit System
Withdrawal	Graduated rates based upon current age
Inflation Rate	3.0%

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

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

2013 Changes in Plan Provisions or Actuarial Assumptions since Prior Year:

- Discount rate was changed from 7.5% to 7.25%.
- The union contract calls for a 10% of premium contribution in 2013 increasing to 12% in 2014.

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, 2013, the Company had 1,006 retirees and survivors enrolled in the HMO and PPO healthcare plans. The 2013 expenditures for the HMO and PPO healthcare plans were \$10,621. The total HMO and PPO expenditures were offset by \$1,693 in retiree contributions from retirees and survivors who were responsible for the partial or full health benefit premium cost.

As of December 31, 2013, the Company had 1,006 retirees enrolled in the life insurance plan. The 2013 expenditures for the life insurance plan were \$236. There were no retiree contributions towards the life insurance plan.

Note 15 – Employee Retirement Systems and Pension Plans

Countywide Program (excluding Transit System)

Plan Description and Provisions

The 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. Additional narrative has been added to the plan descriptions and provisions section. The Board of Trustees of ERS ("The Board") has the responsibility for the overall performance of the Retirement System. The Board is the fiduciary of the Retirement System and is responsible for carrying out the investment functions solely in the interest of the members and benefit recipients. 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 Board.

The 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

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

Note 15 – Employee Retirement Systems and Pension Plans (cont.)

Milwaukee Deputy Sheriffs' Association and one retiree member elected by retirees. The Board created two (2) committees to assist in the administration of the Board's duties. The Investment Committee reviews the investment portfolio on a monthly basis, endorses strategies and submits investment recommendations to the full Board. The Audit Committee reviews legal issues, Ordinance adherence, and submits recommendations to the full Board regarding the annual audit and the Annual Report of the Pension Board.

The Retirement System had been substantially noncontributory. However, starting in 2011, members began making mandatory contributions. Most full-time, regularly-appointed employees were required to make contributions in 2013. The employee contribution ranged from 4.4% to 6.59% of compensation. In 2014, the employee contribution percentages will range from 5.1% to 5.2% 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 present pension eligibility 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) 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 is terminated, 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 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. As a result of the agreement between the State and the County, non-vested members of the Retirement System were able to continue to accrue pension benefits with the ERS, while they were employed with the State. Once the member is vested, they are transferred to the State retirement plan. The State employees were required to contribute 4.4% of their wages to ERS and the State contributed the same percentage to the County for 2013.

The County makes contributions to the Retirement System based upon the Annual Required Contribution ("ARC") and legal requirements, at the discretion of the County Board. An actuary hired by the Pension Board establishes the ARC. Data used in the determination of the ARC is based upon the prior fiscal year's demographics. The actual contribution made to the pension plan is set during the County's budget process and may differ from the ARC as a result of changes in plan provisions implemented subsequent to establishment of the ARC and budgetary restraints. During the year, the Retirement System accrues those contributions that the County has included in its current year's budget.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

Note 15 – Employee Retirement Systems and Pension Plans (cont.)

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. County Ordinance and several 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 COLA increases that a member would be entitled to from a prior date (“backdrop date”) to the date that the member terminates employment plus compounded interest. The backdrop date must be at least one calendar year prior to the termination date and the member must have been eligible to retire as of that date. The member will be entitled to a COLA based on the backdrop date once the member terminates employment.

In 2012, the County Board passed an ordinance limiting the amount of backdrop benefit for eligible employees who choose a backdrop date after April 1, 2013. If a member chooses a backdrop date after April 1, 2013, then the monthly drop 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, Building and Trades, Machinists, Federated Nurses, and Firefighters.

A member who meets the requirements for an accidental or ordinary disability retirement benefit is entitled to an amount computed in the same manner as a normal pension but not less than 60% of the member’s final average salary for accidental disability (75% for a represented deputy sheriff). A total of 15 years of creditable service is required to apply for ordinary disability.

Most members are immediately vested upon attaining age 60 or 64. A vested member is eligible for a deferred pension beginning as of the member’s normal retirement date. A member who is 55 years of age and has 15 years of credited service may elect to receive early reduced retirement benefits. The member would be entitled to a benefit equal to the normal retirement benefit with a lifetime reduction of 5% for each year prior to the normal retirement date.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements

As of and For the Year Ended December 31, 2013

(Amounts expressed in thousands, unless otherwise noted)

Note 15 – Employee Retirement Systems 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% or 50% option) in the event of their death while in active service. The PSO election must be filed in writing on an approved form. In the absence of an election, a surviving spouse will be paid a 100% survivorship pension.

Members may choose among several benefit payment options when retiring. Currently there are eight 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.

As of December 31, 2013 there are 13,262 participants of which 7,940 are receiving benefits. Benefits of \$172,600 were paid in 2013 including periodic pension payments of \$160,900 and backdrop lump sum pension payments of \$11,700.

OBRA 1990 Retirement System of the County of Milwaukee

The County established the OBRA 1990 Retirement System of the County of Milwaukee (OBRA) to cover seasonal and certain temporary employees who are not enrolled in the Retirement System. Assets of the OBRA system are commingled for investment purposes with the assets of the Retirement System.

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

As of December 31, 2013 there were 4,799 participants with vested benefits in OBRA of which 39 are receiving benefits. The average annual benefit payment is \$1,704 (one thousand six hundred fourteen dollars) for 2013.

Summary of Significant Accounting Policies

GASB Statement No. 50 - The Retirement System follows the provisions of GASB 50. GASB 50 requires that information about the funded status of the pension plan as of the most recent actuarial valuation be disclosed in notes to the financial statements. Additionally, GASB 50 requires disclosure of information about actuarial methods and assumptions used in valuations on which reported information about the ARC and the funded status and progress are based.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

Note 15 – Employee Retirement Systems and Pension Plans (cont.)

The required schedules of funding progress present multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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. Realized gains and losses are computed based on the average cost method.

Valuation of International Securities – Securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts on the date of valuation. Purchases and sales of securities and income items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions.

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 totaled \$1,291 in 2013.

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 is waiting for 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.

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

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

Note 15 – Employee Retirement Systems and Pension Plans (cont.)

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 2013, the net investment income realized from security lending was \$92.

ERS also invested in several commingled funds managed by Mellon Capital Management that participated in securities lending programs. The earnings and losses attributable to the commingled funds' securities lending programs are combined with the commingled funds' performance and are not reported separately in ERS's financial statements.

Securities loaned and the collateral held as of December 31, 2013 is as follows:

Fair Value of Securities Loaned	\$55,997
Fair Value of Collateral	\$57,225
Percent Collateral to Securities Loaned	102.19%

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 \$49 and U.S. Treasury securities, domestic stocks and REIT's of \$9 for the year ended December 31, 2013. Under the terms of the securities lending agreement, the Retirement System has the right to sell or pledge the cash collateral.

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,

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

Note 15 – Employee Retirement Systems and Pension Plans (cont.)

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, 2013.

ERS invests in financial futures contracts in order to improve the performance of the fund. The Retirement System purchases contracts that approximate the amount of cash held by US equity investment managers and cash used to pay benefits and expenses. Financial futures contracts are agreements to buy or sell a specified amount at a specified delivery or maturity date for an agreed upon price.

The market values of the futures contracts vary from the original contract price. A gain or loss is recognized and paid to or received from the clearinghouse. Financial futures represent an off balance sheet obligation, as there are no balance sheet assets or liabilities associated with those contracts. The cash or securities to meet these obligations are held in the investment portfolio. All contracts are short-term in duration and mature within 90 days.

ERS is subject to credit risk in the event of non-performance by counter parties to financial futures and forward contracts. ERS generally only enters into transactions with credit-worthy institutions. The Retirement System is exposed to market risk, the risk that future changes in market conditions may make an instrument less valuable. Exposure to market risk is managed in accordance with risk limits set by ERS management and by buying or selling futures or forward contracts. The cash or securities to meet these obligations are held in the investment portfolio.

	<u>12/31/2013</u>
Cash Held:	
US Equity Investment Managers	\$ 22,528
Cash Used to Pay Benefits and Expenses	21,376
Total Cash Held	<u>43,904</u>
Futures Purchased:	
S&P 500 (US Equity)	24,855
Barclays AGG (Fixed Income)	6,089
MSCI EAFE (International Equity)	2,589
Total Futures Purchased	<u>33,533</u>
Futures Above/(Below) Cash	<u>\$ (10,371)</u>
Market Value	\$ 872

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

Note 15 – Employee Retirement Systems and Pension Plans (cont.)

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 to ERS totaling \$32,586, \$28,288, \$31,589 were recorded in 2013, 2012, and 2011 respectively. The 2013, 2012 and 2011 contributions were \$2,683, \$2,576, and \$4,781 above the Funding Contribution amount ("FCA"), respectively. The County contributions include contributions made by the members. Member contributions were \$8,955 for the year ended December 31, 2013 and \$9,041 for the year ended December 31, 2012. The small decrease was caused by the reduction of the employee contribution percentages from 4.7% of pensionable compensation in 2012 to 4.4% in 2013. 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 \$360, \$880, and \$2,022 were recorded in 2013, 2012 and 2011, respectively. The 2013 contribution was \$29 above the Funding Contribution amount ("FCA"). There are no member contributions for OBRA.

The 2013 contributions reflected in the Retirement System's financial statements were actuarially determined as of January 1, 2012. These amounts were included in the County's 2013 budget. The Retirement System's financial reports reflect the unpaid portion of the 2013 contribution as a contribution receivable.

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 averaging 3.5% per year for ERS and 4.5% per year for OBRA compounded annually, attributed to inflation, seniority and merit, and (c) post-retirement benefit increases of 2.0% per year for ERS and 3.0% for OBRA.

The Annual Pension Cost (APC) is calculated by adding together the Annual Required Contribution (ARC), Interest on Net Pension Obligation and any Adjustments to the ARC. The annual change in the Net Pension Obligation / (Asset) is calculated by subtracting the APC from contributions made. The Net Pension Obligation / (Asset) is calculated by adding the annual change to the balance at the beginning of the year.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements
As of and For the Year Ended December 31, 2013
 (Amounts expressed in thousands, unless otherwise noted)

Note 15 – Employee Retirement Systems and Pension Plans (cont.)

The three year trend information for ERS and OBRA are as follows:

	<u>Actuarial Valuation Date</u>	<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
ERS	1/1/14	2013	\$24,755	125.0%	\$(425,785)
	1/1/13	2012	21,135	129.7%	(419,587)
	1/1/12	2011	22,508	140.1%	(404,328)
OBRA	1/1/14	2013	\$ 640	56.3%	\$ (1,194)
	1/1/13	2012	660	133.3%	(1,474)
	1/1/12	2011	815	248.1%	(1,254)

The County maintains a Net Pension Asset, due to a contribution of \$397,800 in 2009 from the issuance of Pension Obligation Bonds. The following is an accounting of the Net Pension Obligation for 2013.

	<u>ERS</u>	<u>OBRA</u>
<u>Valuation Date</u>	<u>1/1/2014</u>	<u>1/1/2014</u>
Annual Required Contribution (ARC)	\$ 32,137	\$ 389
Interest on Net Pension Asset	(33,567)	(118)
Adjustment to ARC	26,185	369
Annual Pension Cost (APC)	<u>\$ 24,755</u>	<u>\$ 640</u>
Pension Contribution Made	\$ 30,953	\$ 360
Less Annual Pension Cost (APC)	<u>24,755</u>	<u>640</u>
Increase in Net Pension Asset	6,198	(280)
Net Pension Asset - beginning of year	<u>419,587</u>	<u>1,474</u>
Net Pension Asset - end of year	<u>\$ 425,785</u>	<u>\$ 1,194</u>

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements
As of and For the Year Ended December 31, 2013
 (Amounts expressed in thousands, unless otherwise noted)

Note 15 – Employee Retirement Systems and Pension Plans (cont.)

Funded Status and Actuarial Information

The Retirement System engages an independent actuarial firm to perform an annual actuarial valuation. Actuarial valuations are stated as of January 1 and consider the changes for the prior year ending December 31.

	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
ERS	1/1/14	\$ 1,772,750	\$ 2,069,547	\$ 296,797	85.7%	\$ 188,605	157.4%
OBRA	1/1/14	1,603	3,411	1,808	47.0%	3,478	52.0%

The Schedules of Funding Progress, presented as required supplementary information (RSI) immediately following the notes to the financial statements, presents multiyear trend information about whether the actuarial values of the plan assets are increasing or decreasing over time relative to the AALs for benefits.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates about the future. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. These calculations reflect long-term perspectives and use techniques that are designed to reduce short-term volatility.

Following is a listing of the actuarial method and significant assumptions used to determine the Annual Required Contribution (ARC) for the current year:

	ERS	OBRA
Valuation date	1/1/2014	1/1/2014
Actuarial cost method	Aggregate Entry Age Normal	Unit Credit
Amortization method	Level Percent of Payroll, Closed	Level Percent of Payroll, Closed
Amortization periods *	5, 10, and 30 Years	5, 10, and 30 Years
Asset valuation method	10-year Smoothed Market	Market

* For contribution variances, administrative expenses, and all other unfunded liabilities, respectively.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

Note 15 – Employee Retirement Systems and Pension Plans (cont.)

	ERS	OBRA
Actuarial assumptions:		
Investment rate of return *	8.0%	8.0%
Projected salary increases	3.50%	4.50%
Post-retirement benefit increases	2.0%, simple	3.0%, simple
Mortality-healthy pensioners	Sex-Distinct UP-1994 Mortality Table	Sex-Distinct UP-1994 Mortality Table
Mortality-disabled pensioners	RP2000 Disabled Mortality Table Graduated rates based upon current age, years of service, and employment category	- Graduated rates based upon current age
Withdrawal		
* Components of rate of return:		
Inflation	3.0%	3.0%
Real rate of return	5.0%	5.0%

2013 Changes in Plan Provisions or Actuarial Assumptions since Prior Year:

- Non-active Members can request a refund of their accumulated pension contributions within 180 days of receiving notice from the Retirement System.
- There were no changes for OBRA in 2013.

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 Transit System’s Transport Employees’ Pension Plan (the “Plan”) is a single employer contributory defined benefit plan sponsored by Milwaukee Transport 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 62 (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 the first day of the month following completion of twenty-five years of credited service.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

Note 15 – Employee Retirement Systems and Pension Plans (cont.)

Credited service, not to exceed thirty-five years, 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. 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.

The amount of annual benefit to be paid in monthly installments for life is equal to the sum of: 2.0% of the retiree's highest average salary x years of credited service after March 31, 1966 plus \$90 (ninety dollars) x years of credited service before April 1, 1966. 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. On January 1st of each year, the retirement benefit of each retiree (excluding beneficiaries and surviving spouses) is increased by 2%.

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 100% accrued benefit or beginning collecting at the early retirement date and receive 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 total 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.

As of December 31, 2013 there were 2,336 participants with vested benefits of which 1,325 are receiving benefits. Benefits of \$28,790 were paid in 2013.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

Note 15 – Employee Retirement Systems and Pension Plans (cont.)

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.

GASB Statement No. 50 - The Plan implemented provisions of GASB Statement No. 50 - Pension Disclosures, an Amendment of GASB Statements No. 25 and No. 27. This statement requires that information about the funded status of the pension plan as of the most recent actuarial valuation be disclosed in notes to the financial statements. Additionally, GASB 50 requires disclosure of information about actuarial methods and assumptions used in the valuations on which reported information about Annual Required Contributions (“ARC”) and the funded status and progress are based. The schedules of funding progress present multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Investments - Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Investments that do not have an established market are reported at estimated value. Because of the inherent uncertainty of valuation, the estimated values for the limited partnerships may differ significantly from the values that would have been used had a ready market for the investments existed. Income and realized gains from investments are reinvested. Investment security transactions and the related gains and losses are recognized as of the trade date. The average cost basis is used in determining the cost of investments sold. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividend is recorded on the ex-dividend date.

Income Taxes - The Plan is exempt from Federal income taxes under section 115 of the Internal Revenue Code.

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. Effective January 1, 2012, employees contributed 25% of the contribution and the Company contributed the remaining 75%. Effective January 1, 2013, employees contribute 30% of the contribution and the Company contributes the remaining 70%.

In 2013, the Company contributed \$15,653 which includes contributions made by the members. Member contributions were \$4,635 for the year ended December 31, 2013.

See the Schedule of Employer and Other Contributions, presented as required supplementary information (RSI) immediately following the notes to the financial statements.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements As of and For the Year Ended December 31, 2013 (Amounts expressed in thousands, unless otherwise noted)

Note 15 – Employee Retirement Systems and Pension Plans (cont.)

The three year trend information for the Company’s Plan is as follows:

Actuarial Valuation Date	Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
1/1/2014	2013	\$ 11,018	100.0%	\$ -
1/1/2013	2012	10,253	100.0%	-
1/1/2012	2011	9,867	100.0%	-

Contributions are designated to fund current service costs as well as to fund, over approximately 30 years, the estimated accrued benefit costs arising from qualifying service that occurred prior to the establishment of the Plan or subsequent Plan amendments. Interest on employee contributions is accumulated at a rate of 2% per year. The Annual Required Contributions for the employer’s portion of the Plan were \$11,018, \$10,253, and \$9,867 for 2013, 2012 and 2011 respectively. The Annual Required Contribution for the employee portion of the Plan was \$4,635 and \$3,351 for 2013 and 2012, respectively.

The Company funds the Annual Required Contribution during the fiscal year beginning on the valuation date. The Annual Required Contribution comprises the normal cost plus amortization of the Unfunded Actuarial Accrued Liability on a level dollar basis over an open period of thirty years.

Funded Status and Actuarial Information

Following is a listing of the actuarial method significant assumptions used to determine the Annual Required Contribution (ARC) for the current year:

Valuation date	1/1/2014
Actuarial cost method	Frozen Initial Liability Method with initial liability as Entry Age Normal Method
Amortization method	Level Dollar Basis, Open
Amortization period	30 years
Asset valuation method	Five-Year moving average

Actuarial Assumptions:

Investment rate of return	7.75%
Projected salary increases	3.75%
Post-retirement benefit increases	2.0%, simple
Mortality-healthy pensioners	RP-2000 Generational Mortality for blue collar workers - Scale AA
Mortality-disabled pensioners	RP-2000 Disabled Mortality Table
Withdrawal	Graduated rates based upon current age and years of service
Inflation Rate	3.00%

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements
As of and For the Year Ended December 31, 2013
 (Amounts expressed in thousands, unless otherwise noted)

Note 15 – Employee Retirement Systems and Pension Plans (cont.)

The Transport Employees’ Pension Plan engages an independent actuarial firm to perform an annual actuarial valuation. Actuarial valuations are stated as of January 1, 2014 the most recent actuarial valuation date is as follows:

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)
1/1/14	\$389,507	\$465,845	\$76,338	83.6%	\$57,300	133.2%

The schedules of funding progress, presented as required supplementary information (RSI) immediately following the notes to the financial statements, presents multiyear trend information about whether the actuarial values of the plan assets are increasing or decreasing over time relative to the AAL’s for benefits.

Note 16 - Pending Governmental Accounting Standards

The County has not yet implemented the following GASBs into the CAFR presentation:

- **GASB Statement No. 67, *Financial Reporting for Pension Plans***, an amendment of GASB Statements No. 25 and No. 50 will be effective for the County beginning the year ending December 31, 2014. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.
- **GASB Statement No. 68, *Accounting and Financial Reporting for Pensions***, will be effective for the County beginning the year ending December 31, 2015. This statement establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans that are covered by the scope of this Statement, as well as for nonemployer governments that have a legal obligation to contribute to those plans.
- **GASB Statement No. 69, *Government Combinations and Disposals of Government Operations***, will be effective for the County beginning the year ending December 31, 2014. This statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term *government combinations* include a variety of transactions referred to as mergers, acquisitions, and transfers of operations.

COUNTY OF MILWAUKEE, WISCONSIN

Notes to the Financial Statements

As of and For the Year Ended December 31, 2013

(Amounts expressed in thousands, unless otherwise noted)

Note 16 - Pending Governmental Accounting Standards (cont.)

- **GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees***, will be effective for the County beginning the year ending December 31, 2014. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.
- **GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68***, will be effective for the County beginning the year December 31, 2015. The objective of this Statement is to address an issue regarding the application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Unless otherwise stated, the County's management has not yet determined the effect these GASB statements will have on the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

1 – Retirement Systems

2 – Other Post-Employment Benefits (OPEB)

COUNTY OF MILWAUKEE, WISCONSIN

Required Supplementary Information

Retirement Systems

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.

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.

Transit System - The Transport Employees' Pension Plan sponsored by Milwaukee Transport Services Inc., a nonprofit, non-stock corporation, is a single employer contributory defined benefit pension plan. All regular full-time employees of Milwaukee Transport Services Inc. are eligible to participate in the plan.

Other 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.

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.

COUNTY OF MILWAUKEE, WISCONSIN

Required Supplementary Information

Schedule of Funding Progress - ERS and OBRA Pension Plans (Unaudited - in Thousands)

	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
		(a)	(b)	(a/b)	(b-a)	(c)	((b-a)/c)
<u>Retirement System</u>							
ERS	1/1/14	\$1,772,750	\$2,069,547	85.66%	\$296,797	\$188,605	157.36%
	1/1/13	1,768,505	2,025,319	87.32%	256,814	189,132	135.79%
	1/1/12	1,836,543	2,059,554	89.17%	223,011	190,748	116.91%
	1/1/11	1,929,428	2,091,927	92.23%	162,499	221,647	73.31%
	1/1/10	1,956,444	2,097,332	93.28%	140,888	237,040	59.44%
	* 1/1/09	1,968,518	2,057,377	95.68%	88,859	233,820	38.00%
	1/1/08	1,627,288	2,024,923	80.36%	397,635	227,364	174.89%
	1/1/07	1,525,532	1,931,220	78.99%	405,688	223,005	181.92%
	1/1/06	1,454,302	1,909,321	76.17%	455,019	225,722	201.58%
	1/1/05	1,424,918	1,782,884	79.92%	357,966	209,796	170.63%
OBRA	1/1/14	\$ 1,603	\$ 3,411	47.00%	\$ 1,808	\$ 3,478	51.98%
	1/1/13	1,662	2,869	57.93%	1,207	7,736	15.60%
	1/1/12	1,236	2,444	50.57%	1,208	8,939	13.51%
	1/1/11	1,402	5,520	25.40%	4,118	8,936	46.08%
	1/1/10	1,039	5,069	20.50%	4,030	6,901	58.40%
	1/1/09	860	4,452	19.32%	3,592	8,498	42.27%
	1/1/08	1,355	4,077	33.24%	2,722	8,284	32.86%
	1/1/07	1,261	3,843	32.81%	2,582	7,057	36.59%
	1/1/06	1,090	3,530	30.88%	2,440	8,353	29.21%
	1/1/05	944	2,872	32.87%	1,928	8,406	22.94%

* In order to facilitate long-term planning, the pension board for the Retirement System requested the actuary to include the \$397,797 in pension obligation bonds proceeds received in April 2009 in its determination of the plan's funded status as of January 1, 2009.

Note: Analysis of the dollar amounts of plan assets, actuarial accrued liability (AAL), and unfunded/ (overfunded) actuarial accrued liability (UAAL) in isolation can be misleading. Expressing plan assets as a percentage of the AAL provides one indication of the Retirement System's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the Retirement System is. Trends in the AAL and annual covered payroll are affected by inflation. Expressing the UAAL as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids the analysis of the Retirement System's progress in accumulating sufficient assets to pay benefits when due. Generally, the lower this percentage is the stronger the Retirement System is.

COUNTY OF MILWAUKEE, WISCONSIN

Required Supplementary Information

Schedule of Employer and Other Contributions - ERS and OBRA Pension Plans For the Year Ended December 31 (Unaudited - in Thousands)

<u>Retirement System</u>	<u>Fiscal Year</u>	<u>Annual Required Contribution (ARC)</u>	<u>Employees Contribution</u>	<u>County Contribution</u>	<u>Percentage of ARC Contributed</u>
ERS	2013	\$ 32,137	\$ 8,955	\$ 21,998	96.3%
	2012	28,406	9,041	18,410	96.6%
	2011	29,621	3,314	28,276	106.6%
	2010	29,529	76	32,894	111.7%
	* 2009	30,356	132	457,789	1508.5%
	2008	53,064	140	34,841	65.9%
	2007	52,395	345	49,291	94.7%
	2006	52,638	545	27,435	53.2%
	2005	37,438	360	35,415	95.6%
	2004	33,248	711	35,143	107.8%
OBRA	2013	\$ 389	\$ -	\$ 360	92.5%
	2012	446	-	880	197.3%
	2011	807	-	2,022	250.6%
	2010	716	-	786	109.8%
	2009	661	-	661	100.0%
	2008	558	-	522	93.5%
	2007	486	-	529	108.8%
	2006	499	-	462	92.6%
	2005	386	-	365	94.6%
	2004	338	-	348	103.0%

* Actual contribution includes \$397.8 million in pension obligation bonds and \$29.0 million from a lawsuit settlement.

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)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
		(a)	(b)	(a/b)	(b-a)	(c)	((b-a)/c)
<u>County-wide Program</u>	1/1/2012	\$ -	\$1,134,995	0.0%	\$1,134,995	\$87,908	1291.1%
	1/1/2010	-	1,465,159	0.0%	1,465,159	97,620	1500.9%
	1/1/2008	-	1,546,458	0.0%	1,546,458	118,977	1299.8%
	1/1/2006	-	1,313,632	0.0%	1,313,632	99,327	1322.5%
<u>Transit System Program</u>	1/1/2013	\$47,024	\$ 241,115	19.5%	\$ 194,091	\$41,624	466.3%
	1/1/2012	34,603	245,991	14.1%	211,388	46,695	452.7%
	1/1/2011	24,840	243,077	10.2%	218,237	50,958	428.3%
	1/1/2010	19,676	209,963	9.4%	190,287	57,356	331.8%
	1/1/2009	12,678	201,686	6.3%	189,008	63,921	295.7%

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
<u>County-Wide Program</u>	2013	\$ 87,908	\$ 58,614	66.7%
	2012	87,908	55,491	63.1%
	2011	118,812	58,222	49.0%
	2010	118,812	65,190	54.9%
	2009	130,752	60,951	46.6%
<u>Transit System Program</u>	2013	\$ 15,482	\$ 15,164	97.9%
	2012	17,705	20,200	114.1%
	2011	18,924	19,939	105.4%
	2010	18,622	15,780	84.7%
	2009	17,034	13,407	78.7%

COUNTY OF MILWAUKEE, WISCONSIN

Required Supplementary Information

Schedule of Funding Progress - Transit Pension Plan

(Unaudited - in Thousands)

	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
		(a)	(b)	(a/b)	(b-a)	(c)	((b-a)/c)
<u>Transit System</u>	1/1/14	\$ 389,507	\$ 465,845	83.6%	\$ 76,338	\$57,300	133.2%
	1/1/13	355,636	457,181	77.8%	101,545	57,750	175.8%
	1/1/12	352,553	442,809	79.6%	90,256	56,200	160.6%
	1/1/11	352,396	410,915	85.8%	58,519	57,300	102.1%
	1/1/10	318,883	378,311	84.3%	59,427	60,000	99.0%
	1/1/09	321,519	384,833	83.5%	63,314	61,000	103.8%
	1/1/08	351,688	375,684	93.6%	23,995	62,000	38.7%
	1/1/07	327,134	354,337	92.3%	27,203	62,000	43.9%
	1/1/06	308,489	334,648	92.2%	26,159	63,750	41.0%
	1/1/05	293,281	312,184	93.9%	18,802	63,350	29.7%

Schedule of Employer Contributions - Transit Pension Plan

For the Year Ended December 31

(Unaudited - in Thousands)

	Fiscal Year	Annual Required Contribution	Net Employer Contribution	Employer Percentage Contributed
<u>Transit System</u>	2013	\$ 11,018	\$ 11,018	100.00%
	2012	10,253	10,253	100.00%
	2011	9,867	9,867	100.00%
	2010	9,939	9,939	100.00%
	2009	9,190	9,190	100.00%
	2008	7,243	7,243	100.00%
	2007	7,429	7,429	100.00%
	2006	7,251	7,251	100.00%
	2005	7,316	7,316	100.00%
	2004	7,391	7,391	100.00%

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, 2013
(In Thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 222,331	\$ 227,061	\$ 227,681	\$ 620
Property Taxes	282,721	282,721	283,632	911
Sales Taxes	60,790	61,791	60,087	(1,704)
Charges for Services	410,597	407,589	406,364	(1,225)
Fines and Forfeits	3,237	3,237	2,172	(1,065)
Licenses and Permits	633	633	642	9
Investment Income and Rents	11,987	11,987	9,916	(2,071)
Other	24,626	27,159	23,207	(3,952)
Total Revenues	1,016,922	1,022,178	1,013,701	(8,477)
Expenditures:				
Current:				
County Board	5,784	5,352	4,999	353
Veterans Service	295	282	253	29
Community Development Business Partners	1,002	1,004	923	81
Procurement	908	881	834	47
Labor Relations	445	401	192	209
Office for Persons with Disabilities	796	945	969	(24)
County Executive	1,094	1,154	1,132	22
Civil Service Commission	14	13	13	-
Personnel Review Board	206	205	194	11
Corporation Counsel	1,221	1,270	1,197	73
Department of Human Resources	5,499	5,454	5,278	176
Department of Administrative Services	956	881	667	214
Economic & Community Development	2,397	3,754	3,217	537
Other Executive and Staff	439	2,249	2,352	(103)
Legislative, Executive and Staff	21,056	23,845	22,220	1,625
County-funded State Court Services	29,431	29,365	29,072	293
Child Support Enforcement	18,276	18,299	17,263	1,036
Alternatives to Incarceration	5,038	4,856	4,623	233
Courts and Judiciary	52,745	52,520	50,958	1,562
Election Commission	576	753	719	34
County Treasurer	1,340	1,325	873	452
County Clerk	654	745	742	3
Register of Deeds	3,980	4,026	3,941	85
Office of the Comptroller	5,035	4,890	4,614	276
Other General Government	260	454	417	37
General Governmental Services	11,845	12,193	11,306	887

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, 2013

(In Thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Sheriff	\$ 67,881	\$ 69,280	\$ 68,223	\$ 1,057
House of Correction	53,997	58,305	59,879	(1,574)
District Attorney	15,539	15,465	14,583	882
Medical Examiner	3,877	3,937	3,799	138
Other Public Safety	888	888	888	-
Public Safety	142,182	147,875	147,372	503
Highway Maintenance	14,112	14,340	13,278	1,062
Fleet / Facilities Services	37,304	38,545	34,626	3,919
Administration	(233)	(196)	(296)	100
Other Public Works and Highways	10	10	21	(11)
Public Works and Highways	51,193	52,699	47,629	5,070
Department on Aging	16,526	16,672	16,442	230
Family Care	293,383	284,259	282,282	1,977
DHHS - Behavioral Health Division	172,848	184,208	182,423	1,785
Department of Human Services	76,579	77,804	75,936	1,868
Human Services	559,336	562,943	557,083	5,860
Department of Parks	33,841	34,811	34,245	566
Zoological Department	21,753	22,718	21,140	1,578
UW Extension Service	266	268	232	36
Other Cultural Organizations	603	607	604	3
Parks, Recreation and Culture	56,463	58,404	56,221	2,183
Other	11,162	11,333	123	11,210
Total Expenditures	905,982	921,812	892,912	28,900
Excess (Deficiency) of Revenues Over (Under) Expenditures	110,940	100,366	120,789	20,423
Other Financing Sources (Uses):				
General Obligation Bonds Issued	9	501	-	(501)
Proceeds from Capital Leases	-	2,193	1,383	(810)
Transfers In	26,195	27,497	76,054	48,557
Transfers Out	(136,819)	(134,807)	(194,452)	(59,645)
Transfers To Component Units	(5,864)	(10,573)	(8,222)	2,351
Total Other Financing Sources (Uses)	(116,479)	(115,189)	(125,237)	(10,048)
Net Change in Fund Balance	(5,539)	(14,823)	(4,448)	10,375
Fund Balances -- Beginning	69,211	69,211	69,211	-
Fund Balances -- Ending	\$ 63,672	\$ 54,388	\$ 64,763	\$ 10,375

COUNTY OF MILWAUKEE, WISCONSIN

Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
(Non-GAAP Budgetary Basis)

Debt Service Fund

For the Year Ended December 31, 2013

(In Thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental Revenue	\$ 1,920	\$ 1,920	\$ 1,851	\$ (69)
Other	7,959	7,959	12,652	4,693
Total Revenues	<u>9,879</u>	<u>9,879</u>	<u>14,503</u>	<u>4,624</u>
Expenditures:				
Debt Service:				
Principal Retired	69,070	62,098	56,761	5,337
Interest and Other Charges	32,109	48,782	50,700	(1,918)
Principal Retired on Current Refunding	-	227,004	227,004	-
Total Expenditures	<u>101,179</u>	<u>337,884</u>	<u>334,465</u>	<u>3,419</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(91,300)</u>	<u>(328,005)</u>	<u>(319,962)</u>	<u>8,043</u>
Other Financing Sources (Uses):				
General Obligation Bonds Issued	-	236,958	238,341	1,383
Premium on Debt Issued	-	-	839	839
Transfers In	85,223	82,615	88,683	6,068
Total Other Financing Sources (Uses)	<u>85,223</u>	<u>319,573</u>	<u>327,863</u>	<u>8,290</u>
Net Change in Fund Balance	(6,077)	(8,432)	7,901	16,333
Fund Balances - Beginning	27,063	27,063	27,063	-
Fund Balances - Ending	<u>\$ 20,986</u>	<u>\$ 18,631</u>	<u>\$ 34,964</u>	<u>\$ 16,333</u>

COUNTY OF MILWAUKEE, WISCONSIN

Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
(Non-GAAP Budgetary Basis)
Capital Projects Fund
For the Year Ended December 31, 2013
(In Thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 3,331	\$ 2,332	\$ 4,164	\$ 1,832
Sales Tax	4,628	5,128	5,401	273
Investment Income and Rents	-	-	118	118
Other	-	3,848	5,542	1,694
Total Revenues	<u>7,959</u>	<u>11,308</u>	<u>15,225</u>	<u>3,917</u>
Expenditures:				
Capital Outlay	31,547	90,740	83,072	7,668
Total Expenditures	<u>31,547</u>	<u>90,740</u>	<u>83,072</u>	<u>7,668</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(23,588)</u>	<u>(79,432)</u>	<u>(67,847)</u>	<u>11,585</u>
Other Financing Sources (Uses):				
General Obligation Bonds Issued	20,677	28,358	20,907	(7,451)
Proceeds from Sale of Capital Assets	-	33,390	36,315	2,925
Insurance Recoveries	-	13,090	13,000	(90)
Transfers In	2,111	2,111	6,431	4,320
Transfers Out	-	-	(8,431)	(8,431)
Total Other Financing Sources (Uses)	<u>22,788</u>	<u>76,949</u>	<u>68,222</u>	<u>(8,727)</u>
Net Change in Fund Balance	(800)	(2,483)	375	2,858
Fund Balances - Beginning	31,737	31,737	31,737	-
Fund Balances - Ending	<u>\$ 30,937</u>	<u>\$ 29,254</u>	<u>\$ 32,112</u>	<u>\$ 2,858</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, 2013

(In Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Operating Revenues:				
Rentals and Other Service Fees	\$ 76,267	\$ 78,315	\$ 69,108	\$ (9,207)
Admissions and Concessions	14,266	14,266	16,408	2,142
Total Charges for Services	<u>90,533</u>	<u>92,581</u>	<u>85,516</u>	<u>(7,065)</u>
Other Revenues	5	5	4	(1)
Total Operating Revenues	<u>90,538</u>	<u>92,586</u>	<u>85,520</u>	<u>(7,066)</u>
 Operating Expenses:				
Personnel Services	26,091	26,091	26,225	(134)
Contractual Services	20,560	22,071	18,482	3,589
Intra-County Services	10,926	10,926	10,202	724
Commodities	4,637	4,990	5,216	(226)
Depreciation and Amortization	19,125	19,125	21,215	(2,090)
Maintenance	536	721	1,196	(475)
Other	228	32	17	15
Total Operating Expenses	<u>82,103</u>	<u>83,956</u>	<u>82,553</u>	<u>1,403</u>
 Operating Income (Loss)	<u>8,435</u>	<u>8,630</u>	<u>2,967</u>	<u>(5,663)</u>
 Nonoperating Revenues (Expenses):				
Intergovernmental Revenues	125	125	235	110
Investment Income	400	400	332	(68)
Interest Expense	<u>(11,145)</u>	<u>(11,343)</u>	<u>(9,438)</u>	<u>1,905</u>
Total Nonoperating Revenues (Expenses)	<u>(10,620)</u>	<u>(10,818)</u>	<u>(8,871)</u>	<u>1,947</u>
 Income (Loss) Before Transfers	<u>(2,185)</u>	<u>(2,188)</u>	<u>(5,904)</u>	<u>(3,716)</u>
 Add Depreciation on Capital Assets				
Acquired by Capital Grants that Reduces Contributed Capital From Capital Grants	6,750	6,750	15,171	8,421
Transfers In	(4,065)	(4,062)	3,812	7,874
Transfers Out	<u>(500)</u>	<u>(500)</u>	<u>(3,390)</u>	<u>(2,890)</u>
Change in Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,689</u>	<u>\$ 9,689</u>

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, 2013

(In Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Operating Revenues:				
Rentals and Other Service Fees	\$ 100	\$ 100	\$ -	\$ (100)
Transit Fares	46,364	46,364	44,884	(1,480)
Total Charges for Services	<u>46,464</u>	<u>46,464</u>	<u>44,884</u>	<u>(1,580)</u>
Other Revenues	3,471	3,471	3,983	512
Total Operating Revenues	<u>49,935</u>	<u>49,935</u>	<u>48,867</u>	<u>(1,068)</u>
 Operating Expenses:				
Personnel Services	113,146	113,106	106,461	6,645
Contractual Services	24,084	24,084	20,410	3,674
Intra-County Services	1,322	1,322	1,476	(154)
Commodities	18,333	18,333	18,179	154
Depreciation and Amortization	11,698	11,698	13,965	(2,267)
Maintenance	488	495	865	(370)
Other	2,957	2,957	1,817	1,140
Total Operating Expenses	<u>172,028</u>	<u>171,995</u>	<u>163,173</u>	<u>8,822</u>
 Operating Income (Loss)	<u>(122,093)</u>	<u>(122,060)</u>	<u>(114,306)</u>	<u>7,754</u>
 Nonoperating Revenues (Expenses):				
Intergovernmental Revenues	94,937	96,054	88,107	(7,947)
Gain on Sale of Capital Assets	-	-	123	123
Interest Expense	<u>(1,156)</u>	<u>(1,156)</u>	<u>(1,170)</u>	<u>(14)</u>
Total Nonoperating Revenues (Expenses)	<u>93,781</u>	<u>94,898</u>	<u>87,060</u>	<u>(7,838)</u>
 Income (Loss) Before Transfers	<u>(28,312)</u>	<u>(27,162)</u>	<u>(27,246)</u>	<u>(84)</u>
 Add Depreciation on Capital Assets				
Acquired by Capital Grants that Reduces Contributed Capital From Capital Grants	9,273	9,273	22,191	12,918
Transfers In	19,039	17,889	27,883	9,994
Transfers Out	-	-	<u>(1,463)</u>	<u>(1,463)</u>
Change in Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,365</u>	<u>\$ 21,365</u>

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 - Purchase of animals and maintenance of the miniature passenger railroad.

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 Behavioral Health Division retirees.

Airport - Airport PFC (Passenger Facility Charge) is used for the collection of Federal Aviation Administration (FAA) approved passenger facility charges, which are to be used for capital projects at the Airport. In addition, a 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, 2013
 (In Thousands)

	Special Revenue Funds							Total Nonmajor Governmental Funds
	Zoo	Parks	Persons with Disabilities	Behavioral Health Division	Airport	Administrative Services	Public Works	
ASSETS								
Cash and Investments	\$1,005	\$1,398	\$ 101	\$ 9,082	\$ -	\$ 7,016	\$ 10,192	\$ 28,794
Cash and Investments - Restricted	-	-	-	-	26,352	-	-	26,352
Receivables - Other	4	-	-	-	-	-	-	4
Total Assets	\$1,009	\$1,398	\$ 101	\$ 9,082	\$ 26,352	\$ 7,016	\$ 10,192	\$ 55,150
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable	\$ 59	\$ 158	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 217
Total Liabilities	59	158	-	-	-	-	-	217
Fund Balances:								
Restricted	950	1,240	101	9,082	26,352	7,016	10,192	54,933
Total Fund Balances	950	1,240	101	9,082	26,352	7,016	10,192	54,933
Total Liabilities and Fund Balances	\$1,009	\$1,398	\$ 101	\$ 9,082	\$ 26,352	\$ 7,016	\$ 10,192	\$ 55,150

COUNTY OF MILWAUKEE, WISCONSIN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2013
 (In Thousands)

	Special Revenue Funds							Total Nonmajor Governmental Funds
	Zoo	Parks	Persons with Disabilities	Behavioral Health Division	Airport	Administrative Services	Public Works	
Revenues:								
Charges for Services	\$ 669	\$ 145	\$ -	\$ -	\$ 13,445	\$ -	\$ -	\$ 14,259
Investment Income and Rents	16	-	-	-	210	-	-	226
Other	49	364	-	-	-	32	-	445
Total Revenues	<u>734</u>	<u>509</u>	<u>-</u>	<u>-</u>	<u>13,655</u>	<u>32</u>	<u>-</u>	<u>14,930</u>
Expenditures:								
Current:								
Public Works and Highways	-	-	-	-	16,672	-	78	16,750
Human Services	-	-	9	905	-	-	-	914
Parks, Recreation and Culture	707	243	-	-	-	-	-	950
Total Expenditures	<u>707</u>	<u>243</u>	<u>9</u>	<u>905</u>	<u>16,672</u>	<u>-</u>	<u>78</u>	<u>18,614</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>27</u>	<u>266</u>	<u>(9)</u>	<u>(905)</u>	<u>(3,017)</u>	<u>32</u>	<u>(78)</u>	<u>(3,684)</u>
Other Financing Sources (Uses)								
Transfers In	9	-	-	1	-	-	-	10
Transfers Out	-	(100)	-	-	-	-	-	(100)
Total Other Financing Sources (Uses)	<u>9</u>	<u>(100)</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(90)</u>
Net Changes in Fund Balance	36	166	(9)	(904)	(3,017)	32	(78)	(3,774)
Fund Balances -- Beginning	914	1,074	110	9,986	29,369	6,984	10,270	58,707
Fund Balances -- Ending	<u>\$ 950</u>	<u>\$ 1,240</u>	<u>\$ 101</u>	<u>\$ 9,082</u>	<u>\$ 26,352</u>	<u>\$ 7,016</u>	<u>\$ 10,192</u>	<u>\$ 54,933</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 Works 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, 2013
(In Thousands)

	Information Management Services	Public Works Services	Risk Management	Total
<u>Assets</u>				
Current Assets:				
Cash and Investments	\$ 6,961	\$ (310)	\$ 19,972	\$ 26,623
Accounts Receivable (Net of Allowances for Uncollectible Accounts)	1	1,186	565	1,752
Due From Other Governments	8	-	-	8
Prepaid Items	163	-	-	163
Total Current Assets	<u>7,133</u>	<u>876</u>	<u>20,537</u>	<u>28,546</u>
Capital Assets:				
Construction in Progress	5,674	215	-	5,889
Land Improvements	-	3,148	-	3,148
Building and Improvements	1,523	5,075	-	6,598
Furniture, Machinery and Equipment	37,875	1,646	7	39,528
Total Capital Assets	<u>45,072</u>	<u>10,084</u>	<u>7</u>	<u>55,163</u>
Less Accumulated Depreciation	<u>(34,711)</u>	<u>(4,926)</u>	<u>(7)</u>	<u>(39,644)</u>
Net Capital Assets	<u>10,361</u>	<u>5,158</u>	<u>-</u>	<u>15,519</u>
 Total Assets	 <u>17,494</u>	 <u>6,034</u>	 <u>20,537</u>	 <u>44,065</u>
<u>Deferred Outflows of Resources</u>				
Deferred Loss on Refunding of Debt	<u>23</u>	<u>-</u>	<u>-</u>	<u>23</u>
Total Deferred Outflows of Resources	<u>23</u>	<u>-</u>	<u>-</u>	<u>23</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 17,517</u>	<u>\$ 6,034</u>	<u>\$ 20,537</u>	<u>\$ 44,088</u>

COUNTY OF MILWAUKEE, WISCONSIN

Combining Balance Sheet
Internal Service Funds
As of December 31, 2013
(In Thousands)

	Information Management Services	Public Works Services	Risk Management	Total
<u>Liabilities</u>				
Current Liabilities:				
Accounts Payable	\$ 516	\$ 131	\$ 1,549	\$ 2,196
Accrued Liabilities	109	-	10	119
Accrued Interest	104	64	-	168
Bonds and Notes Payable - General Obligation	2,305	235	-	2,540
Compensated Absences	529	-	106	635
Risk Claims	-	-	8,300	8,300
Total Current Liabilities	<u>3,563</u>	<u>430</u>	<u>9,965</u>	<u>13,958</u>
Long-Term Liabilities:				
Bonds and Notes Payable - General Obligation	12,208	4,530	-	16,738
Compensated Absences	443	-	66	509
Risk Claims	-	-	9,648	9,648
Other Post Employment Benefits	4,294	-	634	4,928
Total Long-Term Liabilities	<u>16,945</u>	<u>4,530</u>	<u>10,348</u>	<u>31,823</u>
Total Liabilities	<u>20,508</u>	<u>4,960</u>	<u>20,313</u>	<u>45,781</u>
<u>Net Position (Deficit)</u>				
Net Investment in Capital Assets	(4,129)	393	-	(3,736)
Restricted for:				
Commitments	1,132	282	226	1,640
Unrestricted	6	399	(2)	403
Total Net Position (Deficit)	<u>(2,991)</u>	<u>1,074</u>	<u>224</u>	<u>(1,693)</u>
Total Liabilities and Net Position	<u>\$ 17,517</u>	<u>\$ 6,034</u>	<u>\$ 20,537</u>	<u>\$ 44,088</u>

COUNTY OF MILWAUKEE, WISCONSIN

Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For The Year Ended December 31, 2013
(In Thousands)

	Information Management Services	Public Works Services	Risk Management	Total
Operating Revenues:				
Charges for Services	\$ 13,949	\$ 2,865	\$ 8,193	\$ 25,007
Other	26	-	40	66
Total Operating Revenues	<u>13,975</u>	<u>2,865</u>	<u>8,233</u>	<u>25,073</u>
Operating Expenses:				
Personnel Services	6,081	-	760	6,841
Contractual Services	8,613	929	86	9,628
Intra-County Services	17	611	217	845
Commodities	240	1	5	246
Depreciation and Amortization	905	175	-	1,080
Maintenance	(22)	62	-	40
Insurance and Claims	-	-	11,039	11,039
Other	-	1,295	-	1,295
Total Operating Expenses	<u>15,834</u>	<u>3,073</u>	<u>12,107</u>	<u>31,014</u>
Operating Income (Loss)	<u>(1,859)</u>	<u>(208)</u>	<u>(3,874)</u>	<u>(5,941)</u>
Nonoperating Revenues (Expenses):				
Intergovernmental Revenues	1,391	-	-	1,391
Reassignment of Long-Term Liabilities	-	(3,118)	-	(3,118)
Interest Expense	(404)	(277)	-	(681)
Total Nonoperating Revenues (Expenses)	<u>987</u>	<u>(3,395)</u>	<u>-</u>	<u>(2,408)</u>
Income (Loss) Before Transfers	(872)	(3,603)	(3,874)	(8,349)
Transfers In	5,499	455	4,094	10,048
Transfers Out	<u>(5,086)</u>	<u>-</u>	<u>-</u>	<u>(5,086)</u>
Change in Net Position	(459)	(3,148)	220	(3,387)
Net Position (Deficit) -- Beginning	(2,532)	4,222	4	1,694
Net Position (Deficit) -- Ending	<u>\$ (2,991)</u>	<u>\$ 1,074</u>	<u>\$ 224</u>	<u>\$ (1,693)</u>

COUNTY OF MILWAUKEE, WISCONSIN

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2013
(In Thousands)

	Information Management Services	Public Works Services	Risk Management	Total
Cash Flows Provided (Used) by Operating Activities:				
Receipts from Customers and Users	\$ 27	\$ 1,479	\$ 188	\$ 1,694
Receipts from Interfund Services	14,337	319	10,997	25,653
Payments to Suppliers	(9,316)	(2,431)	(10,347)	(22,094)
Payments to Employees	(6,194)	-	(664)	(6,858)
Payments for Interfund Services Used	(17)	(611)	(217)	(845)
Net Cash Flows Provided (Used) by Operating Activities	<u>(1,163)</u>	<u>(1,244)</u>	<u>(43)</u>	<u>(2,450)</u>
Cash Flows Provided (Used) by Noncapital Financing Activities:				
Intergovernmental Revenues	1,391	-	-	1,391
Transfers From Other Funds	5,499	455	4,094	10,048
Transfers (To) Other Funds	(5,086)	-	-	(5,086)
Net Cash Flows Provided (Used) by Noncapital Financing Activities	<u>1,804</u>	<u>455</u>	<u>4,094</u>	<u>6,353</u>
Cash Flows Provided (Used) by Capital and Related Financing Activities:				
Proceeds from Long-Term Debt	5,565	153	-	5,718
Principal Payment on Long-Term Debt	(1,645)	(112)	-	(1,757)
Premium on Bonds	153	7	-	160
Interest Paid on Long-Term Debt	(447)	(219)	-	(666)
Acquisition of Capital Assets	(3,888)	(422)	-	(4,310)
Net Cash Flows Provided (Used) by Capital and Related Financing Activities	<u>(262)</u>	<u>(593)</u>	<u>-</u>	<u>(855)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	379	(1,382)	4,051	3,048
Cash and Cash Equivalents at Beginning of Year	6,582	1,072	15,921	23,575
Cash and Cash Equivalents at End of Year	<u>\$ 6,961</u>	<u>\$ (310)</u>	<u>\$ 19,972</u>	<u>\$ 26,623</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Reassignment of Long Term Debt	\$ -	\$ 3,118	\$ -	\$ 3,118
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ (1,859)	\$ (208)	\$ (3,874)	\$ (5,941)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows Provided (Used) by Operating Activities:				
Depreciation and Amortization	905	175	-	1,080
(Increase) Decrease in Assets:				
Accounts Receivable	51	(1,067)	(352)	(1,368)
Due from Other Governments	1	-	-	1
Prepaid Items	388	-	-	388
Increase (Decrease) in Liabilities:				
Accounts Payable	(536)	(144)	783	103
Accrued Liabilities	109	-	10	119
Risk Claims	-	-	3,304	3,304
Other Post Retirement Benefits	(221)	-	34	(187)
Compensated Absences	(1)	-	52	51
Total Adjustments	<u>696</u>	<u>(1,036)</u>	<u>3,831</u>	<u>3,491</u>
Net Cash Flows Provided (Used) by Operating Activities	<u>\$ (1,163)</u>	<u>\$ (1,244)</u>	<u>\$ (43)</u>	<u>\$ (2,450)</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, 2013
 (In Thousands)

	<u>January 1,</u> <u>2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>December 31,</u> <u>2013</u>
<u>CIVIL COURT ORDERED AGENCY FUND</u>				
<u>FOR FAMILY SUPPORT/PAYMENTS</u>				
Cash and Investments	\$ 12,672	\$ 11,794	\$ 16,438	\$ 8,028
Other Receivables	-	26,875	26,874	1
Total Assets	<u>\$ 12,672</u>	<u>\$ 38,669</u>	<u>\$ 43,312</u>	<u>\$ 8,029</u>
Accounts Payable	\$ -	\$ 29	\$ 29	\$ -
Agency Deposits	12,672	13,541	18,184	8,029
Total Liabilities	<u>\$ 12,672</u>	<u>\$ 13,570</u>	<u>\$ 18,213</u>	<u>\$ 8,029</u>
<u>OTHER AGENCY FUNDS</u>				
Cash and Investments	\$ 7,180	\$ 32,168	\$ 31,711	\$ 7,637
Other Receivables	-	1,527	-	1,527
Total Assets	<u>\$ 7,180</u>	<u>\$ 33,695</u>	<u>\$ 31,711</u>	<u>\$ 9,164</u>
Accounts Payable	\$ 265	\$ 935	\$ 996	\$ 204
Agency Deposits	6,915	7,996	5,951	8,960
Total Liabilities	<u>\$ 7,180</u>	<u>\$ 8,931</u>	<u>\$ 6,947</u>	<u>\$ 9,164</u>
<u>SUMMARY</u>				
Cash and Investments	\$ 19,852	\$ 43,962	\$ 48,149	\$ 15,665
Other Receivables	-	28,402	26,874	1,528
Total Assets	<u>\$ 19,852</u>	<u>\$ 72,364</u>	<u>\$ 75,023</u>	<u>\$ 17,193</u>
Accounts Payable	\$ 265	\$ 907	\$ 968	\$ 204
Agency Deposits	19,587	21,537	24,135	16,989
Total Liabilities	<u>\$ 19,852</u>	<u>\$ 22,444</u>	<u>\$ 25,103</u>	<u>\$ 17,193</u>

COUNTY OF MILWAUKEE, WISCONSIN

OTHER SUPPLEMENTARY INFORMATION **Milwaukee County Family Care Financial Statements**

1 – Balance Sheet

2 – Statements of Revenues, Expenses and Changes in Net Position

3 – Statements of Cash Flow

COUNTY OF MILWAUKEE, WISCONSIN

Balance Sheets
 Milwaukee County Family Care
 As of December 31, 2013 and 2012
 (In Thousands)

	<u>2013</u>	<u>2012</u>
<u>Assets</u>		
Cash	\$ 51,549	\$ 41,194
Restricted Cash	11,458	11,447
Due from State - Prior Year Capitation	1,297	2,546
Member Receivable - Cost Share/Room & Board	2,202	2,214
Allowance for Member Receivable	(1,354)	(1,223)
Provider Receivable - Audits	209	250
Deposit Solvency Insurance	750	-
Security deposits	2	4
Inventory - Taxi Tickets	61	19
Accounts Receivable - Other	138	58
Total Assets	<u>\$ 66,312</u>	<u>\$ 56,509</u>
<u>Liabilities</u>		
Accounts Payable	\$ 3,871	\$ 2,585
Accrued Payroll	107	83
Accrued Vacation/Sick Leave Liability	605	602
Member Cost - Incurred but not Reported	25,624	24,263
Due to State - Unearned Capitation	748	1,222
Total Liabilities	<u>30,955</u>	<u>28,755</u>
<u>Net Position</u>		
Restricted:		
Working Capital Reserve	7,842	7,824
Restricted Reserve	3,616	3,608
Solvency & Risk Reserve	750	-
Unrestricted:		
Surplus Reserve	22,646	15,540
Capital Carryover Reserve	503	782
Total Net Position	<u>35,357</u>	<u>27,754</u>
Total Liabilities and Net Position	<u>\$ 66,312</u>	<u>\$ 56,509</u>

COUNTY OF MILWAUKEE, WISCONSIN

Statements of Revenues, Expenses and Changes in Net Position
Milwaukee County Family Care
For the Years Ended December 31, 2013 and 2012
(In Thousands)

	<u>2013</u>	<u>2012</u>
Operating Revenues:		
State/Fed Capitated Member Payment	\$ 258,262	\$ 247,094
Member Cost Share/ Room & Board	31,736	30,812
Other Revenues	1,300	549
Total Operating Revenues	<u>291,298</u>	<u>278,455</u>
Operating Expenses:		
Direct - Member Service Costs	270,835	263,906
Indirect - Salaries and Fringe Benefits	6,294	6,020
Indirect - Outside Services	4,993	4,538
Indirect - Commodities and Supplies	230	73
Indirect - Inter-Dept Service Charges	1,343	1,255
Total Operating Expenses	<u>283,695</u>	<u>275,792</u>
Change in Net Position	7,603	2,663
Net Position -- Beginning	<u>27,754</u>	<u>25,091</u>
Net Position -- Ending	<u>\$ 35,357</u>	<u>\$ 27,754</u>

COUNTY OF MILWAUKEE, WISCONSIN

Statements of Cash Flows
Milwaukee County Family Care
For the Years Ended December 31, 2013 and 2012
(In Thousands)

	<u>2013</u>	<u>2012</u>
Cash Flows Provided (Used) by Operating Activities:		
Receipts from Customers and Users	\$ 292,651	\$ 281,005
Payments to Suppliers	(274,675)	(266,412)
Payments to Employees	(6,267)	(6,165)
Payments for Interfund Services Used	(1,343)	(1,255)
Net Cash Flows Provided (Used) by Operating Activities	<u>10,366</u>	<u>7,173</u>
Net Increase (Decrease) in Cash and Cash Equivalents	10,366	7,173
Cash and Cash Equivalents at Beginning of Year	<u>52,641</u>	<u>45,468</u>
Cash and Cash Equivalents at End of Year	<u>\$ 63,007</u>	<u>\$ 52,641</u>
 NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES	 <u>\$ -</u>	 <u>\$ -</u>
 Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities		
Operating Income	<u>\$ 7,603</u>	<u>\$ 2,663</u>
Adjustments to Reconcile Operating Income to Net Cash Flows Provided (Used) by Operating Activities:		
(Increase) Decrease in Assets:		
Due from State - Prior Year Capitation	1,249	2,652
Member Receivable - Cost Share/Room & Board	12	(472)
Allowance for Member Receivable	131	333
Provider Receivable - Audits	41	72
Deposit Solvency Insurance	(750)	750
Security deposits	2	2
Inventory - Taxi Tickets	(42)	33
Accounts Receivable - Other	(80)	(35)
Advances to Third-Party Claims Administrator	-	11
Increase (Decrease) in Liabilities:		
Accounts Payable	1,286	1,221
Accrued Payroll	24	(92)
Accrued Vacation/Sick Leave Liability	3	(145)
Member Cost - Incurred but not Reported	1,361	117
Due to State - Unearned Capitation	(474)	63
Total Adjustments	<u>2,763</u>	<u>4,510</u>
Net Cash Flows Provided (Used) by Operating Activities	<u>\$ 10,366</u>	<u>\$ 7,173</u>

**STATISTICAL SECTION
(Unaudited)**

- **Financial Trends**
- **Revenue Capacity**
- **Debt Capacity**
- **Demographic and Economic Information**
- **Operating Information**

COUNTY OF MILWAUKEE

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)**

	2013	2012 *	2011	2010	2009 **	2008	2007 ***	2006	2005	2004
<u>Governmental Activities:</u>										
Net Investment in Capital Assets	\$ 372,792	\$ 322,247	\$ 293,406	\$ 269,272	\$ 198,007	\$ 222,474	\$ 207,437	\$ 215,539	\$ 239,957	\$ 252,316
Restricted For:										
Debt	34,964	27,063	11,577	7,332	6,220	10,757	6,071	3,594	2,415	8,130
Commitments	54,731	41,742	19,068	-	-	-	-	-	-	-
Department of Family Care	35,357	27,754	25,092	12,182	10,012	6,142	5,779	-	-	-
Delinquent Property Tax	14,797	15,275	14,826	-	-	-	-	-	-	-
Airport - PFC and Debt	26,352	29,369	27,199	26,921	22,179	34,082	32,603	34,128	34,155	-
Behavioral Health Division (BHD)	9,082	9,986	7,169	8,360	8,978	9,344	9,671	-	-	-
Fleet and Facilities Divisions	10,192	10,270	5,781	6,183	6,499	-	-	-	-	-
Other	24,034	21,247	10,918	1,898	1,909	2,021	1,676	1,872	1,845	-
Unrestricted	(321,623)	(316,075)	(241,327)	(193,380)	(122,177)	(151,947)	(77,848)	(16,122)	(44,305)	(30,190)
Subtotal Governmental Activities Net Position	260,678	188,878	173,709	138,768	131,627	132,873	185,389	239,011	234,067	230,256
<u>Business-type Activities:</u>										
Invested in Capital Assets	299,463	270,351	242,984	206,417	178,590	177,253	182,931	194,022	174,016	206,060
Restricted For:										
Debt	17,680	15,288	15,161	14,836	14,253	14,000	13,049	12,061	10,328	9,505
Commitments	2,769	3,619	-	-	-	-	-	-	-	-
Capital Asset Needs	14,004	10,450	8,039	5,057	5,113	5,115	5,121	4,120	3,414	-
Other	-	-	-	-	-	-	-	-	-	3,899
Unrestricted	492	876	5,104	9,924	5,256	2,777	2,496	5,424	25,999	3,268
Subtotal Business-type Activities Net Position	334,408	300,584	271,288	236,234	203,212	199,145	203,597	215,627	213,757	222,732

COUNTY OF MILWAUKEE, WISCONSIN

**Net Position by Component
Last Ten Years Ended December 31
(In Thousands)**

	2013	2012 *	2011	2010	2009 **	2008	2007 ***	2006	2005	2004
Primary Government :										
Net Investment in Capital Assets	\$ 672,255	\$ 592,598	\$ 536,390	\$ 475,689	\$ 376,597	\$ 399,727	\$ 390,368	\$ 409,561	\$ 413,973	\$ 458,376
Restricted For:										
Debt	52,644	42,351	26,738	22,168	20,473	24,757	19,120	15,655	12,743	17,635
Commitments	57,500	45,361	19,068	-	-	-	-	-	-	-
Department of Family Care	35,357	27,754	25,092	12,182	10,012	6,142	5,779	-	-	-
Delinquent Property Tax	14,797	15,275	14,826	-	-	-	-	-	-	-
Airport - PFC and Debt	26,352	29,369	27,199	26,921	22,179	34,082	32,603	34,128	34,155	-
Behavioral Health Division (BHD)	9,082	9,986	7,169	8,360	8,978	9,344	9,671	-	-	-
Fleet and Facilities Divisions	10,192	10,270	5,781	6,183	6,499	-	-	-	-	-
Capital Asset Needs	14,004	10,450	8,039	5,057	5,113	5,115	5,121	4,120	3,414	-
Other	24,034	21,247	10,918	1,898	1,909	2,021	1,676	1,872	1,845	3,899
Unrestricted	(321,131)	(315,199)	(236,223)	(183,456)	(116,921)	(149,170)	(75,352)	(10,698)	(18,306)	(26,922)
Total Primary Government Activities Net Position	\$ 595,086	\$ 489,462	\$ 444,997	\$ 375,002	\$ 334,839	\$ 332,018	\$ 388,986	\$ 454,638	\$ 447,824	\$ 452,988

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 are considered restricted when externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

* In 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.

** 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.

*** 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)**

	2013	2012 *	2011	2010	2009 **	2008	2007 ***	2006	2005	2004
Expenses (by Function):										
Governmental Activities:										
Legislative, Executive and Staff	\$ 49,832	\$ 56,232	\$ 51,886	\$ 51,340	\$ 52,144	\$ 54,395	\$ 70,318	\$ 65,242	\$ 70,546	\$ 65,142
Courts and Judiciary	50,502	56,516	53,132	57,121	63,839	67,435	64,486	58,432	56,517	54,715
General Governmental Services	12,165	10,969	6,668	4,077	7,991	8,912	8,545	9,884	8,152	8,992
Public Safety	147,637	156,162	162,316	164,447	148,192	180,186	178,063	146,410	138,885	136,896
Public Works and Highways	79,849	90,974	89,559	66,641	93,756	81,522	80,433	64,445	88,133	82,543
Human Services	556,149	563,378	597,078	616,717	648,296	675,169	637,120	398,245	363,558	345,251
Parks, Recreation and Culture	76,960	80,553	79,709	77,221	83,520	85,321	81,779	72,361	69,150	69,861
Other	-	-	-	-	-	-	6,996	14,587	19,222	9,086
Interest on Long-Term Debt	34,545	35,503	29,448	39,472	35,361	16,351	15,964	16,520	17,497	17,502
Total Governmental Activities Expenses	1,007,639	1,050,287	1,069,796	1,077,036	1,133,099	1,169,291	1,143,704	846,126	831,660	789,988
Business-type Activities:										
Airport	89,720	87,901	90,183	82,692	74,305	77,432	68,401	64,254	58,894	54,720
DHHS - Behavioral Health	-	-	-	-	-	-	-	171,064	157,233	147,055
Transit	163,844	169,061	175,880	174,960	178,208	174,725	169,557	163,619	157,623	154,003
Total Business-type Activities Expenses	253,564	256,962	266,063	257,652	252,513	252,157	237,958	398,937	373,750	355,778
Total Primary Government Expenses	1,261,203	1,307,249	1,335,859	1,334,688	1,385,612	1,421,448	1,381,662	1,245,063	1,205,410	1,145,766
Program Revenues (by Function):										
Governmental Activities:										
Charges for Services:										
Legislative, Executive and Staff	3,270	4,048	198	1,786	5,811	4,806	10,153	8,839	10,494	10,397
Courts and Judiciary	3,923	3,994	4,431	4,622	4,758	6,209	4,854	3,597	3,527	3,574
General Governmental Services	5,377	5,407	4,571	4,243	4,782	5,181	5,785	6,314	7,144	6,132
Public Safety	11,698	10,153	9,986	9,992	10,500	11,337	6,494	5,233	3,938	4,962
Public Works and Highways	27,931	25,216	30,260	29,537	27,746	27,321	32,106	25,707	29,524	29,469
Human Services	359,331	343,742	347,018	328,101	286,763	319,912	286,465	179,628	163,613	133,412
Parks, Recreation and Culture	33,007	32,304	29,491	31,381	31,726	33,104	26,543	26,607	25,640	23,741
Operating Grants and Contributions:										
Legislative, Executive and Staff	921	1,394	3,635	1,530	355	4,839	19,513	19,125	19,733	18,749
Courts and Judiciary	23,398	24,084	23,212	26,626	22,063	21,595	24,857	24,249	23,272	23,667
General Governmental Services	70	53	50	43	79	247	82	121	100	167
Public Safety	14,325	15,941	18,543	18,015	17,967	21,766	19,148	19,906	19,133	23,845
Public Works and Highways	18,346	18,859	37,853	17,526	16,913	17,280	23,170	24,976	37,612	21,399
Human Services	133,770	131,452	169,911	202,219	261,271	259,845	252,592	182,859	169,708	162,599
Parks, Recreation and Culture	218	316	2,105	1,382	680	4,001	1,272	1,368	1,227	1,480

COUNTY OF MILWAUKEE, WISCONSIN

**Changes in Net Position
Last Ten Years Ended December 31
(Accrual Basis of Accounting)
(In Thousands)**

	2013	2012 *	2011	2010	2009 **	2008	2007 ***	2006	2005	2004
<u>Program Revenues (by Function) continued:</u>										
<u>Governmental Activities (cont):</u>										
Capital Grants and Contributions:										
Legislative, Executive and Staff	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,164	\$ 1,046	\$ -	\$ 3,484	\$ -
Courts and Judiciary	-	-	-	-	-	-	-	-	-	-
General Governmental Services	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	4,835
Public Works and Highways	2,157	-	71	160	30,638	5,231	2,183	-	(74)	33,652
Human Services	-	-	-	-	-	-	-	-	-	-
Parks, Recreation and Culture	1,822	-	-	-	2,074	-	-	-	-	1,215
Total Governmental Activities - Program Revenues	639,564	616,963	681,335	677,163	724,126	743,838	716,263	528,529	518,075	503,295
<u>Business-type Activities:</u>										
Charges for Services:										
Airport	85,520	83,306	87,254	79,644	70,997	74,221	64,559	61,744	55,599	52,146
DHHS - Behavioral Health	-	-	-	-	-	-	-	62,873	59,870	58,494
Transit	48,867	50,521	56,606	57,624	55,424	56,501	52,443	53,936	47,757	45,592
Operating Grants and Contributions:										
Airport	235	579	159	309	179	-	35	216	312	1,158
DHHS - Behavioral Health	-	-	-	-	-	-	-	69,135	61,136	54,780
Transit	88,107	91,776	89,670	89,186	89,931	88,522	82,513	79,162	79,133	77,108
Capital Grants and Contributions:										
Airport	15,171	23,037	35,767	25,284	23,119	10,354	8,124	8,445	7,371	-
DHHS - Behavioral Health	-	-	-	-	-	-	-	45	(826)	-
Transit	22,191	24,450	15,816	24,205	(5,536)	569	1,408	1,758	582	-
Total Business-type Activities - Program Revenues	260,091	273,669	285,272	276,252	234,114	230,167	209,082	337,314	310,934	289,278
Total Primary Government - Program Revenues	899,655	890,632	966,607	953,415	958,240	974,005	925,345	865,843	829,009	792,573
<u>Net (Expense)/ Revenue:</u>										
Governmental Activities	(368,075)	(433,324)	(388,461)	(399,873)	(408,973)	(425,453)	(427,441)	(317,597)	(313,585)	(286,693)
Business-type Activities	6,527	16,707	19,209	18,600	(18,399)	(21,990)	(28,876)	(61,623)	(62,816)	(66,500)
Total Primary Net (Expense) / Revenue	(361,548)	(416,617)	(369,252)	(381,273)	(427,372)	(447,443)	(456,317)	(379,220)	(376,401)	(353,193)

COUNTY OF MILWAUKEE, WISCONSIN

**Changes in Net Position
Last Ten Years Ended December 31
(Accrual Basis of Accounting)
(In Thousands)**

	<u>2013</u>	<u>2012 *</u>	<u>2011</u>	<u>2010</u>	<u>2009 **</u>	<u>2008</u>	<u>2007 ***</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<u>General Revenues and Other Changes in Net Position:</u>										
<u>Governmental Activities:</u>										
Taxes										
Property Taxes	\$ 283,631	\$ 279,179	\$ 273,297	\$ 266,973	\$ 260,724	\$ 251,495	\$ 243,144	\$ 234,317	\$ 228,628	\$ 220,612
Sales Taxes	65,488	64,740	64,348	61,534	59,258	67,112	63,613	63,654	62,673	60,498
Intergovernmental Revenues Not Related to Specific Programs	34,443	44,402	45,238	44,952	46,056	39,734	42,387	41,332	40,242	40,472
Investment Income	478	6,186	3,554	4,476	7,120	13,516	16,329	12,185	4,839	4,444
Gain on Sale of Capital Assets	36,315	-	-	-	-	146	96	93	93	725
Proceeds from Settlement of Lawsuit	-	-	-	-	29,000	-	-	-	-	-
Other Revenue	46,362	66,356	52,497	43,339	27,090	17,037	22,997	32,724	33,730	26,654
Transfers	(26,842)	(12,370)	(15,532)	(14,260)	(21,521)	(16,103)	(19,073)	(61,764)	(52,809)	(74,739)
Total Governmental Activities	<u>439,875</u>	<u>448,493</u>	<u>423,402</u>	<u>407,014</u>	<u>407,727</u>	<u>372,937</u>	<u>369,493</u>	<u>322,541</u>	<u>317,396</u>	<u>278,666</u>
<u>Business-type Activities:</u>										
Investment Income	332	219	313	162	945	1,417	2,070	1,698	1,001	794
Gain (Loss) on Sale of Capital Assets	123	-	-	-	-	18	29	31	31	32
Transfers	26,842	12,370	15,532	14,260	21,521	16,103	19,073	61,764	52,809	74,739
Total Business-type Activities	<u>27,297</u>	<u>12,589</u>	<u>15,845</u>	<u>14,422</u>	<u>22,466</u>	<u>17,538</u>	<u>21,172</u>	<u>63,493</u>	<u>53,841</u>	<u>75,565</u>
Total Primary Government	<u>467,172</u>	<u>461,082</u>	<u>439,247</u>	<u>421,436</u>	<u>430,193</u>	<u>390,475</u>	<u>390,665</u>	<u>386,034</u>	<u>371,237</u>	<u>354,231</u>
<u>Change in Net Position:</u>										
Governmental Activities	71,800	15,169	34,941	7,141	(1,246)	(52,516)	(57,948)	4,944	3,811	(8,027)
Business-type Activities	33,824	29,296	35,054	33,022	4,067	(4,452)	(7,704)	1,870	(8,975)	9,065
Total Primary Government	<u>\$ 105,624</u>	<u>\$ 44,465</u>	<u>\$ 69,995</u>	<u>\$ 40,163</u>	<u>\$ 2,821</u>	<u>\$ (56,968)</u>	<u>\$ (65,652)</u>	<u>\$ 6,815</u>	<u>\$ (5,164)</u>	<u>\$ 1,038</u>

Notes:
 * 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.
 ** 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.
 *** 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)

	2013	2012 *	2011	2010	2009 **	2008	2007 ***	2006	2005	2004
General Fund (Per GASB 54): ^										
Non-spendable:										
Inventories	\$ 2,696	\$ 2,815	\$ 2,085							
Restricted:										
2015 Appropriations	5,000	-	-							
2014 Appropriations	5,000	5,000	-							
2013 Appropriations	-	5,539	5,539							
2012 Appropriations	-	-	8							
Commitments	10,181	9,284	9,021							
Department of Family Care - State Restricted	12,208	11,432	12,182							
Department of Family Care - Excess Reserves	23,149	16,322	12,910							
Delinquent Property Tax	14,797	15,275	14,826							
Investment Market Value in Excess of Book Value	-	999	1,850							
Housing	835	627	1,369							
Committed:										
Economic Development	1,196	1,196	196							
Workforce Development	-	722	-							
	<u>75,062</u>	<u>69,211</u>	<u>59,986</u>							
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	4,901	-	-
Reserved for 2007 Appropriations				-	-	-	-	4,664	4,664	-
Reserved for 2006 Appropriations				-	-	-	-	-	(1,573)	(1,573)
Reserved for 2005 Appropriations				-	-	-	-	-	-	(3,534)
Reserved for Encumbrances				5,092	6,205	9,349	11,810	22,617	15,516	9,208
Reserved for Milwaukee County Family Care				12,182	10,012	6,142	5,779	-	-	-
Reserved for Inventories				2,070	1,837	1,012	1,269	1,156	1,023	1,191
Reserved for Delinquent Property Tax				14,826	13,558	10,487	8,278	5,522	3,999	3,555
Unreserved:										
Designated for Economic Development				196	196	201	200	150	138	137
Designated for Housing				948	813	2,193	1,954	270	267	-
Designated for Family Care				3,233	-	-	-	-	-	-
Designated for Aging CMO				-	437	4,115	4,919	-	-	-
Designated for Investments				2,476	2,561	3,480	1,217	-	-	-
Subtotal General Fund				<u>45,175</u>	<u>43,907</u>	<u>49,070</u>	<u>48,274</u>	<u>39,280</u>	<u>24,034</u>	<u>8,984</u>

COUNTY OF MILWAUKEE, WISCONSIN

Fund Balances of Governmental Funds
Last Ten Years Ended December 31
(In Thousands)

	2013	2012 *	2011	2010	2009 **	2008	2007 ***	2006	2005	2004
All Other Governmental Funds (Per GASB 54): ^										
Restricted:										
Debt Service	\$ 34,964	\$ 27,063	\$ 11,577							
Commitments	48,276	31,737	67,872							
Airport - Passenger Facilities Charges and Debt	26,352	29,369	27,199							
Administrative Services (formerly Health and Safety)	7,016	6,984	136							
Zoo	950	914	874							
Parks	1,240	1,074	1,027							
Persons with Disabilities	101	110	115							
Behavioral Health Division (BHD)	9,082	9,986	7,169							
Fleet and Facilities Divisions	10,192	10,270	5,781							
Subtotal All Other Governmental Funds	138,173	117,507	121,750							
Total Governmental Funds Balance	\$ 213,235	\$ 186,718	\$ 181,736							
All Other Governmental Funds (Prior to GASB 54): ^										
Reserved For:										
Reserved for Debt Service				\$ 7,332	\$ 6,220	\$ 10,757	\$ 6,071	\$ 5,573	\$ 2,979	\$ 8,130
Reserved for Encumbrances				98,216	64,468	11,595	17,983	7,987	8,455	12,302
Reserved for Other				-	-	-	-	-	-	23
Reserved for Administrative Services (formerly Health & Safety)				136	136	136	112	70	46	-
Reserved for Zoo				711	652	685	587	553	541	559
Reserved for Parks				930	998	1,072	853	711	658	501
Reserved for Persons with Disabilities				121	123	128	124	115	122	101
Reserved for Behavioral Health Division (BHD)				8,360	8,978	9,344	9,671	423	478	490
Reserved for Airport - PFC and Debt				26,921	22,179	34,082	32,603	34,128	34,155	21,529
Reserved for Fleet and Facilities Divisions				6,183	6,499	-	-	-	-	-
Subtotal All Other Governmental Funds				148,910	110,253	67,799	68,004	49,560	47,434	43,635
Total Governmental Funds Balance				\$ 194,085	\$ 154,160	\$ 116,869	\$ 116,278	\$ 88,840	\$ 71,468	\$ 52,619

Notes:

^ Prior to 2011 and the implementation of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type definitions*, fund balances were classified as Reserved or Unreserved. Under GASB Statement No. 54, fund balances are classified as Nonspendable, Restricted, Committed or Unassigned.

* 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.

** 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.

*** 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 Balance-Governmental Funds
Last Ten Years Ended December 31
(In Thousands)**

	<u>2013</u>	<u>2012 *</u>	<u>2011</u>	<u>2010</u>	<u>2009 **</u>	<u>2008</u>	<u>2007 ***</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<u>Revenues:</u>										
Intergovernmental	\$ 233,696	\$ 254,672	\$ 318,776	\$ 335,573	\$ 380,540	\$ 365,495	\$ 370,814	\$ 302,975	\$ 299,179	\$ 310,503
Property Taxes	283,632	279,179	273,297	266,973	260,724	251,495	243,144	234,317	228,628	220,612
Sales Taxes	65,488	64,740	64,348	61,534	59,258	67,112	63,613	63,654	62,673	61,123
Charges for Services	420,623	414,039	405,138	388,274	344,591	379,907	347,478	239,891	224,005	181,591
Fines and Forfeits	2,172	2,621	2,932	3,284	3,245	3,375	3,571	3,616	2,823	3,129
Licenses and Permits	642	577	453	640	453	978	552	634	442	443
Investment Income and Rents	10,260	9,069	10,730	11,540	11,352	17,679	20,411	16,288	8,741	7,952
Other	41,846	63,690	53,147	46,903	40,142	36,208	34,510	34,907	37,888	44,490
Total Revenues	<u>1,058,359</u>	<u>1,088,587</u>	<u>1,128,821</u>	<u>1,114,721</u>	<u>1,100,305</u>	<u>1,122,249</u>	<u>1,084,093</u>	<u>896,282</u>	<u>864,379</u>	<u>829,843</u>
<u>Expenditures:</u>										
Legislative, Executive and Staff	20,053	23,382	21,433	21,309	22,191	26,688	36,094	37,729	38,774	38,246
Courts and Judiciary	50,229	53,383	52,699	55,384	59,984	69,274	61,120	56,964	57,456	55,748
General Governmental Services *	11,070	9,939	6,746	6,747	7,395	7,628	7,886	7,731	8,203	6,608
Public Safety	146,410	145,119	159,708	154,196	146,994	166,832	147,082	136,634	136,398	135,596
Public Works and Highways **	63,591	54,629	57,549	50,676	64,062	28,482	28,621	13,850	16,532	16,553
Human Services ***	553,866	554,697	591,802	611,136	628,574	657,004	618,062	394,619	362,770	345,208
Parks, Recreation and Culture	64,231	65,212	65,271	64,062	66,806	66,799	66,414	64,194	62,984	62,485
Other	-	-	-	-	-	10,905	3,231	15,406	18,737	37,663
Capital Outlay	66,908	68,446	72,549	80,584	56,994	49,938	33,587	45,608	48,182	77,409
Debt Service:										
Principal Retired	56,761	63,913	61,626	60,202	48,164	38,677	31,063	28,437	24,657	20,132
Interest	50,700	36,993	36,894	38,036	32,215	15,476	15,473	15,025	16,232	16,035
Principal Retired on Refunding	227,004	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>1,310,823</u>	<u>1,075,713</u>	<u>1,126,277</u>	<u>1,142,332</u>	<u>1,133,379</u>	<u>1,137,703</u>	<u>1,048,633</u>	<u>816,197</u>	<u>790,925</u>	<u>811,683</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(252,464)</u>	<u>12,874</u>	<u>2,544</u>	<u>(27,611)</u>	<u>(33,074)</u>	<u>(15,454)</u>	<u>35,460</u>	<u>80,085</u>	<u>73,454</u>	<u>18,160</u>

COUNTY OF MILWAUKEE, WISCONSIN

**Changes in Fund Balance-Governmental Funds
Last Ten Years Ended December 31
(In Thousands)**

	<u>2013</u>	<u>2012 *</u>	<u>2011</u>	<u>2010</u>	<u>2009 **</u>	<u>2008</u>	<u>2007 ***</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Other Financing Sources (Uses):										
General Obligation Bonds Issued	\$ 259,248	\$ 20,301	\$ 31,757	\$ 82,985	\$ 90,000	\$ 30,860	\$ 33,625	\$ 31,595	\$ 24,610	\$ 26,950
General Obligation Bonds Issued - Premium	-	3,053	4,176	-	-	-	-	-	-	-
Premium/(Discount) on Debt Issued	839	-	-	-	(80)	31	-	2,121	518	-
Refunding Bonds Issued	-	-	-	-	-	3,252	-	-	55,248	-
Payment to Refunded Bond Escrow Agent	-	(23,145)	(35,756)	-	-	-	-	-	(54,821)	-
Payment on Current Refunded Bonds	-	-	-	-	(9,214)	-	-	-	-	-
Pension Obligation Bonds Issued	-	-	-	-	400,000	-	-	-	-	-
Contribution to Employee Retirement System	-	-	-	-	(426,692)	-	-	-	-	-
Proceeds from Legal Settlement	-	-	-	-	29,000	-	-	-	-	-
Wisconsin State Trust Fund Bonds Issued	-	-	-	-	-	-	-	-	-	18,627
Proceeds from Sale of Capital Assets	36,315	-	-	-	-	-	-	-	-	-
Proceeds from Capital Leases	1,383	-	-	-	-	-	-	-	-	-
Insurance Recoveries	13,000	-	-	-	-	-	-	-	-	-
Transfers In	113,594	128,310	104,061	212,816	89,852	54,950	137,797	42,366	58,972	42,090
Transfers Out	(145,398)	(136,411)	(119,131)	(228,265)	(102,501)	(73,048)	(190,547)	(138,795)	(139,132)	(118,523)
Total Other Financing Sources (Uses)	<u>278,981</u>	<u>(7,892)</u>	<u>(14,893)</u>	<u>67,536</u>	<u>70,365</u>	<u>16,045</u>	<u>(19,125)</u>	<u>(62,713)</u>	<u>(54,605)</u>	<u>(30,856)</u>
Net Change in Fund Balances	<u>\$ 26,517</u>	<u>\$ 4,982</u>	<u>\$ (12,349)</u>	<u>\$ 39,925</u>	<u>\$ 37,291</u>	<u>\$ 591</u>	<u>\$ 16,335</u>	<u>\$ 17,372</u>	<u>\$ 18,849</u>	<u>\$ (12,696)</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>8.64%</u>	<u>10.02%</u>	<u>9.35%</u>	<u>9.25%</u>	<u>7.47%</u>	<u>4.98%</u>	<u>4.58%</u>	<u>5.64%</u>	<u>5.51%</u>	<u>4.93%</u>

Notes:
 * 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.
 ** 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.
 *** 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	Tax Collections From Municipalities	Percent of Tax Collections From Municipalities	Total Delinquent Taxes	Delinquent Tax Collections Through 12/31/13	Delinquent Tax Balance as of 12/31/13	Total Tax Collections Through 12/31/13	Percent of Total Tax Collections Through 12/31/13
2013	2014	\$ 280,130	Info not available at time of printing						
2012	2013	280,134	\$ 267,487	95.49%	\$ 12,647	\$ 3,559	\$ 9,088	\$ 271,046	96.76%
2011	2012	276,194	261,959	94.85%	14,235	4,918	9,317	266,877	96.63%
2010	2011	270,386	256,180	94.75%	14,206	9,582	4,624	265,762	98.29%
2009	2010	264,102	248,427	94.06%	15,675	12,896	2,779	261,323	98.95%
2008	2009	258,479	243,129	94.06%	15,350	13,863	1,487	256,992	99.42%
2007	2008	250,733	237,137	94.58%	13,596	12,862	734	249,999	99.71%
2006	2007	241,882	230,955	95.48%	10,927	10,526	401	241,481	99.83%
2005	2006	233,430	223,930	95.93%	9,500	9,345	155	233,275	99.93%
2004	2005	226,721	219,183	96.68%	7,538	7,452	86	226,635	99.96%
2003	2004	220,259	212,312	96.39%	7,947	7,889	58	220,201	99.97%

In December, taxes are levied to the municipalities in Milwaukee County for the subsequent budget year. The municipalities collect and forward the 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	<u>Real Property</u>				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						
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
2006	2007	42,355,573	18,062,700	1,438,619	34,351	1,717,938	63,609,181	(1,969,160)	61,640,021	3.93	58,452,397
2005	2006	37,974,709	15,641,660	1,405,059	33,368	1,625,890	56,680,686	(1,787,127)	54,893,559	4.26	52,016,827
2004	2005	34,014,070	14,182,468	1,393,938	34,472	1,528,412	51,153,360	(1,428,204)	49,725,156	4.56	48,174,120

(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.

The totals represent the values from January 2nd of the previous year to January 1st of the year listed. 2013 totals are from 1/2/12 through 1/1/13.

Source: Wisconsin Department of Revenue - Reports - Equalized Value - Statement of Changes in Equalized Value (Report 2) and Wisconsin Department of Revenue - Reports - Equalized Value - Report Used for Apportionment of County Levy and Wisconsin Department of Revenue - Reports - Assessments - Statement of Assessments

COUNTY OF MILWAUKEE, WISCONSIN

**Property Tax Rates per \$1,000 of Equalized Value
Last Ten Years Ended December 31
(In Thousands)**

Tax Levy Year	Tax Budget Year	Equalized Value (Incl TIF) (1)	Less: Value of TIF Districts (2)	Equalized Value (Excl TIF) (3)	Property Taxes Operating Levy (3)	Property Taxes Debt Levy (3)	Property Taxes Total Levy (3)	Property Taxes Operating Rate (3)	Property Taxes Debt Rate (3)	Property Taxes Total Direct Rate (3)
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	228,570	51,563	280,133	4.12	0.93	5.05
2011	2012	61,099,029	(2,547,465)	58,551,564	219,678	56,553	276,231	3.75	0.97	4.72
2010	2011	63,403,510	(2,673,043)	60,730,467	217,175	53,260	270,435	3.58	0.88	4.46
2009	2010	66,836,154	(3,156,683)	63,679,471	203,868	60,281	264,149	3.20	0.95	4.15
2008	2009	68,224,068	(2,952,150)	65,271,918	198,748	59,767	258,515	3.04	0.92	3.96
2007	2008	67,119,283	(2,637,236)	64,482,047	197,342	53,432	250,774	3.06	0.83	3.89
2006	2007	63,609,181	(1,969,160)	61,640,021	197,576	44,360	241,936	3.21	0.72	3.93
2005	2006	56,680,686	(1,787,127)	54,893,559	188,725	44,743	233,468	3.44	0.82	4.26
2004	2005	51,153,360	(1,428,204)	49,725,156	190,546	36,230	226,776	3.83	0.73	4.56

(1) Source: Wisconsin Department of Revenue - Reports - Equalized Value - Statement of Changes in Equalized Value (Report 2).

(2) The full value of Tax Increment Finance (TIF) Districts as determined by the Wisconsin Department of Revenue.

(3) Source: Wisconsin Department of Revenue - Reports - Property Tax - Rates - County Property Tax Rates.

Late November in the tax levy year, a "Certification of the Apportionment of State and County Property Taxes and Charges" is filed with the Wisconsin Department of Revenue, for the tax budget year following. The Property Taxes Total Levy includes State Charitable and Penal Charges and Southeastern Wisconsin Regional Planning Commission (SEWPC) charges. These rates are based on the Equalized Value, excluding TIFs. The rates do not include State Forestry charges, which are based on the Equalized Value, including TIFs. The Property Taxes Total Levy amount will vary slightly from the actual tax levy amount billed in December of the tax levy year.

COUNTY OF MILWAUKEE, WISCONSIN

**Property Tax Rates by Municipality - per \$1,000 of Assessed Value
Last Ten Years Ended December 31**

Tax Levy Year Tax Budget Year	Taxable Equalized Value (1)	Taxable Equalized Value % (1)	Gross Rates (2)									
	2013 2014	2013 2014	2013 2014	2012 2013	2011 2012	2010 2011	2009 2010	2008 2009	2007 2008	2006 2007	2005 2006	2004 2005
Milwaukee County	\$54,609,348	100.00%	\$ 29.64	\$ 29.15	\$ 27.31	\$ 26.20	\$ 24.76	\$ 23.50	\$ 22.55	\$ 22.26	\$ 24.31	\$ 26.24
<u>Villages</u>												
Bayside (3)	545,905	1.00%	29.59	28.89	26.84	26.31	25.07	24.07	23.69	23.82	25.27	26.43
Brown Deer	884,364	1.62%	33.00	31.86	29.67	28.23	26.91	25.69	24.16	24.35	26.31	26.47
Fox Point (3)	989,815	1.81%	29.16	28.46	26.64	26.22	24.72	23.51	23.02	23.23	24.47	25.40
Greendale	1,179,517	2.16%	29.64	28.45	28.15	27.17	25.48	24.35	24.55	24.10	24.55	28.45
Hales Corners	632,954	1.16%	27.23	27.00	25.30	25.67	23.91	22.58	22.24	22.04	23.14	25.44
River Hills (3)	454,539	0.83%	28.21	27.21	25.03	24.49	23.42	22.20	22.03	22.42	23.71	25.40
Shorewood (3)	1,325,912	2.43%	31.02	32.08	29.13	28.40	26.24	25.72	25.21	24.59	24.99	27.20
West Milwaukee	284,087	0.52%	32.22	32.15	31.80	30.57	28.59	27.34	26.75	26.75	28.27	31.50
Whitefish Bay	1,895,329	3.47%	25.80	25.56	24.51	24.14	22.32	21.47	21.73	21.86	22.48	24.37
Total Villages	8,192,422	15.00%	29.15	28.74	27.15	26.52	24.86	23.85	23.54	23.46	24.80	26.74
<u>Cities</u>												
Cudahy	971,315	1.78%	28.99	27.66	26.77	27.09	25.40	25.17	24.59	23.81	25.18	28.01
Franklin (4)	3,310,921	6.06%	27.38	26.44	24.89	25.45	23.58	22.45	22.72	22.07	23.78	25.88
Glendale (3)	1,652,736	3.03%	28.43	28.65	26.14	24.12	23.28	22.78	22.64	22.43	23.72	24.93
Greenfield (3)	2,732,355	5.00%	28.52	28.80	26.41	26.33	24.72	22.82	22.18	21.90	23.11	24.89
Milwaukee	24,986,747	45.76%	31.27	30.59	28.67	26.96	25.64	24.15	22.63	22.21	24.59	26.26
Oak Creek	2,859,016	5.24%	25.14	25.12	23.32	23.07	21.99	20.86	20.75	20.03	22.50	23.39
St. Francis	571,773	1.05%	31.26	29.39	27.82	26.99	24.52	23.86	23.24	23.31	25.20	28.12
South Milwaukee	1,079,126	1.98%	30.31	29.32	27.32	26.03	24.14	23.55	22.35	23.02	23.74	25.25
Wauwatosa	4,641,120	8.50%	26.67	26.44	24.18	23.43	22.20	21.31	20.20	20.27	21.13	23.14
West Allis	3,611,817	6.61%	30.10	30.12	28.96	27.50	25.62	24.05	23.73	23.66	25.16	27.56
Total Cities	46,416,926	85.00%	29.72	29.22	27.33	26.14	24.75	23.44	22.39	22.06	23.81	25.74

(1) Source: Wisconsin Department of Revenue - Governments - County Officials - Report Used for Apportionment of County Levy
 (2) Source: Wisconsin Department of Revenue - Reports - Property Tax - Rates - Town, Village and City Taxes
 (3) Municipalities have multiple property rates depending on which school district the property is located in.
 (4) Municipality has multiple property tax rates depending on which school district the property is located in and/or if sewer is included.

COUNTY OF MILWAUKEE, WISCONSIN

**Weighted Average of Property Taxes to Taxable Equalized Value
For the Year Ended December 31, 2013**

(In Thousands)

	2013 Equalized Value Excluding TIF Districts	2013 Property Tax after State Credit	2013 Weighted Average
<u>Villages:</u>			
Bayside (1)	\$ 545,905	\$ 15,033	0.000275283
Brown Deer	884,364	28,475	0.000521431
Fox Point (1)	989,815	26,809	0.000490923
Greendale	1,179,517	34,591	0.000633426
Hales Corners	632,954	16,267	0.000297879
River Hills (1)	454,539	11,924	0.000218351
Shorewood	1,325,912	38,385	0.000702902
West Milwaukee	284,087	11,035	0.000202072
Whitefish Bay	1,895,329	46,050	0.000843262
Total Villages	8,192,422	228,569	0.004185529
<u>Cities:</u>			
Cudahy	971,315	32,340	0.000592206
Franklin (2)	3,310,921	87,252	0.001597748
Glendale (2)	1,652,736	55,260	0.001011915
Greenfield (1)	2,732,355	72,952	0.001335889
Milwaukee	24,986,747	765,951	0.014026005
Oak Creek	2,859,016	69,148	0.001266230
St. Francis	571,773	16,768	0.000307054
South Milwaukee	1,079,126	32,043	0.000586768
Wauwatosa	4,641,120	124,560	0.002280928
West Allis	3,611,817	105,149	0.001925476
Total Cities	46,416,926	1,361,423	0.024930219
Milwaukee County	<u>\$ 54,609,348</u>	<u>\$ 1,589,992</u>	<u>0.029115748</u>

(1) - Municipalities have multiple property tax rates depending on which school district the property is located in.

(2) - Municipality has multiple property tax rates depending on which school district the property is located in and / or if sewer is included.

Source: Wisconsin Department of Revenue/Report/Property Tax/Town, Village, City Taxes 2013.

COUNTY OF MILWAUKEE, WISCONSIN

**Top Fifteen Principal Property Tax Payers
Current Year and Nine Years Ago
(In Thousands)**

Company:	Type of Business	2013 Full Market Value	Percent of County Equalized Value
Mayfair Mall LLC	Shopping Mall	\$ 376,625	0.66%
Bayshore Town Center LLC	Real Estate	319,668	0.56%
Northwestern Mutual Life Insurance Co.	Insurance	305,534	0.53%
US Bank Corp.	Banking	262,409	0.46%
BRE Southridge Mall LLC	Real Estate	154,152	0.27%
Wal-Mart / Sam's Club	Retailer	143,991	0.25%
Mandel Group	Real Estate	142,394	0.25%
Marcus Corp / Milw. City Center / Pfister	Hotels, Theaters and Restaurants	128,949	0.23%
Metropolitan Associates	Real Estate	125,725	0.22%
Columbia St. Mary's	Health Care	113,595	0.20%
Centerpoint Properties	Real Estate	99,962	0.17%
NNN 411 East Wisconsin LLC	Real Estate	91,824	0.16%
General Electric	Manufacturer - Medical Equipment	88,079	0.15%
Harley-Davidson	Manufacturer - Motorcycles	83,018	0.15%
100 E. Wisconsin Avenue Joint Venture	Real Estate	79,244	0.14%

Total Milwaukee County Equalized Value, (including TIF Districts), at January 1, 2013, is \$ 57,127,525.

Company:	Type of Business	2004 Full Market Value	Percent of County Equalized Value
Mayfair Property Inc.	Shopping Mall	\$ 248,425	0.49%
US Bank Corp.	Banking	235,871	0.46%
Northwestern Mutual Life Insurance Co.	Insurance	224,695	0.44%
Teachers Insurance & Annuity	Insurance	141,886	0.28%
Harley-Davidson	Manufacturer - Motorcycles	133,898	0.26%
Covenant Health Care	Health Care	133,510	0.26%
M&I Marshall & Ilsley Bank	Banking	125,586	0.25%
Metropolitan Associates	Real Estate	107,644	0.21%
Towne Realty	Real Estate	103,766	0.20%
BRE Southridge Mall LLC	Real Estate	97,542	0.19%
Marcus Corp / Milw. City Center / Pfister	Hotels, Theaters and Restaurants	96,770	0.19%
Miller Brewing Company	Manufacturer - Beer and Aluminum Containers	74,066	0.14%
Great Lakes Reit LLP	Real Estate	65,716	0.13%
100 E. Wisconsin Avenue Joint Venture	Real Estate	58,825	0.11%
Centerpoint Properties	Real Estate	54,789	0.11%

Total Milwaukee County Equalized Value, (including TIF Districts), at January 1, 2004, is \$ 51,153,360.

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 (1)	Percentage of Personal Income	Population	Debt Per Capita
	General Obligation Bonds	Capital Leases	General Obligation Bonds	Revenue Bonds	Capital Leases					
2013 *	\$ 699,153	\$ 6,053	\$ 28,558	\$ 230,481	\$ 245	\$ 964,490	Not Available		950	\$ 1,015
2012	720,066	5,856	29,213	190,887	385	946,407	38,808,170	2.44%	948	998
2011	786,394	5,593	32,315	199,884	534	1,024,720	37,496,095	2.73%	948	1,081
2010	849,805	4,774	35,374	208,588	390	1,098,931	36,453,170	3.01%	948	1,159
2009	836,667	4,077	29,880	183,630	381	1,054,635	36,219,621	2.91%	932	1,132
2008	410,818	4,503	26,443	176,815	245	618,824	35,605,736	1.74%	938	660
2007	422,851	-	29,475	184,213	400	636,939	34,610,340	1.84%	937	680
2006	418,112	-	38,485	178,025	-	634,622	33,705,644	1.88%	937	677
2005	420,674	-	53,047	152,857	-	626,578	31,862,221	1.97%	939	667
2004	425,707	-	57,152	120,737	-	603,596	31,044,206	1.94%	939	643

(1) Source: U.S. Dept. of Commerce, Bureau of Economic Analysis (BEA), Regional Income Division, Local Area Personal Income and Employment, CA04 - Personal Income and Employment Summary Report. The most recent year's data not available at the time of printing.

* GASB 65 was implemented in 2013 which removed the unamortized loss on refunding out of liabilities. Prior to that, losses were netted against outstanding obligations.

COUNTY OF MILWAUKEE, WISCONSIN

**Ratio of Net Bonded Debt to Equalized Value
and Net Bonded Debt Per Capita
Last Ten Years Ended December 31
(In Thousands)**

Year	Population (1)	Equalized Value Including TIF Districts (2)	Government Gross General Obligation Bonded Debt	Business-type Gross General Obligation Bonded Debt	Total Gross General Obligation Bonded Debt	Less: Restricted for Debt Service	Net General Obligation Bonded Debt	Percent of Net Bonded Debt to Equalized Value	Net Bonded Debt Per Capita
2013	950	\$ 57,127,525	\$ 699,153	\$ 28,558	\$ 727,711	\$ (34,964)	\$ 692,747	1.21%	\$ 729
2012	948	57,782,302	720,066	29,213	749,279	(27,063)	722,216	1.25%	762
2011	948	61,099,029	786,394	32,315	818,709	(11,577)	807,132	1.32%	851
2010	948	63,403,510	849,805	35,374	885,179	(7,332)	877,847	1.38%	926
2009	932	66,836,154	836,667	29,880	866,547	(6,220)	860,327	1.29%	923
2008	938	68,224,068	410,818	26,443	437,261	(10,757)	426,504	0.63%	455
2007	937	67,119,283	422,851	29,475	452,326	(6,071)	446,255	0.66%	476
2006	937	63,609,181	418,112	38,485	456,567	(3,594)	453,003	0.71%	483
2005	939	56,680,686	420,674	53,047	473,721	(2,415)	471,306	0.83%	502
2004	939	51,153,360	425,707	57,152	482,859	(8,130)	474,729	0.93%	506

(1) Source: State of Wisconsin - Dept. of Administration - Intergovernmental Relations
Per County Final Populations Preliminary Estimates - Calculated as of January 1st of the respective year
with final numbers available in November of each year.

(2) Source: Wisconsin Department of Revenue - Reports - Equalized Value - Statement of Changes in Equalized Value (Report 2)
Calculated as of January 1st of the respective year.

COUNTY OF MILWAUKEE, WISCONSIN

**Computation of Legal Debt Margin
For the Years Ended December 31
(In Thousands)**

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Equalized Value of Taxable Property (1) (including TIF Districts)	\$ 57,127,525	\$ 57,782,302	\$ 61,099,029	\$ 63,403,510	\$ 66,836,154
Debt Limit Rate - (statutory limitation) (1)	5%	5%	5%	5%	5%
Statutory Debt Limit (1)	<u>2,856,376</u>	<u>2,889,115</u>	<u>3,054,951</u>	<u>3,170,176</u>	<u>3,341,808</u>
Bonds and Notes Outstanding:					
General Obligation Bonds and Notes	727,711	749,279	818,709	885,179	866,547
Less: Amount Available in Debt Service Fund	<u>(34,964)</u>	<u>(27,063)</u>	<u>(11,577)</u>	<u>(7,332)</u>	<u>(6,220)</u>
Total Net Debt Applied to Debt Limit	<u>692,747</u>	<u>722,216</u>	<u>807,132</u>	<u>877,847</u>	<u>860,327</u>
Legal Debt Margin Remaining at 12/31	<u>\$ 2,163,629</u>	<u>\$ 2,166,899</u>	<u>\$ 2,247,819</u>	<u>\$ 2,292,329</u>	<u>\$ 2,481,481</u>
Total Net Debt Applied to Debt Limit as a percentage of the Statutory Debt Limit	<u>24.3%</u>	<u>25.0%</u>	<u>26.4%</u>	<u>27.7%</u>	<u>25.7%</u>
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Equalized Value of Taxable Property (1) (including TIF Districts)	\$ 66,836,154	\$ 91,514,444	\$ 89,786,066	\$ 84,862,789	\$ 75,386,663
Debt Limit Rate - (statutory limitation) (1)	5%	5%	5%	5%	5%
Statutory Debt Limit (1)	<u>3,341,808</u>	<u>4,575,722</u>	<u>4,489,303</u>	<u>4,243,139</u>	<u>3,769,333</u>
Bonds and Notes Outstanding:					
General Obligation Bonds and Notes	866,547	181,318	456,597	456,597	473,721
Less: Amount Available in Debt Service Fund	<u>(6,220)</u>	<u>(6,071)</u>	<u>(5,573)</u>	<u>(2,979)</u>	<u>(8,130)</u>
Total Net Debt Applied to Debt Limit	<u>860,327</u>	<u>175,247</u>	<u>451,024</u>	<u>453,618</u>	<u>465,591</u>
Legal Debt Margin Remaining at 12/31	<u>\$ 2,481,481</u>	<u>\$ 4,400,475</u>	<u>\$ 4,945,900</u>	<u>\$ 4,699,736</u>	<u>\$ 4,243,054</u>
Total Net Debt Applied to Debt Limit as a percentage of the Statutory Debt Limit	<u>25.7%</u>	<u>3.8%</u>	<u>10.0%</u>	<u>10.7%</u>	<u>12.4%</u>

(1) Source: 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, 2013
(In Thousands)**

<u>Direct:</u>	<u>Net Debt Outstanding</u>	<u>Percent Applicable to County</u>	<u>Amount Applicable to County</u>		<u>Net Debt *</u>	<u>Percent Applicable to County</u>	<u>Amount Applicable to County</u>
Milwaukee County - Net Debt Outstanding	\$ 699,153	100.00%	\$ 699,153				
Milwaukee County - Net Capital Leases	6,053	100.00%	6,053				
Total Direct Debt - Milwaukee County (Governmental-activities only)	\$ 705,206	100.00%	\$ 705,206				
<u>Overlapping:</u>	<u>Net Debt *</u>	<u>Percent Applicable to County</u>	<u>Amount Applicable to County</u>	<u>Overlapping:</u>	<u>Net Debt *</u>	<u>Percent Applicable to County</u>	<u>Amount Applicable to County</u>
<u>Villages:</u>				<u>School Districts:</u>			
Bayside	\$ 10,573	95.90%	\$ 10,140	Brown Deer	\$ 28,976	100.00%	\$ 28,976
Brown Deer	21,353	100.00%	21,353	Cudahy	17,828	100.00%	17,828
Fox Point	15,724	100.00%	15,724	Fox Point / Bayside	5,840	97.86%	5,715
Greendale	17,512	100.00%	17,512	Franklin	36,275	100.00%	36,275
Hales Corners	6,775	100.00%	6,775	Glendale - River Hills	4,605	100.00%	4,605
River Hills	7,054	100.00%	7,054	Greendale	16,510	100.00%	16,510
Shorewood	41,363	100.00%	41,363	Greenfield	54,509	100.00%	54,509
West Milwaukee	10,206	100.00%	10,206	Maple Dale / Indian Hill	2,849	100.00%	2,849
Whitefish Bay	52,177	100.00%	52,177	Milwaukee Area Technical College	115,370	80.90%	93,339
				Milwaukee Public	75,436	100.00%	75,433
<u>Cities:</u>				Nicolet High School*	4,760	99.37%	4,730
Cudahy	33,090	100.00%	33,090	Oak Creek / Franklin	46,520	100.00%	46,520
Franklin	42,445	100.00%	42,445	St. Francis	13,340	100.00%	13,340
Glendale	38,070	100.00%	38,070	Shorewood	21,575	100.00%	21,575
Greenfield	43,950	100.00%	43,950	South Milwaukee	37,193	100.00%	37,193
Milwaukee	796,578	100.00%	796,578	Wauwatosa	-	100.00%	-
Oak Creek	68,725	100.00%	68,725	West Allis / West Milwaukee	27,113	93.39%	25,320
South Milwaukee	22,995	100.00%	22,995	Whitefish Bay	17,060	100.00%	17,060
St. Francis	13,745	100.00%	13,745	Whitnall	335	100.00%	335
Wauwatosa	69,715	100.00%	69,715				
West Allis	78,309	100.00%	78,309	Metropolitan Sewerage District	970,256	99.93%	969,578
Subtotal Overlapping	1,390,359		1,389,926	Subtotal Overlapping	1,496,350		1,471,690
				Total Overlapping Debt	2,886,709	99.13%	2,861,616
				Total Debt	\$ 3,591,915	99.30%	\$ 3,566,822

*Source: Milwaukee County Comptrollers Office - February 2014 Survey

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.

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 County Workers Unemployed
						County	Wisconsin	United States		
	(1)	(2)	(2)	(3)	(3)	(4)	(4)	(4)	(4)	(4)
2013	950,410	Not Available		139,533	40,415	8.3%	6.7%	7.4%	461,269	38,259
2012	948,322	38,808,170	40,628	139,393	39,894	8.5%	6.9%	8.1%	459,596	38,895
2011	948,369	37,496,095	39,390	140,704	39,408	9.1%	7.5%	8.9%	462,770	41,888
2010	947,735	36,453,170	38,437	140,241	39,996	9.9%	8.5%	9.6%	461,545	45,717
2009	931,830	36,219,621	38,422	141,942	39,795	9.6%	8.7%	9.3%	470,343	45,220
2008	938,490	35,605,736	38,091	143,566	39,801	5.6%	4.8%	5.8%	469,061	26,282
2007	937,324	34,610,340	37,157	146,269	38,363	5.7%	4.8%	4.6%	471,006	26,657
2006	936,892	33,705,644	36,232	147,773	38,434	5.6%	4.7%	4.6%	457,573	25,839
2005	938,995	31,862,221	34,167	147,123	38,198	5.8%	4.8%	5.1%	453,562	26,399
2004	939,358	31,044,206	33,135	152,712	37,323	6.3%	5.0%	5.5%	456,447	28,792

(1) Source: State of Wisconsin - Dept. of Administration - Intergovernmental Relations - Per County Final Populations Estimates - calculated as of January 1st of the respective year. The 2010 population is the actual U.S. Census Bureau amount released July 28, 2011, which replaced the previously reported State estimate of 928,449.

(2) Source: U.S. Dept. of Commerce, Bureau of Economic Analysis (BEA), Regional Income Division, Local Area Personal Income and Employment, CA04 - Personal Income and Employment Summary Report. The most recent year data is not available at the time of printing.

(3) Source: Wisconsin Dept. of Public Instruction - Data - Demographics / Enrollment Reports - Enrollment is a headcount of students who are physically attending schools or receiving homebound instruction as of the third Friday in September. The 2013 enrollment represents the 2012 - 2013 school year.

(4) Source: WORKnet - Wisconsin - Data Analyst - Data Table - Local Area Unemployment Statistics (LAUS) Results. The Unemployment Rate listed is the annual rate and is not seasonally adjusted.

COUNTY OF MILWAUKEE, WISCONSIN

**Major Employers - Private and Public Sector
Current Year and Nine Years Ago**

For the Year Ended December 31, 2013:

<u>* Private Sector Employers:</u>	<u>Type of Business or Service</u>	<u>Number of Employees</u>	<u>% of Total County Employment</u>
1) Aurora Health Care, Inc.	Health Care System	24,462	5.78%
2) Wheaton Franciscan Health Care	Health Care System	11,171	2.64%
3) Froedtert & Community Health	Health Care System	8,982	2.12%
4) Roundy's Supermarkets, Inc.	Retail Supermarkets	8,400	1.99%
5) The Medical College of Wisconsin	Private Medical School	5,417	1.28%
6) Northwestern Mutual	Insurance, Investment Products	5,000	1.18%
7) ProHealth Care, Inc.	Health Care System	4,819	1.14%
8) Columbia St. Mary's Health System	Health Care System	4,542	1.07%
9) Children's Hospital	Health Care System	4,447	1.05%
10) Rockwell Automation	Industrial Automation Products	4,273	1.01%
***2013 Total Employment within County of Milwaukee		423,010	100.00%

For the Year Ended December 31, 2004:

<u>** Private Sector Employers:</u>	<u>Type of Business or Service</u>	<u>Number of Employees</u>	<u>% of Total County Employment</u>
1) Aurora Health Care	Health Care	11,119	2.60%
2) Covenant HealthCare	Health Care	5,716	1.34%
3) M&I Marshall & Illsley Bank	Banking / Finance and Data Services	4,662	1.09%
4) Northwestern Mutual Life Insurance Company	Insurance	4,661	1.09%
5) The Medical College of Wisconsin	Private Medical School	3,901	0.91%
6) Columbia - St. Mary's Inc. Hospital	Health Care	3,379	0.79%
7) Rockwell Automation	Manufacturer electrical/electronic products	3,178	0.74%
8) WE Energies	Utility	2,747	0.64%
9) Harley-Davidson Motor Company	Manufacturer, motorcycles	2,653	0.62%
10) SBC Wisconsin	Communications	2,358	0.55%
***2004 Total Employment within County of Milwaukee		427,655	100.00%

* Source: The Business Journal of Greater Milwaukee, Book of lists as of July 19, 2013.

** Source: Milwaukee County Preliminary Official Statement for Corporate Purpose Bond Series 2006A dated 3/1/06.

*** Source: Wisconsin Department of Workforce Development - LAUS Results --- Local Area Unemployment Stats --- 2004 & 2013

NOTE: Effective for the 2012 Major Employers Statistics the Government, Educational and Not for Profit sections are not included due to the County no longer compiling this data or presenting same in the Official Statements issued by the County.

COUNTY OF MILWAUKEE, WISCONSIN

**County Employees by Function (Actual to Budgeted)
For the Last Ten Years Ended December 31**

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<u>Actual Number of Employees:</u>										
Legislative, Executive and Staff	374	371	251	254	296	311	343	371	369	356
Courts and Judiciary	431	411	408	427	423	423	433	456	471	475
General Governmental Services	102	87	50	63	56	60	69	68	67	63
Public Safety	1,253	1,265	1,409	1,430	1,507	1,554	1,531	1,553	1,577	1,604
Public Works and Highways	442	427	561	546	578	585	587	583	646	639
Health and Human Services	1,239	1,296	1,487	1,647	1,771	1,825	1,799	1,818	1,820	1,771
Parks, Recreation and Culture	551	533	563	643	587	658	660	612	620	654
Total Actual Number of Employees	4,392	4,390	4,729	5,010	5,218	5,416	5,422	5,461	5,570	5,562
% Increase (Decrease) From Previous Year	0.05%	-7.17%	-5.61%	-3.99%	-3.66%	-0.11%	-0.71%	-1.96%	0.14%	-5.41%

Budgeted Number of Employees:

Legislative, Executive and Staff:

County Board - (1)	56.4	56.9	58.5	60.2	60.2	59.2	58.9	57.7	57.5	57.5
Audit Department (26)	-	-	16.0	18.0	19.0	18.9	20.1	20.3	20.0	20.1
County Executive - General Office	9.5	9.5	9.0	10.0	10.6	10.2	8.1	9.6	10.4	11.9
Office for Persons with Disabilities	4.1	4.1	4.1	4.1	4.1	4.1	4.1	5.2	5.2	5.3
Veterans Service	5.5	6.0	6.0	5.0	6.0	5.7	6.0	7.0	6.5	6.6
Office of Community Development Partners	7.7	6.0	6.0	6.0	6.0	6.0	5.0	5.8	5.0	5.0
Civil Service Commission	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Personnel Review Board (13)	7.3	7.3	7.3	6.9	7.4	7.5	7.2	7.0	7.0	7.0
Corporation Counsel	19.0	18.8	19.7	20.0	22.1	21.8	21.7	20.3	18.5	16.9
Department of Labor Relations (8)	3.0	3.5	2.8	3.4	4.4	4.0	3.0	-	-	-
Human Resources (8)(9)(19)(23)	55.8	50.6	14.2	13.5	30.6	31.0	36.9	55.5	53.3	52.8
Risk Management	7.0	5.0	5.1	5.0	5.0	5.3	5.0	5.8	5.5	5.5
Fiscal Affairs (26)	13.2	19.7	42.7	46.4	46.1	47.0	44.2	44.6	45.9	49.1
Procurement (4)(20)	7.5	7.5	5.5	5.8	6.7	7.8	9.0	10.7	10.1	9.7
Information Management Services (4)	58.9	58.0	61.3	62.6	81.3	86.9	93.2	98.0	99.3	96.3
Economic Development (2)(7)	-	-	-	-	-	-	-	-	36.0	38.4
Employee Benefits (9)	-	-	23.0	21.9	19.6	18.8	15.3	-	-	-
Economic and Community Development (7)(11)(14)(25)	8.0	9.0	-	-	-	6.2	29.0	35.5	-	-
Ethics Board (13)	0.8	0.8	0.8	0.6	-	-	-	-	-	-
Facilities Management (24)	163.9	154.5	-	-	-	-	-	-	-	-
Total Legislative, Executive and Staff	432.6	422.2	287.0	294.4	334.1	345.4	371.7	388.0	385.2	387.1

COUNTY OF MILWAUKEE, WISCONSIN

**County Employees by Function (Actual to Budgeted)
For the Last Ten Years Ended December 31**

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Courts and Judiciary:										
Combined Court Related Operations	284.2	285.8	284.9	280.6	277.4	277.5	275.2	280.7	302.9	311.6
Department of Child Support	140.7	137.8	150.5	133.3	130.5	138.6	190.8	193.1	191.0	205.3
Courts - Pre-Trial Services	1.0	1.0	-	-	-	-	-	-	-	-
Total Courts and Judiciary	425.9	424.6	435.4	413.9	407.9	416.1	466.0	473.8	493.9	516.9
General Governmental Services:										
Election Commission	6.7	7.4	6.5	8.0	6.6	7.7	7.1	5.1	3.8	4.6
County Treasurer	7.5	8.5	8.5	9.5	8.5	8.0	9.0	8.9	9.0	9.0
County Clerk	7.0	7.0	7.1	7.1	6.6	7.6	7.6	7.6	7.0	7.0
Register of Deeds	32.9	34.9	35.7	35.8	42.6	47.6	49.1	49.5	48.0	51.0
Office of the Comptroller (26)	43.0	40.4	-	-	-	-	-	-	-	-
Total General Governmental Services	97.1	98.2	57.8	60.4	64.3	70.9	72.8	71.1	67.8	71.6
Public Safety:										
Office of the Sheriff (15) (27)	777.3	1,265.9	1,385.9	1,434.2	952.9	935.2	951.0	986.1	1,009.8	1,042.5
House of Correction (15) (27)	482.7	-	-	-	486.0	512.3	527.4	545.6	557.4	517.5
District Attorney	150.0	148.2	155.1	157.5	164.6	162.9	161.5	159.1	161.6	161.1
Medical Examiner	28.3	27.6	27.5	27.2	29.4	25.3	25.0	27.2	29.8	30.9
Total Public Safety	1,438.3	1,441.7	1,568.5	1,618.9	1,632.9	1,635.7	1,664.9	1,718.0	1,758.6	1,752.0
Public Works and Highways:										
Airport (16)	-	-	271.7	275.7	269.8	229.0	216.4	217.4	213.9	212.7
Transportation Services (17)	-	-	14.5	11.8	12.1	17.7	17.8	20.4	18.9	23.1
Architectural, Engineering and Environmental Services (6)	-	-	35.2	36.4	37.6	40.2	40.9	48.9	51.0	70.4
Highway Maintenance	-	-	125.1	125.6	135.7	112.1	114.2	117.9	129.9	132.0
Fleet Management (18)	-	-	34.6	38.0	43.3	53.1	57.5	63.6	71.0	70.6
Facilities Management (5)(10)	-	-	85.0	133.1	150.1	159.2	148.9	172.0	164.5	230.1
Director's Office (5)(10)(14)	-	-	13.2	13.0	11.3	3.3	3.9	46.9	54.5	7.1
Total Public Works and Highways	-	-	579.3	633.6	659.9	614.6	599.6	687.1	703.7	746.0
Department of Transportation:										
Airport	289.1	290.5	-	-	-	-	-	-	-	-
Highway Maintenance	136.6	128.1	-	-	-	-	-	-	-	-
Fleet Management	34.1	35.0	-	-	-	-	-	-	-	-
Director's Office	7.0	7.0	-	-	-	-	-	-	-	-
Total Department of Transportation	466.8	460.6	-							

COUNTY OF MILWAUKEE, WISCONSIN

**County Employees by Function (Actual to Budgeted)
For the Last Ten Years Ended December 31**

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Health and Human Services:										
Behavioral Health Division (20)	801.0	837.4	843.7	827.7	858.8	890.9	886.8	876.4	903.2	916.4
County Health Programs (20)	-	-	-	-	34.5	49.2	49.8	51.1	51.9	56.4
Department on Aging (12)	73.0	77.2	77.0	79.6	83.3	89.4	147.8	160.6	158.5	183.7
Department of Family Care (12)	64.6	64.4	79.1	90.1	91.4	60.4	-	-	-	-
Department of Health and Human Services (11)(14)	315.6	313.8	663.1	672.1	682.3	745.6	745.4	795.1	797.8	749.3
Total Health and Human Services	<u>1,254.2</u>	<u>1,292.8</u>	<u>1,662.9</u>	<u>1,669.5</u>	<u>1,750.3</u>	<u>1,835.5</u>	<u>1,829.8</u>	<u>1,883.2</u>	<u>1,911.4</u>	<u>1,905.8</u>
Parks, Recreation and Culture:										
Parks Division (3)	391.1	431.3	487.2	509.5	547.5	542.2	485.5	548.0	534.8	617.8
Zoological Department	254.7	254.3	257.5	256.1	251.8	246.3	250.3	253.1	250.4	257.1
University Extension	0.8	0.8	0.8	0.8	0.8	0.8	0.8	1.0	1.0	1.0
Total Parks, Recreation and Culture	<u>646.6</u>	<u>686.4</u>	<u>745.5</u>	<u>766.4</u>	<u>800.1</u>	<u>789.3</u>	<u>736.6</u>	<u>802.1</u>	<u>786.2</u>	<u>875.9</u>
Totals - Budgeted - All Operating Departments	<u>4,761.5</u>	<u>4,826.5</u>	<u>5,336.4</u>	<u>5,457.1</u>	<u>5,649.5</u>	<u>5,707.5</u>	<u>5,741.4</u>	<u>6,023.3</u>	<u>6,106.8</u>	<u>6,255.3</u>
% Increase (Decrease) From Previous Year	<u>-1.35%</u>	<u>-9.56%</u>	<u>-2.21%</u>	<u>-3.41%</u>	<u>-1.02%</u>	<u>-0.59%</u>	<u>-4.68%</u>	<u>-1.37%</u>	<u>-2.37%</u>	<u>-6.12%</u>
Actual Employees Under Budgeted Employees	<u>369.5</u>	<u>436.5</u>	<u>607.4</u>	<u>447.1</u>	<u>431.5</u>	<u>291.5</u>	<u>319.4</u>	<u>562.3</u>	<u>536.8</u>	<u>693.3</u>

Department Notes:

- (1) The 2004 Budget transferred the Intergovernmental Relations Department to the County Board Office.
- (2) The 2004 Budget combined the Economic Development Department and the Housing and Community Development Department into one department.
- (3) The 2004 Budget created a new Department of Parks and Public Infrastructure (DPPI) by consolidating the services and administration of the previous Parks department and the Department of Public Works.
- (4) The 2004 Budget abolished several positions due to the county-wide fiscal constraints.
- (5) The 2005 Budget transferred the security responsibilities from the Facilities Management Department to the Director's Office department.
- (6) The 2005 Budget had numerous unfunded positions, due to the smaller Capital Budget and associated reduction in workload.
- (7) The 2006 Budget transferred the Economic Development Department to the Economic and Community Development Department.
- (8) The 2007 Budget transferred the Labor Relations Department from the Human Resources Department.
- (9) The 2007 Budget transferred the Employee Benefits Department from the Human Resources Department.
- (10) The 2007 Budget transferred the security responsibilities from the Director's Office department back to the Facilities Management Department.
- (11) The 2008 Budget transferred the Home / Home Repair Voucher Program to the Housing Division in the Department of Health and Human Services.
- (12) Beginning with the 2008 Budget, the Care Management Organization was listed separately from the Department of Aging. In 2011 the Care Management Organization became its own department and is now known as the Department of Family Care.
- (13) In 2009 and prior budgets, all FTE's of the Ethics Board were budgeted in the Personnel Review Board.

COUNTY OF MILWAUKEE, WISCONSIN

County Employees by Function (Actual to Budgeted) For the Last Ten Years Ended December 31

Department Notes (cont.):

- (14) 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.
- (15) In 2009, the Sheriff's Office took responsibility for the House of Corrections. This consolidation was reflected beginning in the 2010 Budget.
- (16) 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.
- (17) 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.
- (18) In the 2009 budget, in order to improve the condition and sustainability of Fleet Management, maintenance operations will be administered and operated by a third-party service provider. As a result of this transition, staffing changes occurred, positions were abolished, transferred to the Airport, were unfunded.
- (19) The 2010 Budget transferred 14.0 Human Resources field staff to the departments in which they worked.
- (20) The 2010 Budget merges the County Health Programs into the Behavioral Health Division.
- (21) The 2010 Budget continued to abolish positions.
- (22) 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.
- (23) 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.
- (24) The 2012 Budget created the Department of Administrative Services - Facilities Management Division. This Division now includes the Divisions of Facilities Management, Architecture Engineering & Environmental Services and Sustainability that were formerly part of the Department of Transportation.
- (25) The 2012 Budget transferred Real Estate Services & Economic Development to DAS-Economic Development from the Department of Transportation
- (26) During 2012, the Office of the Comptroller was created via Appropriation Transfer from DAS-Fiscal Affairs and Audit Department.
- (27) In 2009, the Sheriff's Office took over the responsibility for the House of Correction however the 2013 budget re-creates the House of Correction as a separate entity.
Sources: County of Milwaukee, Wisconsin Payroll System and County of Milwaukee, Adopted Operating Budgets for 2013, 2012 and 2007.

COUNTY OF MILWAUKEE, WISCONSIN

**Operating Indicators by Function
For the Last Eight Years Ended December 31**

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>LEGISLATIVE, EXECUTIVE, AND STAFF</u>								
<u>Procurement:</u>								
Purchase Orders	1,789	1,623	1,404	1,824	1,457	1,541	1,733	-
Formal Bids	17	6	35	33	83	47	63	66
Informal Bids and Quotes	28	40	32	44	270	159	230	55
Requests for Proposals	3	6	-	1	3	1	3	7
General Awards	1,364	1,245	1,340	991	1,101	1,334	1,443	1,573
<u>Human Resources:</u>								
Tuition Loans Processed	35	52	46	63	57	65	99	99
On-Line Applications Processed	18,935	14,982	26,461	26,356	40,000	7,278	-	-
Job Requisitions Requested	505	475	504	414	405	269	494	494
Certification Requests Processed	450	475	504	414	405	269	494	494
Current Positions Studied for Proper Classification	1,493	74	32	32	64	-	44	44
New Positions Studied for Proper Classification	38	52	31	25	9	-	18	18
<u>COURTS AND JUDICIARY</u>								
<u>Register in Probate:</u>								
Civil Commitments - Adults	3,700	4,659	5,280	5,673	5,419	5,278	5,283	6,172
Civil Commitments - Juvenile	982	1,157	1,121	972	639	472	-	-
Guardianship/Conservatorship	308	319	299	278	1,019	265	525	702
Protective Placement	294	226	326	290	287	342	297	516
Annual Review of Protective Placement	1,288	1,389	1,499	1,462	1,599	1,529	2,000	2,000
Informal Administration	990	931	975	1,092	1,068	1,161	1,374	1,274
Formal Administrations	111	90	142	147	138	137	-	-
Trusts	46	30	27	39	36	42	39	43
Special Administration, Summary Proceedings	410	388	386	315	238	233	246	244
Descent/Life Estate	-	4	5	6	6	6	5	10
Adult Adoption	25	10	17	8	13	18	15	12
Wills Deposited For Safekeeping	165	75	83	150	90	94	130	157
Temporary Guardianships	62	53	69	63	13	20	-	-
Ancillary Proceedings	4	4	-	3	2	3	-	-
<u>GENERAL GOVERNMENTAL SERVICES</u>								
<u>Election Commission:</u>								
Elections	2	4	2	4	2	4	2	4
Special Elections	8	-	7	2	2	-	3	2
Recount Elections	-	-	1	2	-	-	-	-
State/County/Municipal/School Board Referendums	1	14	4	1	3	12	6	10
Campaign Finance Statements	150	199	194	182	160	167	102	140
Nomination Papers Received	8	45	13	11	-	37	6	12
Election Ballot Set-up/Proofing	8	6	5	6	4	4	7	6
Challenges to Nomination Papers/Recall Petitions	-	4	-	-	-	2	-	2
Recall Elections/Petitions/Hearings	-	2	2	-	-	-	1	6

Although ten years of statistical data is preferred, many of these statistics were not tracked prior to 2006.

COUNTY OF MILWAUKEE, WISCONSIN

**Operating Indicators by Function
For the Last Eight Years Ended December 31**

	2013	2012	2011	2010	2009	2008	2007	2006
<u>Election Commission (cont.):</u>								
Elections Requiring Braille Ballots	2	6	4	3	3	4	2	6
Election Commission Meetings	14	6	3	3	4	1	1	8
<u>Treasurer:</u>								
Checks Issued	74,648	78,045	77,880	78,045	95,722	97,950	215,285	246,912
Lost Checks/Stop Payments	271	373	370	373	567	247	350	121
Property Tax Receipts Issued	7,143	7,348	6,401	7,348	6,758	5,865	5,128	4,418
Delinquent Tax Notices Processed	5,979	3,564	1,556	3,564	11,233	4,950	6,851	7,539
Tax Forms Furnished	439,516	901,850	589,724	901,850	726,466	958,872	680,941	856,484
<u>Register of Deeds</u>								
With Transfer Fee	12,806	10,563	9,123	10,134	12,063	12,237	16,817	21,082
Without Transfer Fee	8,370	8,491	8,096	7,845	7,968	8,619	8,186	7,764
Total Transfer Fees	7,146,392	6,743,946	5,035,715	5,556,137	6,455,932	8,699,611	12,822,387	13,883,135
Average Real Estate Sale Price	186,017	212,817	183,993	192,240	178,393	236,977	254,157	219,510
Foreclosures (Lis Pendens)	4,086	6,285	6,152	7,167	7,472	6,811	5,927	3,912
Wisc Commerce Department Stipulations	1,032	1,088	755	757	1,249	865	947	1,317
Total Mortgages	30,539	32,604	27,184	30,978	40,667	39,505	56,514	70,256
Assignments	10,207	11,656	7,649	8,015	9,781	9,914	12,366	15,187
Partial Release	518	562	1,263	780	889	1,150	1,938	2,131
Release	36,769	38,128	33,027	35,677	45,564	44,146	55,852	66,374
Land Contracts	210	170	185	122	138	134	126	166
Sheriff Deeds	3,037	3,457	3,168	3,053	2,879	3,086	1,602	955
Joint Tenancy Survivorship	1,508	1,534	1,452	1,431	1,518	1,557	1,654	1,824
Federal Tax Liens	1,697	1,988	2,628	3,225	2,674	3,002	2,899	2,833
Financing Statements	799	1,044	920	880	1,153	1,085	1,472	1,372
Military Discharge	16	24	18	40	7	20	29	30
Electronic Recording	66,256	67,107	48,745	43,816	41,938	20,690	16,256	13,199
E-Docs % of Total Documents	52.92%	51.03%	42.71%	35.66%	28.30%	14.46%	9.04%	6.42%
Total Records	125,206	131,502	114,141	123,084	148,186	143,085	179,818	205,705
Births	15,107	15,144	15,209	15,615	16,141	16,578	16,950	16,545
Marriages	4,377	4,454	4,641	4,247	4,236	4,388	4,470	4,858
Domestic Partnerships	46	55	56	67	201	-	-	-
Deaths	9,966	9,246	9,817	9,266	9,293	9,527	9,467	9,947
Copies Issued - Paid	98,758	94,690	91,399	91,564	86,307	90,382	101,232	100,079
Copies Issued - Free	170	228	523	207	298	286	201	321
Subdivision Plats No.	1	2	3	1	2	5	19	21
Subdivision Plats Lots	6	16	45	7	29	107	462	539
Condominium Plats No.	15	16	14	15	22	26	68	90
Condominium Plats Units	30	25	21	86	665	484	1,208	1,718
Copies and Images - Revenue	463,255	536,157	376,957	406,563	399,243	342,147	338,312	334,508
Recorded Documents - Revenue	1,903,590	1,996,870	1,730,490	1,541,419	1,535,486	1,428,209	2,052,462	2,485,049
<u>Register of Deeds (cont.):</u>								
Vital Statistics - Revenue	411,201	398,096	387,479	395,530	397,965	405,345	465,864	470,612

Although ten years of statistical data is preferred, many of these statistics were not tracked prior to 2006.

COUNTY OF MILWAUKEE, WISCONSIN

**Operating Indicators by Function
For the Last Eight Years Ended December 31**

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
County Share Transfer Fees - Revenue	1,429,278	1,348,789	992,767	1,112,513	1,291,186	1,739,976	2,564,569	2,776,965
<u>County Clerk:</u>								
Marriage Licenses Issued	4,684	4,842	4,618	4,607	4,652	4,752	5,931	5,227
Domestic Partnerships Declarations Issued	64	53	55	74	217	started 2009		
Domestic Partnership Terminations Process	10	5	5	1	-	started 2009		
Marriage License/Domestic Partnerships Waivers	354	334	276	255	207	179	182	234
Duplicate Marriage License/Domestic Partnerships	81	89	64	75	76	48	51	59
Civil Marriage Ceremonies Performed	1,093	1,076	1,000	1,012	954	953	999	1,087
County Board Files Maintained	962	1,018	875	472	482	485	950	874
County Ordinances Published	14	24	21	10	18	17	22	23
County Board Proceedings Published	15	12	15	1,128	1,084	940	2,732	2,782
Contractor Lien Notices/Vendor Tax Levies Processed	29	21	48	56	45	43	37	93
Contractor Qualification Statements Approved	93	125	127	117	107	130	622	633
Claims Processed	226	260	281	314	315	346	1,703	1,486
Summons and Complaints Processed	182	189	180	184	158	126	1,582	1,150
Construction Bid Notices Processed	89	112	84	104	86	52	380	475
Legal Documents Assigned to Central Files	55	50	111	93	51	33	8,624	6,453
Lobbying Registrations Processed	50	52	54	52	46	44	64	44
Passport Applications Processed	1,247	962	778	778	683	578	940	187
Passport Photos Taken	735	570	352	367	314	282	464	110
Oaths of Office Administered	145	146	67	65	49	48	68	61
DNR Licenses Sold	387	410	325	222	331	started 2009		
Documents Notarized	5,256	5,369	5,053	4,876	5,173	4,752	4,933	5,239
Milwaukee County Transit System Tickets Sold	2,063	3,419	3,545	3,880	2,512	3,174	1,849	1,487
<u>Office of the Comptroller:</u>								
Accounts Reconciled	744	768	723	732	740	743	807	680
<u>PUBLIC SAFETY</u>								
<u>Medical Examiner:</u>								
Autopsies	1,294	1,280	1,158	1,056	1,050	948	1,048	1,037
Death Certificates	1,635	1,639	1,526	1,623	1,644	1,736	1,703	1,904
Cremation Permits	4,035	3,834	3,457	3,591	3,393	3,390	3,212	3,075
Autopsy Referrals	305	312	172	67	-	-	-	-
Death Investigated	5,975	5,098	5,389	5,380	5,181	5,242	5,094	5,080

Although ten years of statistical data is preferred, many of these statistics were not tracked prior to 2006.

COUNTY OF MILWAUKEE, WISCONSIN

**Operating Indicators by Function
For the Last Eight Years Ended December 31**

	2013	2012	2011	2010	2009	2008	2007	2006
<u>District Attorney:</u>								
Felony Cases Filed	5,695	6,140	6,109	6,194	5,845	6,437	6,270	6,776
Misdemeanor Cases Filed	5,510	6,713	7,362	7,590	6,646	7,648	9,027	9,677
Criminal Traffic Cases Filed	2,724	2,792	2,796	3,446	5,534	6,397	6,275	8,734
CHIPS Cases Filed	1,343	1,127	1,597	1,500	1,533	1,820	1,717	1,760
Juvenile Delinquency Cases Filed	1,476	1,725	1,632	1,555	1,818	2,188	2,467	2,613
Termination of Parental Rights Cases Filed	346	278	312	281	346	395	285	382
<u>Sheriff:</u>								
Traffic Citations	27,752	35,597	37,710	33,064	35,725	34,737	41,791	42,808
Auto Accidents Reported and Investigated	4,740	3,970	4,602	4,275	3,965	6,197	4,632	4,402
Background Checks (Criminal Investigations Division)	385	698	493	287	469	388	284	238
Criminal Complaints Issued	1,190	1,626	3,017	4,032	3,944	1,379	378	378
Writs of Restitution (Evictions)	3,174	3,261	3,078	2,821	2,807	2,783	3,340	2,927
Writs of Assistance (Foreclosures)	899	947	792	736	806	1,119	490	308
Temporary Restraining Orders Received	4,557	4,649	5,216	5,651	5,536	4,791	368	355
911 Phone Calls	215,283	323,754	299,517	390,367	536,404	815,542	506,503	526,085
Bookings	34,541	37,225	42,617	39,887	38,426	37,482	46,527	51,026
Number of Bailiff Posts	81	84	79	79	78	79	76	74
Open Records Requests	5,544	7,052	7,333	3,347	4,333	4,928	5,829	7,691
Civil Process Papers Served	20,107	21,437	21,592	22,418	22,851	19,952	17,270	14,496
<u>House of Correction:</u>								
Avg Daily Population - Milwaukee County Jail Overflow	575	409	401	696	889	618	608	664
Huber/Work Release Inmates	794	202	177	172	504	596	644	638
Probation and Parolees	269	129	98	118	132	306	250	95
Municipal Commitments	208	26	40	64	67	66	72	76
Sentenced Inmates	984	1,102	964	1,004	579	592	599	550
County Correctional Facility Central	881	817	874	909	898	896	886	878
Total Inmate Population	2,505	2,516	2,554	2,963	3,069	3,074	3,059	2,901
Electronic Surveillance	208	26	185	198	223	171	248	310
<u>PUBLIC WORKS AND HIGHWAYS:</u>								
County Trunk Highways Maintained (Lane Miles)	343	343	343	343	343	343	343	343
State Truck Highways Maintained (Lane Miles)	772	639	639	635	664	634	634	634
Expressways Maintained (Lanes Miles)	1,104	1,116	1,116	1,150	1,141	1,141	1,135	1,135
<u>HEALTH AND HUMAN SERVICES</u>								
<u>Emergency Medical System:</u>								
Dispatches	62,291	54,478	52,087	49,491	45,920	45,353	43,554	39,362
Doctor Calls	1,656	1,325	1,235	1,398	1,320	1,426	1,468	1,054
Medical Transports	26,310	25,344	22,743	21,073	20,577	21,737	21,346	20,249
Reports	41,012	39,788	33,720	31,814	30,756	31,233	30,641	26,430

Although ten years of statistical data is preferred, many of these statistics were not tracked prior to 2006.

COUNTY OF MILWAUKEE, WISCONSIN

**Operating Indicators by Function
For the Last Eight Years Ended December 31**

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	
<u>Aging Programs and Services:</u>									
Senior Meals Program:									
Congregate	281,763	289,059	264,144	325,354	346,811	373,022	374,707	376,395	
Home Delivered	313,243	308,070	251,254	248,838	259,151	246,650	272,883	299,119	
Volunteer Hours	60,303	66,270	65,958	74,409	74,631	82,272	started 2008		
Specialized Transportation Services One-Way Rides	122,765	120,379	119,378	123,222	125,397	105,308	117,686	122,063	
Participants - Senior Centers / Senior Home Delivery	8,960	9,103	8,449	6,610	6,740	6,696	7,009	7,322	
Participants - Wellness Works Program	2,916	2,467	2,836	2,124	1,274	1,144	1,148	1,077	
Benefit Specialist/Legal Services (In Hours)	9,385	13,695	13,389	13,058	14,256	11,679	13,848	16,017	
Employment Training and Placement Svcs (Hours)	135	88	95	85	95	59	2,160	2,160	
Information and Assistance Contact Calls 24 Hours	781	757	615	520	622	517	343	343	
Information Inquiries	24,163	22,925	24,825	26,605	47,399	58,743	37,387	28,302	
Long Term Care Referrals/Applications Processed	6,494	5,571	5,536	5,872	10,120	6,198	6,238	6,478	
Functional Screens Performed	3,368	3,161	2,812	3,178	3,188	3,056	3,146	3,104	
<u>Care and Management Organization (CMO):</u>									
Family Care New Enrollees	1,812	1,447	1,510	1,895	1,616	1,198	1,392	1,389	
Family Care Continual Enrollees	6,666	6,459	6,375	5,864	5,657	5,400	5,053	4,756	
Family Care Dis-enrolled Clients	1,553	1,482	1,329	1,368	1,239	1,227	1,092	1,005	
<u>Economic Support Division:</u>									
Interim Disability Assistance Program	1,083	1,165	1,237	1,187	1,417	1,495	930	950	
Home Energy Assistance - Total households applied	62,191	61,363	64,103	63,843	54,374	48,635	48,947	50,608	
Crisis Assistance - Total households applied	21,440	20,836	17,482	22,137	19,564	13,550	29,568	21,176	
<u>Delinquency and Court Services Division:</u>									
Detention Center:									
Staffed Capacity of Juvenile Detention	109	109	109	109	109	109	109	109	
Average Daily Population	96	89	88	87	95	106	100	105	
Detention Admissions (Annual)	2,518	2,855	2,773	2,753	2,912	3,143	3,356	3,507	
Health Assessments/MH Screens in Detention	4,849	4,397	4,040	4,024	4,576	4,810	started 2008		
Court Intake and Probation Supervision:									
Annual Delinquency/JIPS Referrals	2,175	2,485	2,514	2,470	2,741	3,425	3,771	3,917	
Average Monthly Intake/Probation/Diversion Cases	1,428	1,581	1,678	1,823	2,265	3,059	3,114	2,992	
POSIT/Drug/Alcohol Screens	-	2,573	2,530	2,680	2,634	1,819	2,053	1,724	
AODA Assessments	199	209	229	304	363	374	419	474	
Victim Notifications	2,042	2,224	2,380	2,245	2,714	3,318	2,880	3,349	
Diversion Restitution Payments Processed	19	29	24	36	23	12	30	39	
Administrative Review Panels	12	70	88	189	206	254	247	241	
Warrants Issued	751	839	686	681	721	776	791	819	
Probation Orientation	183	618	610	548	650	741	494	started 2007	
Avg Monthly Youth - Delinquency and Courts Svcs	1,482	1,581	1,678	1,823	2,265	3,059	3,114	2,992	

Although ten years of statistical data is preferred, many of these statistics were not tracked prior to 2006.

COUNTY OF MILWAUKEE, WISCONSIN

**Operating Indicators by Function
For the Last Eight Years Ended December 31**

	2013	2012	2011	2010	2009	2008	2007	2006
Juveniles Served by Dept of Corrections:								
Juvenile Commitments (Annual)	130	150	166	153	206	213	253	202
Average Daily Youth under Dept of Corrections	140	160	151	186	235	272	265	started 2007
Juveniles Served In Community Programs:								
Temporary Shelter Care	784	862	780	749	780	888	982	1,110
Level II Monitoring	868	910	820	775	878	1,006	997	963
First Time Juvenile Offenders Program	187	243	251	276	376	394	395	539
Probation Network Services	533	365	357	387	485	516	519	517
Sex Offender Program	45	42	41	47	73	83	79	81
Day Treatment Program	138	187	174	169	168	159	192	231
Foster Care	1	2	3	3	2	3	7	8
Group Home Care	77	69	73	96	106	94	90	79
RADS	-	-	1	15	15	started 2009		
Wraparound	630	627	682	719	706	705	670	581
Serious Chronic Offender Program	272	140	118	106	102	91	89	60
Firearm Project Program	-	58	91	108	108	105	130	113
Sibling/Graduate Engagement	89	91	101	109	99	73	started 2008	
Focus Program	59	72	71	76	83	80	77	101
ACE - Alternatives to Corrections Through Education	-	-	-	1	1	started 2009		
Milwaukee County Accountability Program	28	13	started 2012					
Reentry Coordination and Services	68	63	55	27	started 2010			
Disabilities Services Division:								
Adults Served by Service Bureau	306	285	348	2,039	2,518	2,511	2,590	2,592
Children Served by Service Bureau	9,692	9,831	10,603	5,223	4,798	4,374	4,213	3,925
Resource Center Services	35,186	33,866	20,839	24,487	15,156	17,456	14,155	13,903
Court Related Services	719	802	813	730	1,550	1,736	1,471	2,198
Housing Division:								
Special Needs - Safe Haven (Persons/Year)	78	81	66	63	64	54	55	66
Special Needs - Shelter Plus Care (Persons/Year)	484	538	558	553	537	520	499	467
HOME/Home Repair - Number of New Loans	33	11	35	43	75	58	68	68
Behavioral Health								
Inpatient Services Branch:								
Acute Adult Inpatient:								
Average Daily Census	59	67	80	84	89	98	99	97
Patients Served	1,009	1,124	1,361	1,696	1,734	1,880	2,002	1,946
Admissions	1,456	1,650	1,846	2,254	2,336	2,528	2,729	2,713
Patient Days	21,363	24,586	29,098	30,805	32,573	35,917	36,069	35,259
Average Length of Stay	15	16	15	15	15	14	13	13

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COUNTY OF MILWAUKEE, WISCONSIN

**Operating Indicators by Function
For the Last Eight Years Ended December 31**

	2013	2012	2011	2010	2009	2008	2007	2006
CAIS Inpatient:								
Average Daily Census	8	6	8	10	9	11	11	11
Patients Served	606	798	950	1,241	1,103	1,171	1,147	1,156
Admissions	829	1,152	1,343	1,601	1,551	1,584	1,557	1,519
Patient Days	2,930	2,311	3,077	3,781	3,440	3,851	4,120	3,881
Average Length of Stay	4	2	2	2	2	3	3	3
<u>Nursing Home Services - Rehabilitation Centers:</u>								
Average Daily Census	111	130	131	132	131	139	133	135
Patients Served	110	157	165	150	153	163	164	158
Admissions	3	23	31	16	16	30	32	18
Patient Days	40,350	47,489	47,719	48,098	47,894	48,587	48,545	48,977
<u>Community Services:</u>								
Community Support Program:								
Patients Served	1,353	333	356	361	372	391	415	436
Admissions	133	14	35	29	10	22	30	22
Contacts (Visits)	345,159	46,957	47,453	46,657	48,515	49,810	49,203	49,728
Targeted Case Management:								
Patients Served	1,439	159	219	276	293	295	333	354
Admissions	364	-	11	42	61	52	54	64
Contacts (Visits)	165,105	623	8,299	8,965	9,429	9,477	11,612	12,982
Adult Day Treatment:								
Average Daily Census	11	17	14	13	25	18	19	17
Patients Served	63	64	62	67	80	100	119	139
Admissions	42	44	46	46	64	80	97	109
Appointments (hrs)	-	14,576	13,008	12,031	16,061	17,133	18,321	14,278
Visits	10,328	4,497	3,582	3,479	4,468	4,623	4,972	4,379
<u>Crisis Services:</u>								
Psychiatric Crisis Services - Admissions								
Patients Served	6,310	2,406	1,652	1,680	1,785	1,973	2,164	2,258
Admissions	1,412	2,325	1,426	1,479	1,530	1,842	1,924	2,208
Appointments	6,310	6,674	5,573	5,233	5,681	6,498	7,023	6,710
Crisis Response and Respite:								
Patients Served	1,716	1,403	1,371	1,287	1,158	1,211	1,371	1,257
Admissions	382	1,716	1,570	1,472	1,274	1,370	1,510	1,387
Appointments	2,211	1,517	1,405	1,473	1,392	1,405	1,645	1,628

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COUNTY OF MILWAUKEE, WISCONSIN

**Operating Indicators by Function
For the Last Eight Years Ended December 31**

	2013	2012	2011	2010	2009	2008	2007	2006
<u>Alcohol and Other Drug Abuse Services:</u>								
Methadone Detox	232	143	148	74	183	199	199	196
Inpatient Care (Detox)	1,918	3,162	2,813	3,360	3,542	3,477	3,517	3,599
Intake Assessments	3,973	6,334	4,860	5,153	4,727	4,235	5,712	8,120
Outpatient	2,574	3,734	3,331	3,171	3,112	2,717	3,268	4,854
Day Treatment	458	557	688	683	903	729	785	1,499
Day Treatment - Residential	490	656	711	708	727	774	701	1,191
Community Living Support Services	-	6,604	6,069	6,341	5,709	4,407	2,478	5,473
Recovery House Plus op/DT	162	360	321	334	197	144	32	7
<u>Wraparound Milwaukee:</u>								
Average Census	1,212	1,059	945	942	905	841	679	680
Patients Served	2,627	3,246	3,400	3,521	3,492	2,904	3,240	2,449
Admissions	993	1,171	874	898	829	874	692	586
Patient Contacts	4,270	3,506	4,165	7,432	4,376	4,616	3,400	4,493
Hospital Diversions	754	961	1,404	1,511	1,236	1,244	800	1,005
<u>PARKS, RECREATION, AND CULTURE</u>								
<u>Zoo:</u>								
Zoo Attendance - Adults	372,548	387,308	367,234	379,418	383,982	434,754	419,486	423,417
Zoo Attendance - Junior	173,960	159,736	168,637	185,729	186,930	206,743	209,847	217,978
Zoo Attendance - Free	686,391	785,351	697,348	701,168	720,330	672,786	668,508	662,688
Zoo Attendance - Total	1,232,899	1,332,395	1,233,219	1,266,315	1,291,242	1,314,283	1,297,841	1,304,083
<u>Parks:</u>								
<u>Facilities Rentals:</u>								
Picnic with/without Shelters	3,202	3,178	3,029	2,960	3,089	2,910	3,551	3,892
Buildings	2,204	1,872	1,744	2,085	1,998	2,033	2,264	2,769
Lodges	90	83	53	45	27	102	115	178
Pools Rentals	56	40	39	49	41	61	65	76
Marina Slip Rentals	638	635	664	659	644	677	683	679
Special Event Permits	571	360	339	272	267	259	243	273
Rounds of Golf	278,353	314,715	288,953	315,455	302,262	302,067	333,142	347,067
Pool Attendance	261,371	352,134	321,749	348,547	251,447	204,199	265,770	283,475
<u>BUSINESS - TYPE ACTIVITIES</u>								
<u>Transit/Para Transit:</u>								
Buses Assigned	396	415	416	415	483	483	483	483
Buses Operated	333	333	341	333	394	392	431	431
Bus Miles Traveled	17,244,868	17,369,735	17,107,116	17,369,735	17,958,867	18,098,521	18,494,513	18,934,841
Bus Hours Driven	1,328,033	1,331,216	1,298,644	1,331,216	1,346,998	1,345,685	1,376,762	1,419,603
Revenue Passengers	36,451,283	37,372,333	38,075,651	37,372,333	39,405,363	43,165,472	42,531,691	46,627,247
Transit Plus Ridership	544,357	572,146	876,494	572,146	1,170,456	1,121,848	1,091,823	1,032,970

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COUNTY OF MILWAUKEE, WISCONSIN

**Operating Indicators by Function
For the Last Eight Years Ended December 31**

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>Airport:</u>								
Passengers Served	6,521,027	7,515,070	9,522,456	9,848,377	7,946,562	7,956,968	7,713,144	7,299,294
Carriers - Commercial	8	8	9	10	12	12	12	12
Runways	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
Daily Departures/Arrivals	282	270	431	525	420	380	410	440
Aircraft Operations	119,549	133,366	173,017	191,553	169,693	183,278	244,836	255,515
Revenue Landing Weight (in 1,000 lbs)	4,522,926	5,024,172	6,237,622	6,550,879	5,552,988	5,871,753	5,728,235	5,701,137
Air Freight (in 1,000 lbs)	148,876	156,582	165,583	171,123	147,390	183,478	187,352	194,110

Although ten years of statistical data is preferred, many of these statistics were not tracked prior to 2006.

COUNTY OF MILWAUKEE, WISCONSIN

**Capital Asset Statistics by Function
For the Last Eight Years Ended December 31**

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<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
<u>Information Management Services:</u>								
Vehicles - Cars, Vans, SUVs, Pickup Trucks	2	2	3	3	3	3	3	1
<u>General (1):</u>								
Buildings	4	4	4	4	4	4	4	4
<u>Facilities Management (2):</u>								
Buildings	6	6	-	-	-	-	-	-
Electrical Substation	2	2	-	-	-	-	-	-
Loaders and Attachments	2	3	-	-	-	-	-	-
Mowers and Attachments	9	7	-	-	-	-	-	-
Pump House	1	1	-	-	-	-	-	-
Snow Plows and Attachments	11	12	-	-	-	-	-	-
Spreaders and Attachments	5	5	-	-	-	-	-	-
Sweepers, Cleaners and Attachments	3	3	-	-	-	-	-	-
Tractors	1	2	-	-	-	-	-	-
Trucks - over 13,000 lb. gross vehicle weight	2	2	-	-	-	-	-	-
Vehicles - Cars, Vans, SUVs, Pickup Trucks	34	34	-	-	-	-	-	-
Water Towers and Reservoirs	5	5	-	-	-	-	-	-
<u>PUBLIC SAFETY</u>								
<u>Medical Examiner:</u>								
Vehicles - Cars, Vans, SUVs, Pickup Trucks	3	3	3	5	5	5	5	5
<u>District Attorney:</u>								
Vehicles - Cars, Vans, SUVs, Pickup Trucks	12	11	16	19	19	19	18	18
<u>Sheriff:</u>								
Ambulance	2	2	2	1	1	1	1	1
Bomb Trucks	1	1	1	1	1	1	1	1
Generator	1	1	1	1	1	1	1	1
Squad Cars	86	84	93	80	71	69	62	60
Vehicles - Cars, Vans, SUVs, Pickup Trucks	91	99	99	98	99	103	103	101
<u>House of Correction:</u>								
Barn --- (note silos below) (6)	-	1	1	1	1	1	1	1
Buildings	11	12	12	12	12	12	13	13
Chicken Coop (6)	-	1	1	1	1	1	1	1
Creamery (6)	-	1	1	1	1	1	1	1
Fuel Storage Tanks	2	2	2	2	2	2	2	2
Garages	1	2	2	2	2	2	2	2
Greenhouses	-	1	1	1	1	1	1	1
Kennels (6)	-	1	1	1	1	1	1	1
Loaders and Attachments	2	2	2	2	2	2	2	2
Pump Houses	2	2	2	2	2	2	2	2
Silos --- (attached to Barn listed above) (6)	-	4	4	4	4	4	4	4
Toll Booths and Sheriff Check-In	2	2	2	2	2	2	2	2

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COUNTY OF MILWAUKEE, WISCONSIN

**Capital Asset Statistics by Function
For the Last Eight Years Ended December 31**

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>House of Correction (cont.):</u>								
Miscellaneous Equipment	3	3	3	3	3	3	3	3
Mowers and Attachments	3	3	3	3	3	3	3	3
Spreaders	1	1	1	1	1	1	1	1
Tractors	6	6	6	6	6	6	6	6
Trailers	1	1	1	1	1	1	1	1
Vehicles - Cars, Vans, SUVs, Pickup Trucks	36	35	40	40	43	44	44	44
Warehouses, Storage Buildings and Sheds	4	12	12	12	12	12	12	12
Water Towers	1	1	1	1	1	1	1	1
<u>PUBLIC WORKS AND HIGHWAYS (2):</u>								
Aerial Lifts and Buckets	8	7	9	6	6	6	6	6
Air Compressors	11	11	11	11	11	11	11	11
Asphalting Equipment	13	13	16	16	15	16	16	16
Buildings	1	1	9	9	9	9	9	9
Cranes and Attachments	6	6	5	5	5	5	5	5
Fork Lifts and Attachments	9	9	8	8	8	9	9	9
Garages	7	7	7	7	7	7	7	7
Liquid Calcium Applicators	41	49	54	63	64	49	43	39
Loaders and Attachments	12	11	17	20	24	24	21	21
Mowers and Attachments	27	27	40	39	41	39	39	39
Other Miscellaneous Road Working Equipment	41	17	16	16	16	13	13	13
Snow Plows and Attachments	175	187	186	213	193	204	187	176
Spreaders and Attachments	76	91	99	133	113	115	109	105
Sweepers, Cleaners and Attachments	15	16	21	20	21	23	23	23
Tractors	13	12	18	17	18	21	21	21
Trailers	10	-	-	-	-	-	-	-
Trucks - over 13,000 lb. gross vehicle weight	93	100	119	133	125	102	96	92
Vehicles - Cars, Vans, SUVs, Pickup Trucks	35	29	72	140	86	81	71	68
Water Pumps and Tanks	7	8	8	8	8	9	9	9
Warehouses, Storage Buildings and Sheds	14	14	14	14	14	14	14	14
<u>HEALTH & HUMAN SERVICES:</u>								
Buildings (4)	13	13	8	8	8	7	7	2
Recreational Centers	2	2	2	2	2	2	2	2
Senior Centers	6	6	6	6	6	6	6	6
Sheds	3	3	3	3	3	3	3	2
Vehicles - Cars, Vans, SUVs, Pickup Trucks	22	24	29	33	34	34	34	24
Wading Pools	1	1	1	1	1	1	1	1
Wheelchair Accessible Vans	-	-	1	1	1	1	1	1
<u>PARKS, RECREATION AND CULTURE</u>								
<u>Parks:</u>								
Air Compressors	1	-	-	-	-	-	-	-
Asphalting Equipment	3	-	-	-	-	-	-	-
Band Shells and Amphitheater	3	3	3	3	3	3	3	3
Barns (6)	1	-	-	-	-	-	-	-
Barns and Silos (6)	6	5	5	5	5	5	5	5
Bathhouses	15	15	15	15	15	16	14	14
Bathhouse / Pavilions	29	27	27	27	27	27	27	27
Boat Launches	1	1	3	3	3	3	3	3
Boathouses	3	3	4	3	3	3	3	3
Booths	14	14	14	14	14	14	14	14
Buildings	133	132	131	131	128	128	128	128
Chicken Coops (6)	1	-	-	-	-	-	-	-

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COUNTY OF MILWAUKEE, WISCONSIN

**Capital Asset Statistics by Function
For the Last Eight Years Ended December 31**

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>Parks (cont.):</u>								
Comfort Stations	28	27	27	27	27	27	27	27
Community Centers	2	3	3	3	3	3	2	2
Concession Stands	7	4	4	4	4	4	5	5
Creamery (6)	1	-	-	-	-	-	-	-
Dam and Dam Dugout	2	2	2	2	2	2	2	2
Gazebos	4	3	3	3	3	2	2	2
Golf Clubhouses	13	14	15	15	15	15	15	15
Golf Courses	15	15	15	15	15	15	15	15
Golf Dome	1	1	1	1	1	1	1	1
Greenhouse	1	1	-	-	-	-	-	-
Harvesters	8	8	7	7	7	7	7	7
Hoppers	5	5	5	5	5	5	5	5
Houses and Lodges	11	11	11	11	11	11	13	13
Indoor Baseball Facilities	1	1	1	1	1	1	1	1
Kennels (6)	1	-	-	-	-	-	-	-
Lighthouse	1	1	1	1	1	1	1	1
Loaders and Attachments	20	21	24	25	27	27	27	27
Miscellaneous Equipment	38	41	51	54	54	56	55	52
Mowers and Attachments (7)	134	107	72	78	58	61	27	25
Nature Preserves and Gardens	4	4	4	4	4	4	4	4
Parking Structures & Garages	8	8	8	8	8	8	8	8
Parks and Parkways (3)	157	156	147	147	147	147	147	147
Pavilions	32	30	30	30	30	30	30	30
Pools	14	15	15	15	15	18	18	18
Pump Houses	12	11	11	11	11	9	9	9
Recreation Buildings	4	4	4	4	4	4	4	4
Scooters	14	14	17	17	20	20	20	19
Shelters	34	32	32	32	32	32	35	35
Ski Chalets	1	1	1	1	1	1	1	1
Snow Plows, Equipment and Attachments	131	130	129	113	109	118	118	118
Spreaders and Attachments	65	67	67	58	50	50	50	50
Storage Containers	5	5	5	5	5	5	5	5
Storage Sheds	103	106	107	107	107	107	101	101
Sweepers	6	6	6	6	6	7	7	7
Tractors	3	4	18	16	18	16	14	13
Trailers	10	10	8	8	8	8	8	8
Trucks - over 13,000 lb. gross vehicle weight	28	29	29	24	28	32	31	31
Vehicles - Cars, Vans, SUVs, Pickup Trucks	136	136	138	147	142	149	150	150
Wading Pools	36	36	36	36	36	38	36	36
Walkway Bridge	1	1	1	1	1	1	1	1
Warehouses (6)	1	-	-	-	-	-	-	-
Water Playgrounds & Splash Pads	5	5	5	5	5	5	5	5
Weed Sprayers and Attachments	24	24	24	24	24	23	23	23
<u>Zoo:</u>								
Animal Dens	4	4	4	4	4	4	4	4
Animal Exhibits	6	6	6	6	6	6	5	5
Animal Islands	1	1	1	1	1	1	1	1
Animal Overlooks	2	2	2	2	2	2	2	2
Animal Petting Rings	1	1	1	1	1	1	1	1
Aviaries and Pheasantries	5	5	5	5	5	5	5	5
Barns	12	12	12	12	12	12	10	10
Boat Landings	1	1	1	1	1	1	1	1
Booths	16	16	16	16	16	16	16	16

Although ten years of statistical data is preferred, many of these statistics were tracked starting in 2006.

COUNTY OF MILWAUKEE, WISCONSIN

**Capital Asset Statistics by Function
For the Last Eight Years Ended December 31**

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>Zoo (cont.):</u>								
Buildings	36	36	36	36	36	36	32	32
Carousels	1	1	1	1	1	1	1	1
Catch Basin Cleaner	1	1	1	1	1	1	1	1
Chick Hatchery	1	1	1	1	1	1	1	1
Clubhouses	1	1	1	1	1	1	1	1
Comfort / Concession Stations	8	8	8	8	8	8	8	8
Electrical Substation	1	1	1	1	1	1	1	1
Entrance Kiosks	3	3	3	3	3	3	3	3
Farm Entry Structures	1	1	1	1	1	1	1	1
Garages	1	1	1	1	1	1	1	1
Gazebos	3	3	3	3	3	3	3	3
Loaders and Attachments	2	2	4	3	3	3	3	3
Observation Decks	2	2	2	2	2	2	1	1
Parking Lot	1	1	1	1	1	1	1	1
Photovoltaic Solar Systems	2	2	2	2	2	2	2	2
Pools	1	1	1	1	1	1	2	2
Pump Houses	2	2	2	2	2	2	1	1
Roadway Sweeper	1	1	1	1	1	1	1	1
Sheds	7	7	7	7	7	7	8	8
Shelters	4	4	4	4	4	4	4	4
Snow Plows	7	7	8	8	6	5	5	4
Spreaders and Attachments	3	3	3	3	3	4	4	3
Stages	2	2	2	2	2	2	2	2
Standalone Bleachers	2	2	2	2	2	2	2	2
Storage Containers	7	7	7	7	7	7	7	7
Theaters with Bleachers	2	2	2	2	2	2	2	2
Train Depot and Crossing Shacks	4	4	4	4	4	4	4	4
Train Locomotive Engines	4	4	4	4	4	4	4	4
Trucks - over 13,000 lb. gross vehicle weight	2	2	2	2	3	3	3	3
Vehicles - Cars, Vans, SUVs, Pickup Trucks	21	22	18	22	28	29	29	26
Wishing Well	1	1	1	1	1	1	1	1
<u>BUSINESS - TYPE ACTIVITIES</u>								
<u>Transit / Para Transit:</u>								
Buildings	16	16	16	16	16	16	16	16
Bus Waiting Stations	3	3	3	3	4	4	4	4
Sheds	1	1	1	1	1	1	1	1
Shelters	-	2	2	2	2	2	2	2
<u>Airport:</u>								
Air Traffic Control Towers	2	2	2	2	2	2	2	2
Buildings - (5)	72	73	73	46	46	45	46	46
Bus / Lot Shelters	8	8	8	8	8	8	6	8
Cargo Carriers	3	3	3	3	3	3	2	2
Combo Units	12	12	12	12	12	2	-	-
Crash and Rescue Facility	1	1	1	1	1	1	1	1
Entrance / Exit Helix	2	2	2	2	2	2	2	2
Fire Trucks	5	5	5	5	5	6	4	4
Hangars	12	16	16	25	25	25	25	25
Hydrant Fuel System	1	1	1	1	1	1	1	1
Kennels	1	1	1	2	2	2	2	2
Liquid Calcium Applicators	4	4	4	4	4	4	4	4
Loaders and Attachments	21	21	22	22	22	24	20	20
Miscellaneous Equipment	32	33	20	15	11	9	9	8

Although ten years of statistical data is preferred, many of these statistics were tracked starting in 2006.

COUNTY OF MILWAUKEE, WISCONSIN

**Capital Asset Statistics by Function
For the Last Eight Years Ended December 31**

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>Airport (cont.):</u>								
Mowers and Attachments	32	28	26	26	25	24	21	21
Parking Structures	1	1	1	1	1	1	1	1
Pump Houses	4	2	2	2	2	2	2	2
Remote Transmitter	1	1	1	1	1	1	1	1
Runway Brooms, Sweepers and Attachments	14	13	11	10	10	11	11	11
Snow Plows and Attachments	53	51	52	54	50	44	43	37
Spreaders, Deicers, Salters and Attachments	18	18	18	19	19	19	18	18
Surface Friction Tester	1	1	1	1	1	1	1	1
Taxi Stop Boxes	1	1	1	1	1	1	1	1
Teller Boxes	3	3	3	3	3	3	3	3
Terminals and Concourses	5	5	5	5	5	5	5	5
Toll Booths	12	12	12	12	12	12	12	12
Tractors	7	7	7	7	8	9	9	9
Trailers	4	4	2	1	1	1	1	1
Trucks - over 13,000 lb. gross vehicle weight	36	36	32	32	34	32	31	27
Vehicles - Cars, Vans, SUVs, Pickup Trucks	71	69	70	63	50	47	46	37
Warehouses, Storage Buildings and Sheds - (5)	52	52	52	19	19	19	19	19

- (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) Increases 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.

Although ten years of statistical data is preferred, many of these statistics were tracked starting in 2006.